HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—THIRTY-THIRD PARLIAMENT

36 Elizabeth II

VOLUME V, 1987

COMPRISING THE PERIOD FROM THE TWENTY-EIGHTH DAY OF APRIL, 1987
TO THE FIRST DAY OF JUNE, 1987

INDEX ISSUED IN A SEPARATE VOLUME

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

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

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BIBLIOTHÈQUE DU PARLEMENT

HOUSE OF COMMONS

Tuesday, April 28, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

HEALTH AND WELFARE

NATIONAL ORGAN DONOR AWARENESS WEEK

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I should like to take this opportunity to remind Members of the House that this week, the week of April 26 to May 2, is National Organ Donor Awareness Week.

The purpose of having a week so designated is to heighten public and health professional awareness of the benefits of organ and tissue donation and transplantation, to encourage families to discuss and make a decision on organ donation before a tragedy occurs, and to urge health professionals to examine how they may participate in the organ donation process, thus making organs and tissues available to improve and, in many cases, save a life.

There is no question that today organ transplantation is an effective treatment, in many cases, of end-stage organ disease. A kidney transplant can free a patient with kidney failure from dialysis, a procedure which ties the patient to a machine for up to 40 hours a week, disrupting his or her social, family, and work life.

Heart and liver transplants offer the only hope for survival for those with terminal heart and liver disease. Also, thousands of people have had their sight restored through corneal transplantation.

Bone transplants have spared some from the amputation of limbs, and skin transplants have helped save the lives of victims of severe burns.

The statistics indicate that Canadians support organ donation. Yet, today, one of the most significant factors limiting the number of transplants performed is the supply of donated organs and tissues.

Last year, over 1,000 Canadians were waiting for a kidney transplant. More than 1,000 waited for corneal transplants, and that despite a doubling of the number of corneal transplants done in 1986 over 1985.

Sadly, a number of Canadians in need of a heart or liver transplant died because an organ did not become available in time.

My Department, in co-operation with a number of voluntary and health professional associations, has undertaken a number of activities to address this shortage of donor organs. To mention but a few examples, guidelines for establishing organ and tissue donation services in hospitals, as well as for vital organ transplant programs, have been developed and will be distributed to hospitals soon; we have assisted the Canadian Federation of Medical Students in conducting awareness campaigns on university campuses, and we have produced an inventory of educational resources on organ donation and transplantation, to assist professional and voluntary groups in planning information sessions; and we are participating in the development of a national computerized system to facilitate the distribution of organs, as well the establishment of a transplant database.

I commend the voluntary and health professional associations for the steps they have taken to increase awareness in this area. The Canadian Nurses Association and the Canadian Medical Association have both passed resolutions in support of organ donation and transplantation.

The Canadian Medical Association, with the support of my Department, launched an awareness campaign for physicians earlier this month, and the Canadian Council on Hospital Accreditation has included a statement on organ donation in its accreditation standards.

The Kidney Foundation of Canada, the Liver Foundation, the Canadian National Institute for the Blind and Transplant International (Canada) are continuing their efforts toward encouraging Canadians to consider organ donation; and, of course, the provincial organ and eye donor programs are carrying on with their efforts to increase and co-ordinate organ and tissue donations. Many of these organizations are staffed by volunteers, and I commend those volunteers today.

To commemorate Organ Donor Awareness Week, my Department is distributing a cheque insert, with a detachable donor card, to Members of Parliament and employees of the federal Government, the House of Commons, and some 18 corporations, numbering approximately 304,000.

We hope that the radio and television stations will air the public service announcements on organ donation that we have distributed.

I am pleased that several of the federal employee union newsletters, popular magazines and health professional

journals are featuring articles on organ and tissue donation in their April issues. Also, a number of provincial Ministers of Health have organized activities in support of Organ Donor Awareness Week.

It is my hope that all of these efforts will help to increase organ donation. But, there is something that each of you in the House can do to help—and may I take this opportunity to thank those Members of the House who have already taken personal action in this regard—and that is to consider organ donation and to sign a donor card or the consent portion of your driver's licence to that end. Also, I encourage you to discuss your decision with your family and friends, and ask them to follow your example. And take the message further, to your constituents and professional colleagues. By doing so, you will personally be encouraging others to give the most generous gift of all, the gift of life.

To use the slogan for the Week, "Make Something Good Happen—Be an Organ Donor."

• (1110)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, of course it gives our Party great pleasure in joining with the Minister in saluting Organ Donor Week.

It is clear from the most recent Gallup Poll which came out on March 16 that more Canadians than ever are willing to donate their organs. The problem is that they do not know exactly how to go about doing it.

Those who say that they are willing to donate their organs include 26 per cent of the population who have already signed donor cards, compared with 21 per cent in 1983 and just 12 per cent in 1978. Over the last decade we have seen a dramatic increase in the number of people who have donated organs. However, 26 per cent is just too little.

We would suggest to the Minister, as well as the very positive initiatives he has taken in trying to sensitize the Public Service and the professional community, that it might be a good idea in next month's family allowance cheque to send that message out to families across Canada.

Mr. Lewis: Did you just discover family allowance?

Ms. Copps: No, I have not got mine yet.

Mr. Epp (Provencher): It is in the mail.

Ms. Copps: We see heart-rending cases highlighted from time to time on television, for example, when young children are seeking liver transplants. Canadians want to reach out and touch someone. They want to save a life, but in many cases they do not know how to do it.

For example, the Director of the National Capital Organ Retrieval and Exchange Organization said that one of the main problems with obtaining organ donations is that many doctors and hospitals do not have a specific policy on organ donation. Naturally, when a family is in crisis—it may be facing a death or a decision to take one of their loved ones off a respirator—possibly the last thing it wants to be faced with at that critical moment is a question about organ donor transplants.

If we want to get more people donating, we should reach out and get their approval at a time when they are in a better position to make those kinds of decisions rather than when they are in crisis.

[*Translation*]

I was also pleased to hear the Minister mention volunteerism in his speech, although I may point out that in the Estimates just tabled in Parliament, funding for national volunteer agencies has not increased at all over last year. It is all very well to talk about the contribution being made by volunteers, but I think it is also important to follow through with some kind of financial support.

[*English*]

In closing, of course we are giving our full support. We would suggest that the Minister get the message out, not only to professionals but also to many thousands of other Canadians. He suggested that in our own way, through our newsletters and our contacts, we should also encourage our fellow Canadians to sign their licences, which provide them with this opportunity, or to sign donor forms. We should encourage those provinces which may not already have donation options on their drivers licences to do so.

There is much to be done, but I think there is goodwill on the part of Parliament and on the part of all Canadians. It is in that regard that we hope this week indeed spurs many more thousands of Canadians to give the gift of life through a donor transplant.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, there could be no contest in the statements being made now of the commitment of all Parties in Parliament to making this week an important one in communicating awareness of organ transplants. It is important to many who are in need of such transplants. However, there can be no more compelling inducement to support what has been said on behalf of the Government and on the part of the Official Opposition than to have, as I have, a very dear friend who lies waiting in a hospital bed, hoping along with his family and his many friends that he will have a heart in time to survive. It is clear that the longer he waits the chances of his survival diminish, and of course the length of his wait is a reflection of the availability of hearts for transplantation.

Without elaborating in support of the statement made by the Minister, or the details by which we could enhance the awareness of organ transplants, I say that those of us who have not given it thought heretofore should consider the situation faced by me in this particular instance and by others as they await the end because there are no organs available. Then they would understand the importance to so many that everything

possible be done to enhance the availability or organs for transplantation.

* * *

[*Translation*]

LABOUR

OCCUPATIONAL HEALTH AND SAFETY

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I rise today to speak of a Canadian tragedy, a tragedy which is daily affecting thousands of workers injured, killed or made ill in the workplace.

In Canada every year one out of every nine workers, in all industries and occupations, suffers a work-related injury. During 1985, the latest year for which full statistics are available, 768 of our fellow Canadians were killed on the job, and 16.2 million work days were lost due to injury. The cost of this loss, in direct and indirect terms, is estimated at some $14 billion, a tremendous human and financial price for our nation to bear.

[*English*]

However, today is not a day for statistics. It is a day for people to recognize the pain, hardship, and loss suffered by our fellow Canadians because of workplace illnesses and injuries. Today is a day to remember the loss of life and the human price which has been paid in building this great country.

This day was conceived by the Canadian Labour Congress as a day of mourning to draw greater attention to the serious and continuing problem of workplace health and safety. In this we applaud the CLC and its leadership.

On this day I think it is important that we all renew our commitment to addressing this Canadian tragedy as a national priority. We must commit ourselves to raising the awareness of Canadians to this serious problem, for this is not just a responsibility of Government. It is a responsibility we all share—labour, business, industry, the provinces; indeed, all Canadians.

[*Translation*]

It is true that progress has been made in the field of occupational safety and health over the past number of years. And we have come a long way since the first Workmen's Compensation Act was passed in Ontario 73 years ago today. We still have a long way to go, however. Much remains to be done by us all if we are to meet our goal: ensuring a safe and healthy workplace for all Canadians.

I want to stress the Government's commitment on this matter and my firm determination to improve the situation. Indeed a number of initiatives attest to this commitment.

We have amended the Canada Labour Code in order to improve its provisions with regard to occupational safety and health. We have strengthened three fundamental rights set forth in the Code: The right to refuse dangerous work, the right to know, and the right to participate in safety and health committees.

We have extended the safety and health provisions of the Code to the air, marine, and rail industries and to the oil and gas industry. We have developed the new workplace hazardous materials information system. These are a few of the things we have done in hopes of protecting Canadian workers. Let me add that all these actions have been undertaken in close co-operation with representatives of all the parties involved. We strongly believe that this is the only approach than can be successful.

I wish to thank you, Mr. Speaker, for giving me the opportunity to bring this important matter to the attention of Members of this House.

• (1120)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to comment on the Minister's statement. We of the Liberal Party certainly wish to join the government in helping Canadians appreciate the sacrifices being made every day by Canada's workers.

[*English*]

The Minister deplored the situation that workers face in the area of occupational health and safety. In his statement he suggested there is $14 billion in human and financial terms lost as a result of work accidents. We cannot let it escape public attention that this same Minister and Government cut the budget of the Canadian Centre for Occupational Health and Safety by 10 per cent over the last year. In fact, there has been a reduction in staff in the centre that was created by the very people he suggests are going to solve the problem. It was a tripartite centre. It was a dream launched in Hamilton which included input by Government, management and workers, both union and non-union, who would have an opportunity to get information to prevent occupational hazards on the job.

As a result of this Government's cut-backs, a 10 per cent cut-back which occurred this year alone, the number of small companies, the number of small unions and workers who can be served from coast to coast is being affected. The Minister will know that in the Estimates for the Canadian Centre for Occupational Health and Safety it is said that it was not able to deal with the same number of inquiries, that the Centre was affected by the Government's budgetary restraint and the cut-back is pointed out.

If the Minister has had a chance to visit the Centre, as I have, he will know that it gets information directly to the people who need it. In the last fiscal year the Centre dealt with 20,000 inquiries from coast to coast. They were not all from big companies that have access to their own information concerning occupational health and safety. A worker in a small plant wanted to know what a chemical reaction would be if the chemical came in contact with the skin and what a particular hazard on the workplace meant.

It is fine to change the Canada Labour Code and give workers the right to refuse unsafe work, which is a notion we support, but at the same time if workers do not have access to information about unsafe chemicals, if they do not have access to information about hazards on the job, then they are not in a position to make a valued judgment about their own right to refuse work.

Of course we would stand and join with the Government in mourning the loss of thousands of lives. We saw recently in Sudbury a very tragic mine accident. More recently in the Province of Quebec a near tragic mine accident, certainly tragic for one family. In my own community of Hamilton, Mr. Speaker, in the steel mills, a month or a couple of months do not go by when we do not hear of some tragedy which results in a near fatal or in some cases a fatal situation. It is something that we all want to work toward eliminating, but in order to do that we must have information.

I think the responsibility lies with the Government to support and enhance the facilities and resources of the Canada Centre for Occupational Health and Safety, not to cut them or reduce them in a way which really makes a mockery of the words that "we are all working together". We are all working together, but the one centre that was launched in order to get information out to workers to prevent the billions of dollars of occupational losses to which the Minister referred has been cut back. He will note in the Estimates that the cost per inquiry in 1986-87 is predicted to be $71 per inquiry. That seems a very small price to pay to eliminate some of the billions of dollars that we lose in terms of productivity, not to mention the human costs in lives and injury.

I would encourage the Minister as a real tribute to this day of mourning, which was evoked by the Canadian Labour Congress, as a result of the Supplementary Estimates, to go back and to find the extra money not only to restore the Canada Centre for Occupational Health and Safety to its previous budget but also to enhance it. If he is really serious about trying to prevent or to cut down on these occupational accidents which cost workers' lives, money and productivity, then I would ask the Minister to go back to the Estimates, to rethink this very serious cut and to reconsider what has been a dream of tripartite participation among Government, management and labour to help make the workplace a safer place for every worker. I think then the very flowery, erudite and eloquent statements he makes today would have some meaning.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, at the start let me congratulate the Minister and thank him for having sent a copy of the statement to me well in advance. I received it last evening. I have been able to study it and am able to respond appropriately. I commend him for that practice and I trust it will infect his colleagues in the Cabinet, those who intend to make statements in the future.

We in the New Democratic Party caucus applaud the action of the Canadian Labour Congress in establishing April 28 as a commemorative day, in a formal sense to remember those brothers and sisters who were killed, injured or disabled on the job over the last year.

I think it is fair to say, Mr. Speaker, that we are today far more conscious of safety and health in the workplace than we ever were before. Yet in 1985, 768 Canadians were killed on the job and thousands have been injured or disabled. I am constantly exposed to the rhetoric from the Government in this House with respect to the great contribution that capital has made in developing Canada. We constantly bow down and worship at the altar of Bay Street about investments and money. To listen to what is sometimes emanating from the other side, we hear that that is God, that that is what has created a vibrant Canadian economy. In fact, too often we forget that labour has contributed more in building this great country of ours, oftentimes at the cost of lives and health.

Today we pause to remember them. In remembering, we recommit ourselves to being ever conscious of a safe and healthy work environment.

The Minister says that Part IV of the Canada Labour Code is important. He talked about the great things he has implemented, but since this Government came into office in 1984 there have been no amendments to Part IV of the Canada Labour Code. No Bill has been put before this Parliament in the name of the Minister of Labour (Mr. Cadieux) with respect to strengthening and improving the occupational health and safety sections of the Canada Labour Code.

As a matter of fact, in the federal Public Service and Crown corporations, for example, there were 13 fatalities in 1986-87 and 25,371 injuries, of which 16,536 were disabling. The federal Government has a long way to go indeed in cleaning up its act in the workplace. It seems to me that the Government has a responsibility to show leadership when it comes to the question of occupational health and safety.

One of the most dangerous occupations in this country, even more so than mining is fishing. We know that the Minister has had in his possession since January the Gray report, which is an interim report on health and safety in the fishing industry on the West Coast. We are still waiting for the studies to be undertaken on the East Coast with respect to the fisheries there. The Government would be well advised to move with a bit more alacrity. Rather than the speed of a snail, we would expect the speed of Superman when dealing with what obviously has been recognized as a serious problem, according to the Minister's statement today.

• (1130)

In closing, it is our sincerest hope that on April 28, 1988, we can stand in this place and say at this hour that the workplaces of Canada are safer and healthier than they were in 1987.

[*Translation*]

COMMITTEES OF THE HOUSE

PRESENTATION OF REVISED REPORT OF LEGISLATIVE COMMITTEE

Mr. Marcel Danis (Verchères): Mr. Speaker, as Chairman of the Legislative Committee on Bill C-15, an Act to amend the Criminal Code and the Canada Evidence Act, it is my duty to table a revised report.

[*English*]

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT—THIRD REPORT OF STANDING COMMITTEE

Mr. Allan Pietz (Welland): Mr. Speaker, on behalf of the Chairman, I have the honour to present the Third Report of the Standing Committee on Aboriginal Affairs and Northern Development in both official languages.

On March 24, 1987, your committee met *in camera* to consider a draft report with the intention of adopting and tabling it before the First Ministers' Conference on Aboriginal Rights which was scheduled for March 26 and 27 of 1987. During the course of the meeting, certain members voiced the opinion that the committee might in some way jeopardize certain negotiations at the conference by tabling a report at this time.

After the ensuing debate on the matter, a member proposed a motion which had the effect of negating the possibility of tabling the report before the conference. The motion was adopted on a recorded vote.

On March 25, 1987, the Hon. Member for Kenora—Rainy River (Mr. Parry) rose in the House under Standing Order 21 to protest the actions of the members who voted to reject the draft report and in the process named the members who so voted. See *Hansard* of March 27, 1987, page 4540.

This action was brought to our attention on April 1, 1987 by a member who felt that his privilege was breached in some way and that the entire *in camera* process was in jeopardy because of the decision of the Hon. Member for Kenora—Rainy River to divulge certain events that transpired behind closed doors. A motion was adopted to report these actions to the House.

Your committee feels that it is its duty to place these matters before you at this time since privilege may be involved and to give the House an opportunity to reflect on these matters.

A copy of the relevant *Minutes of Proceedings and Evidence*, Issues Nos. 24 and 25, which includes this report, is tabled and respectfully submitted by me on behalf of the Chairman, the Hon. Member for Calgary Centre (Mr. Andre).

Mr. Speaker: Perhaps I could point out to other Hon. Members who are rising on this matter that when they report, they should give just a very short summary.

[*Translation*]

OFFICIAL LANGUAGES—SECOND REPORT OF STANDING JOINT COMMITTEE

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, as Joint Chairman of the Standing Joint Committee of the Senate and the House of Commons on Official Languages—

[*English*]

I have the honour to present in both official languages, of course, the Second Report of the Standing Joint Committee.

[*Translation*]

Mr. Speaker, I would like to add that all Committee members are anxious to start reviewing this country's fundamental legislation on official languages as soon as possible, with a view to enhancing the status and recognition of Canada's official languages.

FISHERIES AND OCEANS—FIRST REPORT OF STANDING COMMITTEE

Mr. Gérald Comeau (South West Nova): Mr. Speaker, I have the honour of tabling, in both official languages, the First Report of the Standing Committee on Fisheries and Oceans.

COMMUNICATIONS AND CULTURE—FIFTH REPORT OF STANDING COMMITTEE

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I have the honour of tabling, in both official languages, the Fifth Report of the Standing Committee on Communications and Culture. The Committee's review and recommendations follow the order of reference dated January 29, 1987. The Committee requests the Government to table a response to this report, pursuant to Standing Order 99(2).

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

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[*English*]

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my privilege to present a petition, pursuant to Standing Order 106, from residents of Pickering, Scarborough, Toronto, Guelph, Mississauga and North Bay in the Province of Ontario, and residents of Vancouver, Burnaby, Coquitlam, Surrey, Westbank and a whole variety of places in the Province of British Columbia.

The petitioners are concerned that the proposals of the Government to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs.

Therefore, they are asking the Government to reconsider its decision to proceed with this legislation.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a petition signed by several dozen residents of Duncan, British Columbia, calling upon the Government to revoke the proposed changes to the Patent Act because, if it goes ahead, it will of course directly affect all Canadians who are not protected by private or government medicare programs.

The petitioners also suggest that the federal Government's proposals will raise the cost of already high provincial health care programs.

I have a similar petition from Waterford, Ontario, that great tomato-growing area, and the petition is also signed by people from Simcoe, Vanessa, Windham Centre, Nanticoke and Port Dover where there are the world's greatest perch.

This particular petition calls on the Government to back off from the patent legislation because the petitioners believe that the monopoly granted to pharmaceutical companies will prevent competition and will result in an increase in drug costs and prices and will severely restrict the ability of average Canadians to buy necessary prescription drugs.

I have a similar petition from several dozen residents of Digby, Nova Scotia, and from residents of Vilna and Redwater in Alberta who have called upon the Government to back off from the patent changes because the petitioners believe that the proposed changes are another example of the Canadian Government's concession in the free trade negotiations with the United States at the expense of every-day Canadians.

These are some of the people who have signed petitions and there will no doubt be more petitions coming in the future.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have five petitions that were examined by the Clerk in accordance with Standing Order 106 and which meet the requirements of the Standing Orders.

The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right to present a grievance common to your petitioners humbly sheweth that the monopoly granted to innovative pharmaceutical companies will prevent competition from cheaper generic drugs and will result in an increase in the price of drugs for Canadian consumers and severely restrict the ability of many Canadians to purchase the drugs they need; that the proposed changes in the Patent Act will directly affect all Canadians who are not protected by Government or private medicare programs; that the Govenrment's proposals will raise the already high cost of provincial health care programs; and that the proposed changes in the Patent Act are another example of the Canadian Government's concessions to the free trade negotiations with the United States, at the expense of the average consumer.

Wherefore, the undersigned your petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present eight petitions signed by hundreds of residents of the City of Winnipeg who say that the proposed Bill C-22 will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They say the federal government proposals will result in higher costs for provincial government drug plans.

• (1140)

Therefore, they humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

I have another petition on the same subject signed by residents of a number of towns in Manitoba, including Inwood, Teulon, Balmoral and Poplarfield. They say the federal Government's proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and severely restrict the ability of average Canadians to buy necessary prescription drugs.

The proposed changes are another example of the Canadian Government's concessions to the U.S. at the expense of average Canadians in the free trade negotiations. They humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have another petition signed by residents of British Columbia.

Whereas the most recent figures indicate almost all fishermen in Canada depend upon unemployment insurance to survive the long winter months, they humbly pray and call upon Parliament to ensure that the Minister of Employment and Immigration (Mr. Bouchard) rejects any recommendation that will deprive fishermen of their right to collect unemployment insurance; and to enter into consultations with representatives of fishermen in Canada in order to improve the program offered to fishermen.

RIGHT TO LIFE OF UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, I have the honour to present petitions on behalf of the New Brunswick Right to Life Association, Miramichi Branch, calling upon Parliament to support Motion M-37 which calls for the protection of unborn babies under the Charter of Rights.

OPPOSITION TO LOCAL MEASURED TELEPHONE CHARGES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present petitions signed by hundreds of residents of my constituency of Burnaby who note that the telephone is essential for communication and that rental costs must always be affordable. They further note that the telephone pricing system known as local measured service, or charging for each local call, means having a telephone will cost much more for most people, and will particularly hit those who rely on their phones, including seniors, the disabled, those confined to their homes, and volunteer organizations. Therefore, they call upon Parliament to direct the CRTC to deny to telephone companies such as B.C. Tel the right to charge for each individual call and order the retention of the monthly rental for telephones.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I also have the honour of presenting a petition, again signed by a large number of residents of Burnaby, as well as of Vernon, Kamloops, Chetwynd and a variety of other towns and municipalities in the Province of British Columbia, who note that the federal Government's proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadians and severely restrict the ability of average Canadians to buy necessary prescription drugs. They point out this is in effect a concession to the U.S. in the free trade negotiations and therefore call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians in Prince George and many other areas.

REQUEST FOR FULL INDEXATION OF FAMILY ALLOWANCES— RESTORATION OF CHILD BENEFITS

Mr. Svend J. Robinson (Burnaby): Finally, I have a large number of petitions again signed by residents of Burnaby, British Columbia, who note that deindexation of universal family allowances and the massive cut-backs in the public commitment to child benefits are an unfair attack on women and families with children, especially single-parent mothers. They note this is particularly unfair in the face of budget hand-outs such as the $500,000 tax-free capital gain exemption, greater RRSP deductions for high income earners, the bail-out of banks, and, of course, they note that this particularly hits farmers who are already struggling.

Therefore, they call upon the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

CESSATION OF LOGGING ON SOUTH MORESBY ISLAND

Mr. Joe Reid (St. Catharines): Mr. Speaker, I have a petition duly certified and signed by some 35 residents of Niagara who, far from the source of their concern, nevertheless express a real concern for the future of the island of South Moresby and the flora and fauna found there. The island is also the ancestral home of the Haida nation. The petitioners humbly pray that this Parliament halt the logging operation on that island.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have nine petitions I wish to table with the Clerk today. To summarize them very briefly, they are signed by residents of Ontario, particularly Mississauga, as well as Nova Scotia, particularly from the constituency of Cape Breton—The Sydneys.

I also have another petition signed by residents of Lindsay, Ontario.

I have another petition signed by residents of Nova Scotia, particularly the constituency of Annapolis in the Middleton and Kingston area of Nova Scotia.

I also have another petition signed by residents of the constituency of Cape Breton—Highlands—Canso, particularly in the St. Peters area of Nova Scotia. the federal Government's proposals will raise the already high cost of drugs to provincial health care programs, and whereas the monopoly granted to integrated pharmaceutical companies will prevent competition from generic companies and result in an increase in drug prices, and severely restrict the ability of average Canadians to buy necessary prescription drugs, as well as being another example of the Canadian Government's concessions in the free trade negotiations with the U.S. at the expense of everyday Canadians, the petitioners call upon the Government of Canada to withdraw the amendments to Bill C-22.

Finally I have petitions signed by individuals from Brantford, Ontario, people from the great Province of Alberta, as well as Quebec, and finally from Dartmouth, Nova Scotia, including the MLA who represents that constituency in the Nova Scotia House of Assembly, the Hon. Jim Smith. They call upon the Government of Canada to withdraw the amendments to Bill C-22 which they believe will negatively affect senior citizens, the elderly, the poor and the sick of this country in a very harmful way.

* * *

ELECTIONS, PRIVILEGES AND PROCEDURES

AUTHORIZATION TO STANDING COMMITTEE TO TRAVEL

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been discussions among the Parties and I think you will find there is consent to put this motion and pass it. Therefore, I move:

> That the Standing Committee on Elections, Privileges and Procedure be authorized to travel to Vancouver, B.C. to hold hearings on May 4, 1987 on the Report of the Electoral Boundaries Commission for the Province of British Columbia, and that the necessary staff accompany the Committee.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, there have indeed been discussions among the Parties and I want to say that we appreciate the initiative taken by the Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis) on this issue. I can say on behalf of all Members in this House of Commons from British Columbia that we appreciate the rather extraordinary gesture at this time.

Some Hon. Members: Hear, hear!

Mr. Speaker: The House has heard the terms of the motion. Is it agreed?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

• (1150)

MOTION TO ADJOURN UNDER S. O. 29

AGRICULTURE—CANADIAN GRAIN CRISIS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, under the provisions of Standing Order 29 I rise to seek leave to move the adjournment of the House for the purpose of considering a question of urgent and pressing necessity, that being the current crisis facing the Canadian grain farmer.

Last week the Canadian Wheat Board announced a reduction of the initial price of grain by 18 per cent. This is added to a 20 per cent reduction from last year and was exacerbated yesterday by the withdrawal of the moratorium on the Farm Credit Corporation. Many farmers now feel they need some assurance that the Government is willing to support them. I believe this is an urgent enough issue to be brought before the House for debate this day.

Mr. Speaker: I have, of course, received notice of the application of the Hon. Member for Prince Albert (Mr. Hovdebo) and I find that it meets the requirements of the Standing Order. Does the Hon. Member have leave to move the adjournment of the House under Standing Order 29 for the purpose of discussing a specific and important matter?

Mr. Lewis: Prior to granting leave, if I may—

Mr. Speaker: The Chair may be in some difficulty here. The Chair has granted leave, the House has not. This is not a debatable matter, but I will hear the Parliamentary Secretary.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Thank you very much, Mr. Speaker. We are naturally prepared to grant leave and I want to indicate that right off the bat. However, I want to make a couple of points.

First, all Members of the House look to decisions of the Chair with regard to deciding what truly constitutes an emergency and to preparing requests for emergency debates in the future. The Government naturally governs itself accordingly.

Second, notice, either to the Minister involved or public notice, is helpful in enabling Ministers to organize their travel plans. As a result of public notice the Minister of Energy, Mines and Resources (Mr. Masse) was here last evening. I will indicate now that it may not be possible for the Minister of Agriculture (Mr. Wise) to be here this evening because he has made travel plans.

Having said that, Mr. Speaker, I respect the decision of the Chair, although I must say that I personally disagree with it in view of the situation. I invite a comparison of my conduct and that of other government Members of Parliament with the conduct of opposition MPs on other occasions with respect to decisions by the Chair—leave granted.

Mr. Gauthier: We don't need sermons.

Mr. Lewis: Maybe you do.

Mr. Gauthier: Not from you.

Mr. Speaker: Under the Standing Orders this is not a debatable matter. Hon. Members will remember that when this Order was changed there was considerable thought put into it, resulting in the Order as it now stands. It is not debatable because the Hon. Members of this place who worked this Order out felt that that was not appropriate. Also the intention was expressed at the time that the Chair not give reasons for why it decided to accept an Order. The reason for that was that it was believed by Hon. Members that a body of jurisprudence, which would undoubtedly build up on these matters, would lead to a tendency for debate. As a consequence, the Order is as it is.

Having considered the matter and accepted the application the Chair is in the hands of the House. That is why, under the Orders, the Chair, having accepted it, then puts the question to the House.

The Hon. Parliamentary Secretary raises another matter, which is not a matter of slight importance at all, that is whether or not the appropriate Minister may be able to be in the House. However, with the greatest of respect, I believe that is a matter which Members will have to work out for themselves.

I think I am bound, as Speaker, to put the question. Does the Hon. Member have leave to move the adjournment of the House under Standing Order 29 for the purpose of discussing a specific and important matter?

Some Hon. Members: Agreed.

Mr. Speaker: The proposed motion shall stand over until 8 p.m. this day.

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 87 could be made an Order for Return, this Return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 87 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

NATIVE ECONOMIC DEVELOPMENT PROGRAM

Question No. 87—**Mr. Penner:**

1. For each of the fiscal years 1983-84, 1984-85, 1985-86 and 1986-87 to date, did the Native Economic Development Program hire any consultants and, if so (*a*) what were the number of consultants hired (*b*) what were their names (*c*) what were the dates they were hired (*d*) what was the amount of each contract (*e*) what was the total amount spent?

2. For the same periods, were applications received by the Native Economic Development Program and, if so (*a*) how many (*b*) for each application, what was (i) the date it was received (ii) the name of the applicant (iii) the title of the proposal (iv) the date it was recommended for approval by the Native Advisory Board (v) the date it was approved by the Minister of State (Small Businesses and Tourism) (vi) the date the contribution agreement was signed by both the applicant and the Government (*c*) for each application, what were the dates cheques were issued and their amounts?

3. For the same periods, did proposals and/or projects receive grants and/or contributions under the program and, if so (*a*) how many (*b*) what were the proposals and/or projects funded (*c*) for each, what was the amount of financial assistance approved and received (*d*) for each, was the assistance in the form of a grant or a contribution?

4. For the same periods, were applications submitted to the program and, if so, how many under (*a*) Element I (*b*) Element II (*c*) Element III?

5. For the same periods, were proposals funded by the program and, if so, how many under (*a*) Element I (*b*) Element II (*c*) Element III?

6. For the same periods, were any proposals submitted under the program forwarded to other economic programs and, if so (*a*) how many (*b*) what were they (*c*) which program was each proposal forwarded to (*d*) on what date was it forwarded (*e*) for each, has assistance been provided?

7. For the same periods, was money expended by the program in grants and contributions and, if so (*a*) how many projects received funding (*b*) what were the projects (*c*) what was the amount of funding in each case (*d*) what was the total amount spent?

8. For the same periods (*a*) what was the total value of proposals submitted to the program (*b*) what was the amount the program spent on (i) administration (ii) consultants (iii) grants (iv) contributions?

Return tabled.

* * *

[*English*]

STARRED QUESTIONS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, would you be so kind as to call Starred Question No. 89.

PUBLIC SERVICE

Question No. *89—**Mr. Daubney:**

Point of Order—Mr. Gauthier

1. For the period January 1, 1985, to December 31, 1986, did the Government eliminate positions in the Public Service and, if so, how many?

2. Of those individuals whose positions were eliminated, were any subsequently placed in other positions in the Public Service and (a) if so, what are the numbers and the proportion who were (i) men (ii) women (iii) members of visible minorities (b) if not, what are the numbers and the proportion who were (i) men (ii) women (iii) members of visible minorities?

3. What is the total number of positions now existing in the Public Service and what proportion is held by (a) women (b) members of visible minorities?

Mr. Chuck Cook (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the response of the President of the Treasury Board (Mr. de Cotret) is: 1. Treasury Board does not control the size of the federal Public Service on the basis of positions or individuals. Rather, Treasury Board controls are based on person-year authorities measured on a fiscal year over fiscal year basis, i.e. employment of one person for 12 months, two persons for six months, et cetera.

The Treasury Board controlled federal Public Service had decreased in size by 8,900 person-years or 3.7 per cent between April 1, 1985, and April 1, 1987. The total number of person-year authorities approved for Main Estimates 1987-88 is 233,454 person-years. Further detail is available in Supplementary Table 2.2S p. 16, Part I of the 1987-88 Main Estimates.

2. As mentioned when tabling the Main Estimates, the President of the Treasury Board will be reporting more fully to Parliament with respect to the impact of the person-year reductions on human resources when the final results are available later this month (April). 3. As at December 31, 1986, there were 90,741 women (41.8 per cent) in the Public Service. In a survey conducted in 1985, 3,791 employees (1.7 per cent) identified themselves as belonging to visible minority groups. These data include indeterminate employees and term employees over six months service hired under the Public Service Employment Act. An update of the visible minorities data is planned for 1988.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

• (1200)

POINT OF ORDER

PRIVATE MEMBERS' BILLS AND MOTIONS—PROCEDURE AND TIMING OF DRAW FOR PRECEDENCE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I gave notice in writing today that I wanted to raise a point of order which arises from procedures before we adjourned for the Easter break. You will recall that I had discussed this with

you on April 15, 1987, and we agreed that it would be raised at the earliest possible occasion upon returning to the House.

It is not a question that requires much time, but I want to make sure that members of my caucus and others in the House understand the procedures under which we operate in regard to Private Members' Bills and Motions.

As you know, according to our Standing Orders—Standing Order 31, I believe—Private Members' Bills and Motions are the object of a draw to decide who gets priority for discussion in the House.

Under your authority, Mr. Speaker, the Clerk of the House convenes these meetings for the draw and they select 20 Private Members' Business items for debate in the House. As these items are debated, they are replaced occasionally by others which are also drawn on occasion.

I want to draw Standing Order 31 and Standing Order 32 to the attention of the House. Standing Order 31(1) states:

> At the beginning of a Session, the Clerk of the House, acting on behalf of the Speaker, shall, within two sitting days of the placing on the Order Paper of separate items of Private Members' Business from at least twenty Members, notify the Members involved, of the time, date and place of a random draw to establish the order of precedence for twenty separate items of which at least twenty separate Members have given notice.

My point is that Standing Order 32 goes on to state:

> Notwithstanding Standing Order 31, the order of precedence shall not contain, at any time, more than twenty nor fewer than ten items, when there are sufficient items contained in the list which have not been given a position on the order of precedence.

The last draw on Wednesday, April 15, was scheduled at 1.30 p.m. in Room 238S. This was unusual because most of the draws are held at 3.30 p.m. We did not understand why it was being held at 1.30, and also asked why it was done before Routine Proceedings, therefore preventing many Members from presenting their Bills and having them put in the draw that day since Routine Proceedings on Wednesday are called shortly after three o'clock. The draw being held at 1.30 p.m. would eliminate a Member's chance of getting into the draw that day. That is my main point. In my view, the hour being set before Routine Proceedings, therefore before Introduction of Bills, was difficult and unusual.

I repeat that Standing Order 32 indicates that the order of precedence shall not contain at any time more than 20 nor fewer than 10 items when there are sufficient items contained on the list which have not been given a position on the order of precedence.

The Order Paper on Wednesday, April 15, showed 11 items in the order of precedence, so it was not essential to hold the draw, in my opinion.

Notice of the draw by the Acting Clerk stated that: "All motions printed on the Order Paper or Bills having received first reading at any time prior to the draw will be eligible".

The April 15 Order Paper listed 12 Private Members' Bills whose sponsors may have wanted those items included in the draw. However, since it was held at 1.30, they were indeed unable to do so, or would not have been able to have their Bills or Motions in the draw.

Through no fault of the Members sponsoring the Bills, for some days the House did not reach the place in Routine Proceedings where Bills could be introduced.

My point is that Members have a right to table with the House initiatives, Bills and Motions and they are subject to a draw which normally is held at 3.30 in the afternoon. In this case, it was held earlier, at 1.30. If this is repeated, or becomes a precedent, it could cause difficulties with Members.

I want to ensure that the House understands my point, that I would like to see the draws held at the normal time, after Routine Proceedings, at 3.30 or later that day so that Members would not be shortchanged of their right to table those Bills.

Mr. Speaker: Are other Members rising on this point?

The Hon. Member for Ottawa—Vanier (Mr. Gauthier) has raised a point of which the Chair was aware. I think he put it very succinctly and I want to assure the Hon. Member and other Members that the Chair will be diligent to ensure that this does not happen. However, I will consider the matter carefully and come back with a reasoned decision on this, because I believe the points made by the Hon. Member are clear to all Hon. Members and concern a situation which I think calls for correction. I thank the Hon. Member.

[*Translation*]

Mr. Deputy Speaker: It is my duty to inform the House that because of the Minister's statement, Government Orders will be extended by 26 minutes today, starting at 1 p.m.

GOVERNMENT ORDERS

[*English*]

CAPITAL PUNISHMENT

ESTABLISHMENT OF SPECIAL COMMITTEE ON REINSTATEMENT

The House resumed from Monday, April 27, consideration of the motion of Mr. Mazankowski:

> That this House supports, in principle, the reinstatement of capital punishment and directs that a special committee on reinstatement, composed of 15 members, be established, hold hearings and make its final report to the House no later than three (3) months following the adoption of this motion, such report to provide recommendations on:
>
> (a) which offence or offences should carry the death penalty, and in what circumstances;
>
> (b) which method or methods should be used to carry out the penalty of death, and in what circumstances;
>
> That, pursuant to Standing Order 107(1), this special committee be hereby appointed as a committee to prepare and bring in a bill no later than three months following the adoption of this motion, founded on the committee's recommendations on (a) and (b) above; such a bill shall be the object of a separate and distinct report of the special committee, and such a report shall be its final report;

That such bill, when reported from such special committee to the House, be deemed pursuant to Standing Order 107(1) to have been introduced and stand on the Order Paper, in the name of the special committee chairman, for first reading at the next sitting of the House; and that subsequent House stages of the bill be considered under "Government Orders", with the bill standing under the heading "Government Business"; and that, when the said bill has been read a second time, it shall stand referred to a Legislative Committee;

That the Striking Committee be empowered to name the Members of the special committee, provided that once the Striking Committee report is laid upon the Table, it shall be deemed concurred in;

That the special committee have the power to sit while the House is sitting and during periods when the House stands adjourned;

That the special committee be empowered to report from time to time and send for persons and papers, and to print such papers and evidence from time to time as may be ordered by the committee and to retain the services of expert, technical, professional and clerical staff;

That the special committee be empowered to adjourn from place to place inside Canada and that, when deemed necessary, the appropriate staff accompany the committee;

That a quorum of the special committee be eight (8) members for any vote, resolution or other decision; and that the chairman be authorized to hold meetings to receive evidence and authorize the printing thereof whenever six (6) members are present;

That any substitution of membership on the special committee be made pursuant to Standing Order 94(4); and

That, notwithstanding the usual practices of this House, if the House is not sitting when the special committee is ready to issue its final report and the said bill, the special committee shall present its report and the bill to the House by filing them with the Clerk of the House provided that the report shall then be deemed to have been laid upon the Table, and the bill shall then be deemed, pursuant to Standing Order 107(1), to have been introduced at the first sitting of the House thereafter and to stand on the Order Paper in the name of the special committee chairman, for first reading at the next sitting of the House; and that subsequent House stages of the bill be considered under "Government Orders", with the bill standing under the heading "Government Business".

Hon. Jack Murta (Lisgar): Mr. Speaker, I rise this afternoon to speak against the motion to reinstate capital punishment. I do so for three reasons which I will briefly describe now and elaborate on in some detail later.

First, I do not believe that a return to capital punishment is a deterrent to murder. The facts and figures do not substantiate such a belief and I hope to be able to demonstrate that in a few minutes.

The second reason I do not support capital punishment is on moral and religious grounds. From a personal point of view, I could not support a return to capital punishment in Canada.

The third reason is that the possibility always exists that a mistake will be made. As long as human beings are in the courts and judges are making decisions, there is always the possibility of a mistake being made.

Before I explain my reasons in greater detail, I want to preface my remarks by saying that in 1976 when we voted on capital punishment in this Chamber I was in favour of capital punishment. The main reason for my support at that time was that I believed capital punishment would be a deterrent to premeditated murder. I feel that I was wrong and I think the statistics show unequivocally that it is not a deterrent. Furthermore, I have a deeper conviction from a moral and religious point of view which, of course, is my own, that capital punishment is not the way to proceed.

There are too many variables to allow the state the right to take a human life. I believe that allowing the state to take lives, even under certain circumstances which some Members have suggested, sends the wrong signals to society in general. I believe it is wrong from a moral point of view.

First, I want to explain the reasons why I believe capital punishment is not a deterrent. When one talks to the experts, the sociologists and so on, and reads what they have written, one sees three main classes of criminals. The first class is described as the professional criminal. That person never intends to kill, but when he or she does kill it is usually because of being surprised at various events, in other words, a policeman drives by, gets out of his car and goes to see what has happened. The person is surprised and reacts in a violent manner. Obviously, capital punishment was not in the mind of that particular individual at that time, so in my opinion it would not act as a deterrent.

• (1210)

The second class of criminal is the amateur, the person who is more fearful and unpredictable. They are considered dangerous in the extreme. In many cases life has no meaning for them and, as a sociologist would say, they could kill at the slightest provocation. That type of individual commits the kinds of crimes which get the headlines. These crimes are committed without thought, and, of course, without thought there is no premeditation, so once again capital punishment would not necessarily be a deterrent in that case.

The third class of criminal, into which fit most of the so-called killers or people who kill, is called the "domestic" killer. It could be anyone, a neighbour, a friend, someone working in a grocery store, a doctor, anyone at all. He or she kills out of passion spontaneously and without thought or care. By far the greatest number of criminal deaths are of this particular class, and when that kind of situation arises there is no thought of deterrence. Therefore, I do not believe the thought of execution will hold back any of these particular individuals.

The truth is that there is no evidence to show that violent criminals are deterred by the death penalty. In fact, the lowest murder rates are found in countries where the death penalty has been abolished for a long time, such as the United Kingdom, Sweden, Austria, Italy, and in the States of Wisconsin and Main in the United States.

In the State of Florida there have been 16 executions since the ruling of the Supreme Court in 1976 that the death penalty was not cruel and unusual punishment. These executions are exceeded in number only by the State of Texas which has a total of 20 executions.

Florida's death row houses approximately 260 convicts, which is more than any other state at the present time, yet Amnesty International has noted that Florida's murder rate is higher now than it was during the period between 1964 and

1979 when the electric chair was not used. The only logical conclusion which can be drawn from such studies is that there is no demonstrable evidence that capital punishment has ever actually had a significant deterrent effect on the rate of homicides, including murder.

These results dovetail with what we found in Canada. Statistics Canada reports that most victims continue to be single males who are usually killed in their own homes by someone they know, most likely a relative. Alcohol and drugs often contribute to the murder. In other words, it is a domestic type of killing. In such instances deterrence is highly unlikely to play a factor because the murder in such circumstances results from thoughtless explosions of violence, usually associated with highly agitated, passionate scenarios.

Statistics Canada also reiterated just how rare homicides are in Canada. Between 1975 and 1984 there was an average of 2.78 homicides for every 100,000 Canadians compared with 14 suicides and 20 motor vehicle deaths for every 100,000 people. If our interests truly lie in saving lives, then our best efforts should clearly be directed in pursuit of other than the re-introduction of the death penalty or capital punishment.

The argument is made that the death penalty can be used to ensure that the person or persons do not murder again. Despite the overwhelming statistical evidence that capital punishment will not lead to the reduction of the rate of murder, death penalty advocates continue to claim that it is necessary to ensure that the specific convicted murderer is permanently deterred from killing again. In other words, they do not get back into society to repeat that kind of offence.

Statistics show that this claim is absolutely false. Of 384 paroled murderers between 1970 and 1984 not one murdered again. The most recent study by the National Parole Board shows that between 1975 and 1986, 473 convicted persons were released on parole. Two murderers murdered a second time. Both of these murderers had originally been convicted of non-capital murder. Therefore, the reintroduction of the death penalty would not have had any affect whatsoever according to the National Parole Board.

No paroled murderers have been convicted of manslaughter, attempted murder or even wounding. Once again these are statistics which come from the parole board.

The simple truth is that the death penalty retentionists have no statistical evidence to support their contention that capital punishment is a deterrent to murder. Even the Canadian Association of Chiefs of Police, a long time advocate of capital punishment, has recently conceded that it is useless to argue for capital punishment on the basis of deterrence.

If an iron tight convincing argument cannot be made for the use of capital punishment as a deterrence, what then? I suppose it can be argued that in some cases it can be used in terms of vengeance, although I would hope that as a civilized society we have come further than the biblical adage, "an eye for an eye, a tooth for a tooth".

This leads me to my second reason for not supporting capital punishment. I think it is morally wrong. I also do not support it on religious grounds. Proponents of the death penalty believe it is morally correct to kill murderers. One usually finds that such a position is derived from either a perceived moral imperative giving the state the right to kill in order to fulfil its obligations to protect its citizens, or from the oft quoted biblical precept I mentioned earlier, "an eye for an eye, a tooth for a tooth".

Besides confirming a mixed-up argument that it is morally right to kill someone in order to demonstrate that killing someone is wrong, there is the question of whether or not the death penalty actually does what its proponents tell us it does. New executions help to convince society that violence and murder are morally wrong. However, I believe that executions lead society to the completely opposite conclusion, and in a completely wrong direction. In effect, I believe it leads society to more violence and murder.

Some experts think that some people see an execution as a prescription and not a threat. In other words, he or she would think that if the state can do this why can't I do the same thing? There is a saying that the state affects the conduct and actions of its citizens more by the standards of its own behaviour than by the penalty it inflicts on others, and I believe that to be true. There is a danger in forgetting this point and charging on with the destructive course of action vindicated only by the declaration that it is morally correct.

Indeed, to reinstate the death penalty in Canada would be to place this country in the same dubious league as such regimes as Iran, South Africa, the Soviet Union and Saudi Arabia. It is important to note that apart from the United States, Ireland and Liechtenstein, all western industrialized countries have abolished the death penalty.

• (1220)

I do not believe that governments can use capital punishment as a means of protecting society. By using capital punishment to protect society, we degrade the very values that make society worth protecting. The execution of an individual is an act of violence, and as such it can never be moral in a society which supposedly abhors violence. It has been demonstrated repeatedly that violence tends to provoke further violence.

I believe it is the moral duty of the state to protect the lives of all persons within the jurisdiction of the state, without exception.

I am also opposed to capital punishment on religious grounds. It is perhaps more difficult to express one's feelings on capital punishment on religious grounds than on any other, the reason being that religious beliefs are so highly personal in nature. In making these remarks, I want it to be clear that I do not put down the points of view of others. I have Christian friends here in the House of Commons on both sides of this particular issue. The views I am about to express represent my

personal feelings, and in making them I shall try not to be judgmental of others.

In considering this issue on religious grounds, one has to make certain assumptions, the first being that one believes in the Bible and in the significance of the life of Jesus Christ. If one believes in the Bible and in Jesus Christ, one should consider the issue of capital punishment in the light of the message of Jesus Christ, namely, the message of love.

Normally if one looks up to someone, one tries to imitate the life of that individual. In the case of Jesus Christ, of course, that is an impossibility. One could not even come close to imitating the life of Jesus Christ. However, one should do one's best to try to imitate the life of the individual to whom one looks up to. To do that, one needs to learn as much as one can about the life of that particular person. In the case of Jesus Christ, we read the Bible. An individual then, in one's own life, tries to show as much love, compassion and understanding in caring for one's fellow human beings as possible.

Of course, as I have already mentioned, in the case of trying to imitate the life of Jesus Christ, we will never succeed, nor do I think we were ever meant to succeed; but perhaps through studying His life, and our reflecting on His life and His character, we may be able to stretch ourselves toward His aims. By striving to imitate Him, we will become better human beings.

A good example of what can be achieved by imitating the life of Jesus Christ is the work and life of Mother Theresa.

In any event, if the life and message of Jesus Christ is the basis upon which one bases one's thoughts, then one has to ask how Jesus Christ would have dealt with this particular issue, or any other issue, and specifically how He would have voted were He here in Parliament casting a vote on capital punishment.

I believe that Jesus saw some good in every human being. It was His belief that every person had the potential to be rehabilitated, and had the right to be loved and to be cared for. No matter what a person had done, He would not wish to give up on them and simply turn them over to the state to be executed.

While there are passages in the Bible that seem to support the use of the death penalty, they are, in my opinion, at odds with the over-all emphasis on the sanctity of life that is expressed in the Bible. The message in the Bible is one of redemption, one of forgiveness. It is not one of vengeance.

The issue of capital punishment is, for me, a deeply moral and religious one. I could not vote in favour of capital punishment. Were I to do so, I could not live with myself and my beliefs.

The third argument against capital punishment is the ever-present possibility of a mistake being made. In our legal system, human error is inevitable. We all know that. While we may not want to admit it, we know that mistakes are inevitable. Usually a mistake made as part of the judicial process can be revoked completely or in part. That is not so when an innocent person has been executed.

We can all name names and quote the well-known stories that serve to illustrate that particular point.

Capital punishment, being ultimate, being final, being irrevocable, is different from all other penalties. The death penalty has been set aside in nearly all of the forward-thinking countries of the world. Canada would be taking a step backwards if it were to reinstate capital punishment.

For all of the reasons I have enunciated, Mr. Speaker, I shall be voting against the resolution.

Mr. Deputy Speaker: The Hon. Member for Erie (Mr. Fretz), on a question or comment.

Mr. Fretz: Mr. Speaker, I have listened with interest to the contribution of the Hon. Member for Lisgar (Mr. Murta), for whom I have the utmost respect. On this issue, however, we do part company.

I wish to first make a comment, and then pose a couple of questions to the Hon. Member.

While attending a meeting of the Standing Committee on Justice and Solicitor General this morning on behalf of another Member, I heard a statement made by the Commissioner of the Correctional Services of Canada to the effect that the protection of society is our primary objective. I wish to draw that statement to the Hon. Member's attention this morning; that is, that the protection of society is our primary objective in considering the correctional services of Canada.

If I recall correctly, the Hon. Member made the assertion in his remarks that capital punishment constitutes an act of violence, and he went on to question whether governments, in imposing capital punishment, are acting morally right or morally correct.

With that background, I should like to pose two questions to the Hon. Member.

First of all, does the Hon. Member believe that peace officers have a responsibility to protect our citizens, to protect society; and if so, I would ask him to outline for me why it is our peace officers carry firearms and the circumstances under which a peace officer would discharge a firearm in the line of duty?

And secondly, does he believe that governments have the right to protect their citizens with the use of armed forces, and do the members of our Armed Forces, acting for us, have the moral imperative to use weapons; and if so, under what circumstances?

Mr. Murta: Mr. Speaker, the Hon. Member for Erie (Mr. Fretz) has asked whether governments have a duty to use weapons to protect society, and by that I take him to mean the armed forces of a country—and of course, I agree that they do.

I do not really draw the parallel between that and the issue of the death penalty. I do not see how the protection of society

in that context is brought into this debate. Certainly society can be protected in many ways other than the use of the death penalty.

My argument in this case is that I do not think society is protected through the use of the death penalty, nor has it ever been. That is the way in which I would approach it.

Our police officers and prison guards have a very difficult job. We are all in agreement in that respect. I do not know of any other group of people who get more respect from Canadians generally than do our police officers and prison guards. However, I do not think—and this is where my friend and I do part company—that the imposition of the death penalty will make the jobs of our police officers and prison guards any safer whatsoever.

• (1230)

Perhaps I could return to my opening remarks in terms of the various classes of criminals, why people murder, and whether or not they think of the consequences of murder. I do not think it makes any difference whatsoever. I suggest that the Hon. Member ask the policemen in the State of Florida whether or not it makes any difference. They would say that it does not make any difference, and capital punishment is in place in the State of Florida.

I do not think anything I have seen would lead me to the conclusion that reinstating the death penalty, bringing back capital punishment, would make anybody's life easier. I think it takes a little away from each and every one of us.

I remember listening to John Diefenbaker when he was Prime Minister and had to deal with the particular question. In my opinion we must realize that each one of us is responsible for pulling the rope which opens the trapdoor or pushing the button which starts electricity flowing in the electric chair. That is the kind of vote in which we are involved. I frankly could not do it for the reasons I have outlined.

Mr. Nystrom: Mr. Speaker, I commend the Hon. Member for Lisgar (Mr. Murta). I think we have seen something in the House today which is very rare—a Member having gone through a thinking process and changed his mind on the issue. That takes tremendous courage, and I think he ought to be complimented from all sides of the House for doing what he has done today.

The Hon. Member for Lisgar decided to have the courage of his convictions and to follow his convictions on this very sensitive and difficult issue. I want to go on record as publicly complimenting him. I have known him since the 1971 by-election. I know he is a very sincere person.

He would agree with me when I say that in the ultimate, in addition to listening to our constituents, what we owe our constituents most is our judgment and to have the courage of our convictions in terms of making judgments on important issues of the day. That is the most important thing we can do as Members of Parliament.

I am one of those Members of Parliament who really looks askance at some colleagues—and I will not mention them—who conduct surveys in their ridings and respond as a result of those questionnaires. I know, Mr. Speaker, that you are one of the better political scientists in the House. You are a long-time organizer. You know the volatility of surveys and public opinions. You know that how the question is asked can often determine the results of the survey. I think we are doing a great disservice to Canada, to society, and to our constituents if we use that kind of shallow device in terms of making a decision on the issue.

The Hon. Member for Lisgar is a shining example of what should be done. He made the decision that he owes his constituents his judgment and his conscience. He has put a lot of thought and a lot of meditation into the issue. I just want to say in this question and comment period that he ought to be complimented, because we in one Party or another often do not do enough of that in the House. Being a democratic socialist, and he being a Conservative, there are times when we disagree. However, we know where the Hon. Member for Lisgar stands. He is a straight shooter and a very sincere person.

Perhaps I could ask a little question at this point. Since the Hon. Member referred to the church, the teachings of Jesus Christ, and other references to religion, could he inform the House on what role the major churches in Manitoba are playing in this debate? One very positive thing which I saw in my constituency is that the Catholic Church and others are now starting to play a very major role in terms of providing information to the public about the immorality of a society intentionally taking the life of human beings, as is done in the Soviet Union, in Turkey, or in many dictatorial states in the world. I am very proud of the position of the churches in Saskatchewan, and I want to ask the Hon. Member if he could give us information about the campaign of the churches in Manitoba.

Mr. Murta: Mr. Speaker, I thank the Hon. Member for Yorkton—Melville (Mr. Nystrom). He and I have been long-time colleagues in the House of Commons. Regardless of Party lines, we have been very good friends for the last 17 or so years.

The churches in the Province of Manitoba are taking a far more active interest in this debate than they were two or three weeks ago. Obviously the churches are not all together on this particular issue, as I suppose they should be. They certainly reflect their congregations and from where, in effect, their members come.

The national church organizations in the Province of Manitoba are solidly against the reintroduction of capital punishment. That goes right through the gambit, from the United Church, to the Catholic, to the Mennonite Central Committee, et cetera. Of course individually the positions of churches are somewhat different because their members have the freedom to view the issue as they see it. I guess that is what I tried to outline in my speech. I view the issue from a religious

point of view, my own personal point of view. I did not try to put my religious point of view on to anyone else. A sad commentary about religion in the world is that we have had too many wars because of it, and I do not think we need another one on the whole question of capital punishment.

I hope the churches become more vocal. They have a major role to play. Certainly before the debate is over I suspect that they will all make their voices heard loud and clear.

Mr. Reimer: Mr. Speaker, I commend the Hon. Member for Lisgar (Mr. Murta) for the way in which he presented his opinions to us during this debate. It is a very personal issue. This is a debate on an issue of conscience. Of course, we will be carrying out a free vote. Each of us will be free to follow the dictates of our conscience as we see fit.

I also appreciate the way in which the Hon. Member was very sensitive to the fact that the Christian church is divided on the issue. There are Christians who are good friends and work together on other issues, as do we, but who are divided on the issue of capital punishment. I appreciate the Hon. Member's sensitivity to that and the fact that we are not trying to say necessarily that one person is better or worse than another because of it. We simply differ.

Also the Hon. Member mentioned that one of the responsibilities or obligations of a Christian is to mirror the mercy, compassion, and message of reconciliation of Jesus Christ. I agree with him. However, how do we take the other role which we have as Members of Parliament, that is, to write laws which protect society from the criminal element to the degree we can?

As Christians we could look, for example to Romans Chapter 13, with which I know the Hon. Member is familiar, and the fourth verse which indicates—and I am not quoting it exactly—that the civil authority is the minister or servant of God to act as God's agent, to execute his wrath upon the evildoer.

We also have that role as Members of Parliament. We have chosen to be here. We have chosen that role. However, how do we bring together those two roles—the role to mirror the message of mercy, compassion, and reconciliation and the role to be His servants or agents to control evil within our society? How does the Hon. Member reconcile those two roles?

Mr. Murta: Mr. Speaker, I thank the Hon. Member for Kitchener (Mr. Reimer). He is a very sensitive individual. I know his questions come from a very deep understanding and searching soul in terms of trying to do good for the country.

Of course I have no pat solutions, but I can only comment on the way in which I try to deal with the question. I try to take the issues as they come up and deal with them *vis-à-vis* my own particular belief in how I interpret the Bible, my Christian belief and thoughts which I share and express with a small group of people as I move throughout the days and weeks around this particular institution.

We write laws to protect society. That is part of our job. It is the soul searching that goes into those particular laws with which we must grapple. I know the Hon. Member will agree with me when I say that in trying to be more Christ-like makes decision-making in this place much more difficult than I would have thought say five to eight years ago. It is a difficult process. You take every issue as an individual issue and you try to grapple with it. You fight with it, and you try to come out on the side of what you think is right from your own valued perspective. If you do not, that is when the rubber hits the road. You either stand up and be counted as an individual, or you go along with the group and live to fight another day, as they say. That, once again, is a decision for each of us to make.

• (1240)

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to take part in this debate on perhaps one of the most fundamental questions to be studied by this House since I became a Member of Parliament in 1979. In answering the question before the House we will in many ways be explaining and shaping the kind of society we as a nation want to become; what kind of civilization we are in Canada. I believe we would be taking a giant step backward as a nation if we were to reinstate the death penalty in Canada.

I would like to quote the words of Winston Churchill who, in speaking in the British House of Commons many years ago, in 1910, said this:

> The mood and temper of the public with regard to the treatment of crime and criminals is one of the most unfailing tests of the civilization of any country. These are the symbols which make and measure the stored up strength of a nation and are sign and proof of the living virtue in it.

A few years ago we in this Parliament adopted a Charter of Rights and Freedoms. That Charter provided for the fundamental right to life and the right to be protected against cruel and unusual treatment and punishment. As the former Member for St. John's East, Mr. McGrath, said in speaking on this question:

> —does Canada, with its new and enlightened Constitution, want to turn back the clock on progress and be one of the very few democracies to restore capital punishment?

The presence of the former Member for St. John's East is sorely missed in this House, particularly on this fundamental question of what kind of nation we in Canada want to be.

I want to join with my colleague, the Hon. Member for Yorkton—Melville (Mr. Nystrom), in congratulating the Hon. Member for Lisgar (Mr. Murta), who in 1976 voted in favour of capital punishment as a Conservative Member of Parliament and today had the courage to stand in this House and say that he has examined the issue and is now opposed to capital punishment.

When looking around the House during the very eloquent remarks of the Member for Lisgar I regretfully noted an almost empty Chamber. I know there are still Members of this House whose minds are not made up on the issue, and I can only hope that those Members will take heed of the words of

the Member for Lisgar who spoke with such conviction about why he has changed his mind since 1976.

I believe it would be profoundly wrong for Canada to join the company of such countries as Iraq, Iran, the Soviet Union, South Africa and Chile, nations which retain capital punishment as the ultimate punishment. Canada would indeed be the only nation in the western world to legislatively reinstate capital punishment after having abolished it.

In 1983 the Parliament of the United Kingdom, dominated overwhelmingly by Conservatives with a Prime Minister who strongly supports capital punishment, voted solidly to reject the reinstatement of capital punishment in that country. Just a few weeks ago that same Parliament voted once again, even more strongly, by a margin of 342 to 230, to reject the reinstatement of capital punishment in Britain.

We have to ask ourselves again that basic question, the question that goes right to the core of this issue, the question that is asked by the church leaders in Canada; "Why kill people who kill people to show that killing people is wrong?" It is as stark and as fundamental as that, Mr. Speaker.

[*Translation*]

I must point out that all major religious groups in Canada, including the Canadian Jewish Congress, the Canadian Conference of Catholic Bishops, the Anglican Church, the United Church of Canada, the Presbyterian Church, the Baptist Convention of Ontario and Quebec, the Canadian Unitarian Council, the Evangelical Lutheran Church, the Mennonite Central Committee and the Religious Society of Friends, all officially support the abolition of capital punishment. Pope John Paul II himself has said he is firmly opposed to capital punishment.

[*English*]

Recently this House was honoured by the presence of the widow of Martin Luther King, Coretta Scott King. Speaking as a Christian she said:

> I believe in the power of transformation and that we as Christians have an obligation to try to work for a reconciliation where it is at all possible.—
>
> I regret very much that our country is moving backwards instead of continuing to move forward on the capital punishment issue. I will continue to speak out against the death penalty, because I think it is barbaric for a civilized nation such as the United States . . . I certainly hope Canada will not fall into that.

As was said previously, we must surely recognize the sanctity and the value of all human life in our society. In doing so we must ask ourselves why it is that we as a society, as a Parliament, should single out, in particular, murder in terms of the cause of death in our society. In fact, it is quite appropriate that I should be speaking today, April 28, which is the annual day of mourning for workers who are killed and injured on the job. There are more workers killed in Canada on the job each year than Canadians who are murdered.

In 1985, for example, 768 Canadians lost their lives on the job. The fatality rate in Canada for high-risk occupations is staggering. Fishing, the most dangerous occupation in Canada, takes 207 people per 100,000. Forestry takes 129 per 100,000, mining takes 122 per 100,000 and construction takes 48 per 100,000. I am from the Province of British Columbia and already this year 11 men have been killed on the job in the forests of British Columbia. In 1986, despite a lengthy industrial strike, 37 men were killed, six of them chewed up by machines in mill accidents. In 1985, 35 were killed. Similarly in the mining industry, recently four lives were lost in a mine in Sudbury. As said by NDP, MPP Elie Martel, who has fought for years for better occupational health and safety laws, "Miners' deaths go unreported. We kill them like they are black flies".

Let us place a value on all human life in our society and recognize that we must take effective steps to stop death and to prevent violent death however it may occur. An average of 12 people die every year in house fires on Indian reserves in British Columbia alone. Those are preventable deaths. Many more people die at their own hand, suicide, than die as a result of murder. In British Columbia last year, 28 boys and nine girls, teenagers, took their own lives. We must recognize this situation and take steps as a society to deal with that cause of violent death. We must deal with death in traffic accidents and death at the hands of drunk drivers, all far more common.

• (1250)

Of course we value and must protect the lives of prison guards and police officers, but all life is sacred. The state has no right to terminate any human life.

[*Translation*]

As was said last year by Normand Bergeron, Quebec City Chief of Police, if a community deplores an act as barbaric as the murder of two police officers, how can we, as representatives of our society, recommend another equally barbaric act? This would make no sense at all. Mr. Speaker, the Chief of Police of the Montreal Urban Community, Rolland Bourget, spoke out against reinstating the death penalty. He said: Personally, I am against the death penalty.

[*English*]

It has been 25 years since the last execution in Canada. It has been 11 years since this Parliament voted to abolish capital punishment. The onus lies squarely on those who would reinstate the death penalty to demonstrate that conditions have changed in such a way as to call into question that decision. There is no evidence whatsoever to support that argument. Fundamentally, there is no evidence to suggest that capital punishment would deter violent death or murder in Canada. Indeed, the Conservative Minister of Justice (Mr. Hnatyshyn) said the following recently:

> Where you have a penalty it should be demonstrated to be a deterrent with respect to the activity for which it is a penalty. There has been no increase in the incidence of homicide or murder since the abolition of capital punishment has taken place.

Similar statements have been made by Canadian chiefs of police who recognize that deterrence is not a viable argument.

Indeed, there was a significant drop of 20 per cent in the murder rate in Canada last year. There was an even more dramatic drop in the rate of first-degree murder. In 1985, there were 338 first-degree murders, and in 1986 that figure went to 260. There is no evidence to support the argument that reinstating capital punishment will save lives or prevent murder.

In the United States, a far more violent society than ours, capital punishment is retained in 37 of the 50 states. We recognize that Canadians' perception of violence is distorted as well and much of that emanates from the media. Violence can only beget more violence. As Gandhi said, "The trouble with an eye for an eye is that it leaves the whole world blind".

If deterrence must be discarded as an argument in favour of capital punishment, clearly the only possible argument in favour of it is vengeance. Vengeance as the foundation for punishment must be rejected in any civilized society.

Recently in my constituency I met with three women whose lives had been personally touched by murder, Alice Shook, Lilian Gamblen and Doreen Helm. I knew Doreen Helm's daughter personally. She was brutally murdered. Alice Shook lost a young daughter and Lilian Gamblen's husband was murdered. These women support capital punishment, not because they are killers, not because they are blood-thirsty or seeking revenge but because they believe that the persons who inflicted pain and suffering on their loved ones must forfeit the right to live. They recognize that this will not save any lives and we must all be sensitive to and feel the pain that they feel. However, we must not allow that pain and suffering to ultimately guide us in redrafting the law.

Other victims have taken a different position. The Leader of the NDP (Mr. Broadbent) has quoted the parents of Alison Parrott who was abducted and murdered. He quoted Esther Aucoin who lost her husband, a member of the New Brunswick Highway Patrol. She read out a statement at his funeral saying that he did not believe in capital punishment and that if he were there that day, he would say that it is the system that needs to be changed so that officers do not have to be alone on duty, and a full radio system should be in place both in cars and in portables.

Let us look at prevention. Let us look at strengthening Canada's gun-control legislation. Let us put more resources and attention toward the problem of domestic violence, including the physical and sexual abuse of children. Let us find more resources for alcohol and drug treatment and education. Let us break the vicious cycle of poverty, unemployment, homelessness and crime. Let us deal with the problems of those who are mentally ill and tackle the tragedy of teenage suicide. We should do what we can about violence in the media as well.

Having looked at all these methods of prevention, we must also recognize that there are other powerful arguments against capital punishment. I will not elaborate at length on those arguments because they have been made well by others. There is a risk that an innocent life may be taken. I have a newspaper here with the headline "Innocent man to go free". After nine years in jail, an innocent man convicted of murder was freed. A young Micmac Indian, Donald Marshall, was in the same situation.

We know as well that it is not the rich and powerful who hang; it is the poor, the illiterate, the uneducated, native people and blacks. As the late United States Supreme Court Justice William O. Douglas stated, "One searches our chronicles in vain for the execution of any member of the affluent strata of this society".

Juries are more likely to convict when capital punishment has been reinstated in a society. Statistics show that clearly. As well, it is possible that some individuals may in fact murder because they themselves are suicidal and wish to have their lives taken. In fact, one individual who was convicted of murder said this to police, "I wish you'd blow my head off. If they had the death penalty, I might think of killing one of those kids. I want to die". That is a suicide murder.

Finally, for those who believe that we should actually place a price tag on human life, capital punishment costs more. It costs more because the appeals are lengthy, dragged out and expensive.

[*Translation*]

In concluding, Mr. Speaker, I would like to quote Robert Badinter, who was responsible for the abolition of the guillotine in France. He said:

> We know it will be a long and difficult struggle and that the primitive avenger hidden in everyone of us will be reluctant to lay down his arms. Nevertheless, I am confident that in the end we will win this battle, and so, I say, let us start now and never give up until we succeed.

[*English*]

In conclusion, I would like to move an amendment to this resolution, an amendment which would broaden the scope of the committee proceedings. Having said that, of course my colleagues and I intend to unanimously vote against this resolution for the reasons enunciated by my Leader and I, and for the reasons that will certainly be enunciated by other Hon. Members. However, this amendment would at least improve a process which is already very flawed, a process which denies Canadians input into the fundamental question of whether or not we should reinstate capital punishment. I therefore move:

> The deletion of all the words after "That" in line 1 up to and including the word "that" in line 2 and the words "on reinstatement" in line 3.

The effect of this amendment would be to ensure that the committee, which may be struck but hopefully will not be struck, would have the opportunity to hear from those Canadians who are profoundly and fundamentally opposed to capital punishment as well as hearing from those Canadians who merely wish to have input into the nature of crimes for which execution may be an option and the type of execution to be used. I fervently hope that this Parliament will reject any suggestion of the establishment of a committee, and that we will vote down capital punishment. If not, at least this would

broaden the scope of the committee's hearings. It is for that reason that I propose the amendment.

• (1300)

Mr. Deputy Speaker: The Chair finds the amendment in order. Questions and comments?

Mr. O'Neil: Mr. Speaker, I was very pleased to hear the Hon. Member outline in very eloquent terms his defence of life and that life is sacred. He invoked the support of the Catholic Church for his position. He also spoke about his desire to put an end to violence against people and his rejection of capital punishment as an act of violence. While listening to him I could not help but be struck by the reality that as we speak hundreds of unborn children in this country are being killed. Those lives, which are also sacred, are being arbitrarily and very violently ended. Unborn children across this country are being suctioned from the womb by women who want to put an end to their pregnancy. Those children are being dismembered. Does the Hon. Member support that destruction of the lives of unborn children? If so, how does he reconcile his support of abortion on demand and the violent execution of 60,000 unborn children in this country every year with his support of the case against the reinstatement of capital punishment?

Mr. Robinson: Mr. Speaker, before responding directly to the question of the Hon. Member, might I just say that I am very pleased to note that he has publicly stated his opposition to the reinstatement of the death penalty in Canada. I am very pleased that he has taken that position.

The Hon. Member asked me a question, which I recognize is serious and important, with respect to the value and sanctity of life in our society. He suggests that in some way there may be a contradiction between the position of those of us who support freedom of choice on the question of therapeutic abortion and our position with respect to the abolition of capital punishment. I recognize the point made by the Hon. Member but, with respect, I must say that I do not believe there is any inherent contradiction between the two positions.

I share with the Hon. Member the concern that the number of abortions in Canada must be reduced to the greatest possible extent. We as a society must do everything in our power to reduce the number of abortions in Canada. That means we must take effective measures towards educating our young people on sexuality. We must do what we can towards making birth control available, not just to young people but generally in our society. However, at the end of the day we have to ask ourselves whether it is not the case that the woman bearing the child should not herself have the right to make that very fundamental choice—

Mr. O'Neil: To kill.

Mr. Robinson: —of whether or not her pregnancy should continue. There are many, many reasons why women have abortions. In some cases the continued pregnancy represents a threat to the health or life of the mother. In other cases, tragically, the mother simply feels she cannot bear the child because she is in a situation where it is impossible to provide the kind of care, attention and love, and economic support in some cases, that is necessary for the child. Ultimately I believe we as a society should recognize that, having taken all possible steps to reduce the number of abortions in Canada, we must leave the decision to the woman herself.

Mr. St. Germain: Mr. Speaker, I realize the importance attached to this issue and the emotions that surround it. However, the Hon. Member referred to economic reasons as justification for what in the eyes of many of us is virtually murder. Am I correct in what I heard? Is the Hon. Member basing his decision to eliminate the life of a child in these circumstances on economic reasons?

Mr. Robinson: Mr. Speaker, what I am saying is that the tragic reality in Canada today is that there are single parents in our society who are in such a desperate, economic or financial situation that they simply cannot feed their children. That is a tragedy. We know that in British Columbia there are children who go to school without breakfast and who have no lunch. Yes, there are women who, as a result of desperate grinding poverty, say they do not have the resources to bring a child into the world. That is sad. That is a tragedy. We should deal with that by doing whatever we can as a society to improve the situation of those desperate mothers. The reality is that children should be wanted. They should be provided for. By putting women in and tolerating a situation of desperate poverty, we have to recognize that fundamental decision is often and unfortunately made on the basis of the fact that the woman will not be able to provide a secure environment for the child. That is indeed most unfortunate and most tragic.

Mr. Manly: Mr. Speaker, my colleague from Burnaby pointed out, as other speakers have and will, that capital punishment does not act in any effective way as a deterrent to further murders. Yet I think there is a perception among the general public that it does act as a deterrent. In fact, I think a lot of the support that some people have for capital punishment is based on the fact that they think capital punishment is going to deter future murderers. Could the Member address that fact? How can we give more leadership and get the message across that this is not a deterrent? Is there something more the Government should be doing in this regard?

• (1310)

I noted that the Member read from the speech of the Minister of Justice (Mr. Hnatyshyn) and I appreciated that. However, perhaps the Government could be more high profile on this issue, particularly Members like the Prime Minister (Mr. Mulroney) who is, himself, an opponent of capital punishment. Is there something that he could and should be doing to illustrate to the Canadian people that capital punishment is not an effective deterrent to further murders?

Mr. Robinson: Mr. Speaker, I appreciate the question of my colleague, the Member for Cowichan—Malahat—The Islands

(Mr. Manly) because I think it goes to another very important issue, that the vast majority of Canadians who support capital punishment genuinely and deeply believe that it is a deterrent, that it will save lives.

If we can show that the reality is very different, if we can demonstrate to those Canadians who support capital punishment because they believe it will save lives that they are mistaken, I suspect that the proportion of Canadians who would be prepared to sanction killing by the state would drop quite dramatically.

Therefore, Mr. Speaker, I say that it is incumbent upon those who are in leadership positions in the Government not to abdicate that leadership, not to opt out of the debate, but to speak up, as has the Minister of Justice, to point out that in fact the sole basis for the return of capital punishment in our society is vengeance, that there is no deterrent effect.

I hope that those in the Cabinet in particular who feel strongly on this question and know that even the chiefs of police have abandoned the argument of deterrence will use their positions to demonstrate to Canadians that the restoration of the death penalty will save no lives at all and, indeed, may even result in the taking of more lives because there are those who will use it as a desperate kind of suicide attempt.

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, I ask for the unanimous consent of the House to be able to finish my dissertation before the House adjourns for lunch.

Mr. Deputy Speaker: Is there unanimous consent to allow the Member for Mission—Port Moody (Mr. St. Germain) to complete his speech which, of course, would be a maximum of 20 minutes?

Some Hon. Members: Agreed.

Mr. St. Germain: Mr. Speaker, I rise in this House today to take part in what I consider to be a very emotional issue which will go to the heart of each and every Member of this House. At the onset of my delivery I would like to enunciate clearly to all of my hon. colleagues in this House, and all the Canadian people whom we represent, that I know this issue has been debated at length all over the world and that unanimity has never been reached on the subject. However, I do believe that a majority consensus has been arrived at in Canada, and that is that certain selected crimes should be subject to a form of capital punishment.

For a brief moment I would like to address my remarks to my constituents in Mission—Port Moody. In the by-election of 1983, and in the general election of 1984, I clearly stated that should the opportunity present itself I would vote for the reinstatement of capital punishment for specific and selected crimes. Today, through you, Mr. Speaker, I wish to advise my constituents that I have not changed my position on this issue.

In the past four years I have prepared and presented Private Members' Bills on capital punishment for this House and Members to consider. I will continue to pursue a direction which I believe will better protect the citizens of this country. As a humble servant of all Canadians, and after having served Canadians as a law enforcement officer, I will attempt today to express my views on this very important topic. My views are not only those of a citizen of our country but, as well, of one who has served in the trenches of law enforcement waging what I believe is an incessant war against crime.

My entire presentation today will be based on what I perceive as logic, not—and I emphasize "not"—on fanaticism, hate or revenge. This issue is merely a question of law and order upheld by a system of justice with the ultimate goal of protecting our citizens from those who would diabolically and deliberately plan the death of another human being. As I have enunciated, the object of this debate is to put all the aspects of this issue before the Canadian people in this forum. I will do my utmost in the next few minutes to point out the rationale of my argument.

I also want to point out that whatever decision this House arrives at I will support unequivocally because, as important as I believe this issue is to Canadians, the fundamental principles of this institution far exceed any one piece of legislation brought before you, Sir, or this House.

On August 26, 1986, the Canadian Association of Chiefs of Police prepared a position paper on capital punishment and I would like to read a portion of it into the record today. It reads as follows:

> The Canadian police community has repeatedly urged the Government of Canada to give consideration to reinstate capital punishment in one form or other, without success. Since the time of *de facto* abolition in 1962 there has in fact been a doubling in the homicide rate in Canada. At the same time there has been no reduction in the level of public concern about child killers, serial murders and the murder of public servants, and there is increasing concern over the growing population of convicts serving life sentences, leading to more and more acts of violence including murder in our correctional institutions.
>
> At the 1984 conference of the CACP the following resolution was adopted:
>
> Be it resolved that the Canadian Association of Chiefs of Police strongly recommends to the Government of Canada to immediately undertake a complete review of this matter; recognizing public opinion and addressing the need to reinstate capital punishment as an option within our criminal justice system.

I do not promote that we listen to only one sector of our society. I repeat, we must not listen to only one sector, but certainly we must heed the opinions of those who deal with the criminal element on a day-to-day basis and who, I believe, know the situation very well. I also know that there are abolitionists among police chiefs and policemen but, as I said, we are not discussing one particular group but rather an issue of conscience, an issue for each individual to deal with.

In my opening remarks I made mention of a war against crime. Let me assure you and this House, Mr. Speaker, that it is truly as stated, a war against crime and criminals. For those of us, like the Member for Bourassa (Mr. Rossi), who have worked the streets of our major cities and have dealt with the illicit drug trade, terrorism, child killers and serial murders, it goes without saying that a war does exist. This war is exemplified by the fact that certain cities now use vehicles similar to

military tanks to carry out their day-to-day duty of law enforcement.

No, Mr. Speaker, I have not come here today to glamorize the situation, but I must tell you as one who has worked as an undercover police officer in the midst of the illicit drug trade that the value placed on human life by this group of people is negligible or none. The lack of respect for human life is borne out by the statistics of those murdered annually in North America's illicit drug trade.

• (1320)

This is just one area of criminal activity that has no respect at all for human life. Others include loan sharking, prostitution, gambling, extortion, kidnapping and, the worst, terrorism.

When I refer to war, I am certain that if a foreign power were to jeopardize the lives of our citizens we would not hesitate to implement capital punishment against the invaders as we protect our citizens. What is the difference between a foreign invader or a criminal invader within our own society?

I believe that we, as legislators and leaders, have a responsibility to protect our citizens from those who would seek to destroy life. Capital punishment is a necessary part of this protection, based on the ultimate action taken by the enemy. In this case, the enemy is obviously those who deliberately plan and kill innocent members of our society, including our friends and sometimes our families.

It is with the utmost respect that I say to the legal profession and the judiciary of this land that until one has been exposed to the arena of war on crime in the streets of the cities of this nation, one cannot truly evaluate the severity of the situation. One cannot truly understand the criminal mind from reading a police report, or hearing witnesses, regardless of how articulately they may be presented not until one is on the front lines and sees these individuals in action. No written words or statements after the fact can truly describe what is being dealt with.

Some say that in the minds of the law enforcement agencies capital punishment is a question of revenge as they seek to get even. I can say unequivocally that this is the furthest from the minds of police officers and correctional officers. Like other members in society, they only seek to improve their profession and work toward a society that is free of crime and violence. I believe, as the majority of Canadians believe, that we are bound to protect the essence of law and order in our Canadian cities if they are to remain safe 24 hours a day.

No person or group seeks revenge during a time of war. The only true objective is peace and safety. War criminals are not extradited for the sake of revenge but to remove those from society who deliberately plan the removal of human life and refuse to live within the normal bounds that society has established. In most instances, we do not hear the abolitionists question the handling of war criminals. Consistency must prevail.

The aspect of capital punishment as a deterrent has been much discussed. Is capital punishment a deterrent to premeditated murder? I believe that we are dealing with a question of justice, not utility. I also believe that the deterrent factor is very selective and marginal at best.

As a learned judge once wrote, "The death penalty is a warning just like a lighthouse throwing its beam out to sea. We hear about ship wrecks but we do not hear about the ships that the lighthouse guides safely on their way. We do not have proof of the number of ships it saves but we do not tear the lighthouse down".

I believe that deterrence is a factor. But the position we must take when dealing with certain crimes is that they are so terrible, so abominable, so outrageous to the public that only the ultimate penalty indicates clearly to those perpetrators that society will stand up and defend itself against these types of acts.

We must be very careful in the selection of which crimes are to be punishable by death. Even then, we should only turn to capital punishment as a court of last resort. On behalf of those who are retentionists, I am certain I can safely say that if an alternative method of dealing with these heinous crimes was to present itself and provide the protection sought by us, we would accept an option without question.

I want to briefly address the question of public opinion. We know that polls and other methods of measuring public opinion clearly indicate that in excess of 70 per cent of Canadians seek the reinstatement of capital punishment for selected acts of criminal murder.

I know that there are the psuedo-intellectuals of our Canadian society, as in all societies, who feel that the Canadian population is uninformed, basically in the stone age in their thinking. With all due respect to this so-called elitist group, they have lost sight of what is basic to our Christian Judean philosophy of life. They have become, in most cases, sectarian humanists who feel that all rules, regulations and laws, regardless of how permissive they are, must not infringe on the rights of the individual even when it comes to upholding civil obedience in our society. The fact that everyone is doing something does not make it right. They, like the previous Government from 1968 to 1984, would allow minorities to impose their will on the majority. This is not what Canadians want. They want traditional values based on the sound Christian Judean philosophy to run this country.

Canadians want both leadership and laws from the House of Commons that will not force them to form vigilante groups, or to arm themselves in their homes and businesses in order to fight off the wave of violence and crime that is gripping our society. I can refer to the incidents in Calgary, Montreal and Ontario where people have felt the necessity to arm and defend themselves as a result of the actions taken by the criminal element. We must deal with this question definitively and immediately.

We hear many statistics regarding homicides, murder rates, and infanticide rates. I say to all Canadians that statistics are general numbers. In many cases they are developed to uphold specific arguments on issues and are normally developed to the advantage of the side presenting the argument. I believe that the only statistic that is valid is the one that the homicide rate has doubled from 1962 to 1983. Certainly, populations have increased, but this is no reason to accept an increase in the rate of crime and violence as an integral part of our society. We are an advanced society and are supposed to be making progress and improving in this area.

However, I must point out to the House that if one looks at major U.S. cities there is a very thin line where cities lose their level of safety, and where the people can safely walk the streets after dark. It is incumbent upon us as legislators to be as stringent as we prudently can be, as populations increase, because the ability to supervise and police effectively decreases in direct proportion to population increases.

There are many reasons for this situation, but the main one is that law enforcement agencies and their agents have reduced personal contact and, therefore, cannot maintain the same level of control over the criminal element.

I could read into the record a multitude of statistics, but the real issue here is law and order with a well administered justice system that does not categorize or place special emphasis on the life of a police officer or prison guard, but recognizes that all lives have the same level of importance and value. If we look at the heinous serial murders and mass murders, we will see that these deliberate and vicious acts are mostly against young children, women and the poor in our society. These are the people whom we seek to protect.

In recent debates we, as a Government, have been chastised for the timing of this issue. Statements have been made that we are using it for political expedience. The Prime Minister (Mr. Mulroney) stated in 1984 that a free vote would take place on the issue of capital punishment. Here we are dealing with this issue, as promised. It was a promise made and another promise kept.

• (1330)

I would like to make reference to the motion put forward by the Government, and speak to the role of the special committee that will be struck should the initial vote in this House carry in favour of the reinstatement of capital punishment.

Some of the abolitionists have tried to portray all of us who favour the return of capital punishment as terrorists, vengeful, vindictive, sadistic, medieval types who would burn at the stake or boil in oil all persons for virtually any crime against people. Well, sir, here again they paint a false picture because I am a retentionist and I believe, as most Canadians, that we would sooner let hundreds or thousands go free than make one error in charging, prosecuting and penalizing an individual falsely.

I also feel that we must be very selective in determining which offences warrant capital punishment. The committee, I hope, will recommend check systems in the process which will make it impossible for us to commit an error in this very crucial and final process.

In closing, I would like to take this opportunity to once again emphasize that we are dealing here with a vote of conscience. During the opening day's debate, however, I could not help noticing that many people fail to recognize that this is the only route to take. When dealing with issues such as this, it is important that they not be dealt with on the basis of who is on the right and who is on the left. Rather we must deal with what is right and what is wrong.

As legislators I believe we have a responsibility to protect members of our society. In light of this, I must vote for the reinstatement of capital punishment. None the less, this is a very emotional issue. I understand that other people in this House have different opinions. It is my hope that this debate will allow Members of the House to present their views in a civil manner without bringing disgrace to this institution. It is important that all sides of this issue be presented to the Canadian people fairly, openly and honestly. I believe that when all the facts have been presented, it will be obvious that the reinstatement of capital punishment is necessary for the maintenance of law, order and safety within our Canadian society. I thank all Hon. Members for listening so attentively to my presentation.

Mr. Deputy Speaker: I see an Hon. Member rising. Is it the wish of the House to proceed to the period for questions and comments immediately?

Mr. Manly: Mr. Speaker, I would prefer to proceed to questions and comments after Question Period if this could be possible.

Mr. Deputy Speaker: It being 1.33 p.m., I do now leave the Chair until 2 p.m. this day.

At 1.33 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

TRIBUTE TO CLAUDE JUTRA

Mrs. Lucie Pépin (Outremont): Mr. Speaker, last week, news of the death of our great film maker, Claude Jutra, saddened all those who were familiar with his work.

Born in 1930, Claude Jutra belonged to a new generation of Canadian film makers which conquered the hearts and minds

of film enthusiasts and the general public in Quebec, Canada and throughout the world.

With his singularly acute vision of society, Claude Jutra, while exploring a complex, sometimes comical, sometimes tragic world, was able to preserve something of the innocence of childhood. Influenced by his medical training, a great film technician, scenario writer, actor, and above all director, Claude Jutra made a major contribution to the burgeoning Quebec and Canadian film industry. His work sprang from a fertile social and artistic environment and reflects the Quebec of his youth and his mature years.

His many short and full-length films bear witness to his great talent. They also reflect the inspiration provided by his origins and the French Canadian and Quebec environment. I am thinking of works as varied in substance and form as *Il était une chaise*, an experimental film produced with Norman McLaren; *A tout prendre*, a very "nouvelle vague" film; *Kamouraska* and *Mon oncle Antoine*, firmly rooted in Quebec, and one of his latest films, *La dame en couleurs*, which takes us back to the world of childhood.

Mr. Speaker, I would like to join all Canadians in paying a last tribute to Claude Jutra, whose death has meant a great loss to Quebec cinema.

* * *

[*English*]

FISHERIES

REPORT ON OCCUPATIONAL HEALTH AND SAFETY IN BRITISH COLUMBIA INDUSTRY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, today we recognize the pain, suffering and loss of life and health on the part of Canadian men and women in the workplace.

Nowhere is this greater than in the fishing industry. It becomes almost routine to read news items, as we did this last weekend, about fishing boats that have been lost at sea, with all hands lost.

The Gray Report on Occupational Health and Safety in the B.C. Fishing Industry points to three basic requirements for an occupational safety and health program: (1) a trained and knowledgeable workforce; (2) safe plant and equipment; and (3) understandable regulations, with a means of enforcement.

The Gray report notes problems in all three areas and recommends mandatory training and certification of fishermen, mandatory inspection of all fishing vessels, and the development of appropriate safety regulations.

I call upon the Government to act now, before more lives are lost, to implement the recommendations of the Gray report, so as to ensure the best possible fishing vessel safety program is implemented.

TRADE

DISCUSSIONS ON TRADE BETWEEN CANADA AND JAPAN

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, the Canadian Government's concentrated efforts to expand our foreign trade markets continue to bear fruit.

This past Sunday an important three-day meeting in Japan concluded, a meeting which achieved positive results for Canada.

The Minister of International Trade (Miss Carney) met with a number of key individuals in Kashikojima on the important issues of lumber and coal sales to Japan, as well as the serious matter of foreign agricultural subsidies, something which currently bedevils our own agricultural industry.

Japan is giving serious consideration to amending its building codes to permit and promote the use of Canadian lumber in multi-storey housing construction. Such a code change would greatly enhance the potential for our lumber sales to Japan.

The Department of International Trade, under the energetic and able leadership of the Minister, continues to make great progress in promoting the diversification of our foreign trade, a trade which is essential to our national economic well-being.

While some in this House like to criticize foreign visits, they do so through ignorance and/or perceived partisan gain.

Our trade representatives, rather than staying home for the Easter vacation, were abroad on the nation's business, highly important business, and deserve our commendation for the results of their labours.

Some Hon. Members: Hear, hear!

* * *

ATLANTIC ENTERPRISE PROGRAM

PRINCE EDWARD ISLAND—REJECTION OF CALAGRO CORPORATION PROJECT

Mr. George Henderson (Egmont): Mr. Speaker, the citizens of Prince Edward Island, and especially those of Prince County, are outraged by the federal Government's refusal to assist the greenhouse proposal made by Calagro Corporation.

Calagro Corporation had applied for interest rate buy-downs and loan guarantees under the Atlantic Enterprise Program.

When the Government unveiled this program in February of 1986, it spoke of job creation. The Calagro project would have employed about 300 people during the construction period, and the plant would have required an operational staff of 150. In addition, the spin-off benefits for the local economy would have created more jobs.

The unemployment rate in Prince Edward Island is higher now than during the recession years. These jobs are badly needed, especially in the western part of Prince Edward Island.

We all remember the slogan: "Jobs, jobs, jobs"; but that has become another empty promise for Atlantic Canadians.

The federal Government's rejection of this proposal is a slap in the face, and it is one which will not be forgotten. The lack of support of both the provincial and federal Progressive Conservatives will be remembered.

This, Mr. Speaker, is not an empty promise.

* * *

THE LATE MASUMI MITSUI

Mr. Alan Redway (York East): Mr. Speaker, recently we celebrated the seventieth anniversary of the Battle of Vimy Ridge. This past weekend a veteran of that battle passed away. His name was Masumi Mitsui, and he was a Japanese Canadian.

Masumi Mitsui was born in Japan, coming to Canada in 1908. He enlisted in the Canadian Army and was promoted to sergeant. He was wounded in action and awarded the Military Medal for Bravery.

• (1405)

He was one of 184 Japanese Canadians who served with our forces during World War I; 53 were killed and 91 were wounded.

In 1942, although he was a past-president of a branch of the Royal Canadian Legion, and although he had offered to serve again in the Canadian Forces after we declared war on Japan, Masumi Mitsui was forcibly taken from his farm and interned along with 22,000 other Japanese Canadians.

Since the end of World War II Masumi Mitsui had been working for the cause of Japanese Canadian redress. Now he is gone. How much longer will it take?

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

EARLY RETIREES—REQUEST THAT BILL BE SEVERED INTO TWO PARTS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, last week, the Minister of Employment and Immigration (Mr. Bouchard) said on one of our radio stations it was the Opposition's fault that passage of legislation to provide refunds for early retirees was being delayed. Mr. Speaker, I have to say that this statement is as false as the image projected by the Conservatives. I suggest that the Conservative Government split the Bill and call second reading of the Bill as far as the refund for 35,000 early retirees is concerned. The Liberal Party promises to facilitate same-day passage of second reading, report stage, third reading and royal assent, and we will even help the Government deliver unemployment insurance benefit cheques to the 35,000 early retirees, 13,000 of whom live in Quebec.

* * *

[*English*]

TAX REFORM

EFFECT OF TAX DEDUCTIONS ON LOW-INCOME EARNERS

Mr. Simon de Jong (Regina East): Mr. Speaker, the people of Canada are very concerned about where the Government is going on tax reform, particularly those living on low and modest incomes.

A letter from one Canadian in British Columbia said it well, and I quote:

> I know we're all responsible for helping to reduce Canada's debt but it seems a low wage earner is more responsible than a high wage earner.

To illustrate, he pointed out that his bi-weekly paycheque of some $250 had tax deductions which almost doubled from $4.90 in 1985 to $8.90 in 1986. In contrast, someone making a bi-weekly wage of $1,700 saw deductions for taxes increase by only $11.90 to $497.45.

I might remind the Minister of Finance (Mr. Wilson) that on December 19, 1984, he said the following:

> We've made it quite clear we want to shift some resources from the upper income brackets, from the wealthier people in this country to the needy in this country, using the tax system.

My question to the Finance Minister is: When?

* * *

[*Translation*]

VOLUNTARY ORGANIZATIONS

OPPORTUNITY TO PROVIDE MORE ASSISTANCE

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, recognition for the importance of voluntary organizations is increasing in our society. It is estimated that Canadian men and women spend about 395 million hours annually on volunteer work in hospitals, with young people and the elderly, and on recreational organizations, to name just a few.

What would our society be without the contributions of these volunteers? Just think of all the expertise and competence that daily supports the work of hundreds of employees in the public, para-public and private sector. Mr. Speaker, in the past two years I have made several proposals for creating a special committee that would consider ways of providing more

adequate support for volunteer work in Canada. Recognition is not just setting aside one week a year. It also means providing material, physical and financial support, 12 months out of 12, to maintain our voluntary organizations.

Mr. Speaker, in concluding, I want to salute all volunteer workers during this special week, and I would urge all Canadians to show their appreciation.

* * *

[*English*]

THE ECONOMY

INCREASE IN RATE OF GROWTH

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, thanks to the progressive market oriented and financially sound policies of the Conservative Government, Canada's economy continues to forge ahead toward new record levels.

Latest Statistics Canada figures indicate a solid growth rate of 4 per cent for the first quarter. Leading the rebound have been the housing and auto industries. First quarter results show annualized housing starts at 237,000, up 11 per cent from the last quarter of 1986.

Employment grew at an annual rate of 3.2 per cent between January and March, and between September and March alone nearly 200,000 full-time jobs have been created.

These impressive figures demonstrate what can happen when Canadians roll up their sleeves and start working in concert with a Government which is truly deserving of their well placed confidence.

* * *

WINTER OLYMPICS

OLYMPIC TORCH RELAY—OMISSION OF LABRADOR FROM ROUTE

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, the people of Labrador are not being allowed to participate in the Olympic Torch Relay which is to begin the trek to Calgary this fall starting in St. John's. This is a disgraceful situation.

• (1410)

The torch will be carried all across the country and to other distant and northerly points including Whitehorse, Inuvik, and Yellowknife. Yet the Olympic torch relay will not even come close to Labrador, a very important and large part of the Province of Newfoundland, a land mass of 259,000 square kilometres and occupied by over 30,000 people. It is my belief that the people of Labrador should have a part in this and that the torch should begin its journey in Labrador. How otherwise can it be called a national event?

The Government of Canada must step in and ensure that plans for the Olympic Torch Relay are revised to include Labrador and that Labradorians must be allowed to "Share the Flame".

* * *

WORKERS' DAY OF MOURNING

RECOGNITION OF VICTIMS OF INDUSTRIAL ACCIDENTS

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, April 28 has been declared an annual day of mourning in recognition of the many Canadian workers who have been killed or disabled in industrial related accidents.

I had the privilege two years ago to be present in Sudbury with my colleague, the Hon. Member for Lachine (Mr. Layton), at an early workers' memorial service in memory of miners who lost their lives as a result of a rockburst underground at the Falconbridge mine.

April 28 is a significant date because on that date in 1914 the first worker safety legislation in Canada was enacted by the Province of Ontario.

Earlier today a monument to commemorate workers was unveiled at Vincent Massey Park in Ottawa near the site of one of Canada's worst industrial accidents, the collapse of the Heron Road Bridge in 1966.

Our industrial and construction workers have and will continue to play an essential role in the growth and development of Canada. I ask all my colleagues and all Canadians to join today in recognizing their contribution.

* * *

TAX REFORM

HANDICAPPED TAXPAYER'S NON-DEDUCTIBLE EXPENSES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I wish to quote from another letter about our tax system. This time it is from a concerned citizen in Ottawa:

> Thanks to our equitable tax system, out of a salary of $14,946.61, $2,358.40 is taken for tax, while those persons making far in excess of this amount pay no, or very little tax due to their fortunate position of having numerous tax write-offs.
>
> Due to a physical handicap (cerebral palsy) shoes alone cost me in excess of $700 per year which cannot be claimed.
>
> I found living in a five foot by 8 foot room detrimental to my mental health and so have moved to a one bedroom apartment, cost $550 per month.
>
> ParaTranspo costs in excess of $500 per year (Thank God there is such a thing).
>
> As can be seen, there is not much chance of me being able to save for a time which in future may possibly see me in total physical handicapped situation . . .

I do feel our tax system is unfairly balanced to those in upper income levels. So much for tax reform!

* * *

[*Translation*]

PHARMACEUTICAL PRODUCTS

TESTIMONY SUPPORTING PASSAGE OF BILL C-22

Mr. Gilles Bernier (Beauce): Mr. Speaker, it has become imperative that Bill C-22, the drug patent legislation, be passed without further delay.

Spokesmen for Quebec's *Fédération de l'âge d'or* have stated: "We are convinced that this amendment to the Patent Act is essential to promote research and discover new drugs to treat such diseases as cancer, Alzheimer's, AIDS and other cardiovascular conditions".

Quebec Premier Robert Bourassa said—listen to this, Mr. Speaker, and Members of the Opposition in particular should pay attention: "Montreal Mayor Doré and I have expressed our agreement to allow and encourage the federal Government to have its patent legislation passed because we know that this measure will pave the way for much larger research investments in Canada, particularly in Quebec".

The Montreal Board of Trade put it this way: "The greater Montreal region alone is expected to benefit from new investments exceeding $500 million, and this would create 750 jobs". New jobs, I might add.

We have the strong support of the Montreal Chamber of Commerce.

Quebec Industry and Commerce Minister Daniel Johnson wrote: "As we wait for this strategic and important decision for the industrial future of Quebec and Canada, you can count on my full co-operation".

Mr. Speaker, such testimony speaks much louder than the twisted positions taken by the NDP and Opposition Leader Turner.

Bill C-22 will free hundreds of millions of private investment dollars in Canada and create the kind of jobs our young graduates are anxious to have.

* * *

● (1415)

[*English*]

PHARMACEUTICAL INDUSTRY

CONGRESSIONAL INVESTIGATION OF UNITED STATES DRUG INDUSTRY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to inform the House and particularly government Members that American legislators have started a Congressional investigation into the American drug industry, and Canada's current system is being held up as a model for the United States to follow.

In testimony before a Congressional hearing, the American Association of Retired Persons praised the Canadian system as: "an appropriate market-oriented model for moderating the trend in escalating prescription-drug prices".

This is just one more opinion in the growing list of people and organizations heaping praise on the current drug-pricing system in Canada, a system that was put in place by a Liberal Government under the leadership of the Right Hon. Leader of the Opposition (Mr. Turner).

It is about time that the Government and the Minister of Consumer and Corporate Affairs (Mr. Andre) acknowledged that the vast majority of Canadians do not support Bill C-22 and the changes to the Patent Act. Come election time, Canadians will remember who used closure to force this Bill through Parliament. They will remember who prevented witnesses from appearing before the committee. Most important, they will remember who raised prices for drugs by millions of dollars each and every year.

* * *

ST. LAWRENCE SEAWAY

OPENING OF SHIPPING SEASON

Mr. Joe Reid (St. Catherines): Mr. Speaker, the St. Lawrence Seaway is now open for its 29th season. The great inland transportation system has had its share of troubles in past years but 1986 saw a trouble-free season with total tonnage up slightly over that of 1985. For our part, the federal Government has committed $175 million over the next seven years to prevent any further surprise mishaps.

The United States-Canada trade mission to Europe promoting the expanded use of the Seaway was described as being a big success. If the shippers, the carriers, and the seamen who man the ships will do their part by keeping the traffic moving through the season, the tonnage of movement through the Seaway should increase by some 3 to 5 per cent, and why not? The Seaway is already the most reliable, cost-efficient means of transporting bulk cargo goods of the world to the very heart of the North American continent, and vice versa.

* * *

CANADA POST CORPORATION

CHAIRMAN'S LETTER TO *CANADA LUTHERAN* PUBLICATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, recently the editor of the *Canada Lutheran*, a

religious publication, received the following letter from the Chairman of Canada Post concerning its second-class mailing privileges:

> Upon a careful reading of the publication you have submitted in your application, I am unable to conclude that the content of *Canada Lutheran* is "devoted primarily" to one or more of the subjects enumerated in paragraph (b). Therefore I must conclude that your publication is best described by paragraph (a). As such, the exception provided by paragraph (i) is unavailable to you and your application is subject to the provisions of paragraph (h).
>
> Your application fails because paragraph (h) takes away second class entitlement from any publication described in paragraph (a), if it is published by someone whose principal business is other than publishing and it is published for the purpose of advancing the publisher's principal business. When interpreting paragraph (h), it is important to note that the term "business" does not have a strictly commercial connotation. In the context of the Regulations, it is to be interpreted as the principal activity or purpose of the entity in question.

That clears it all up.

Some Hon. Members: Oh, oh!

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

FARM CREDIT CORPORATION—ENDING OF MORATORIUM ON FARM FORECLOSURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Canadian grain economy is collapsing. Farm families are breaking up under the stress and strain of that pressure. Farm groups tell us that the situation is as bad as it was during the Great Depression. Yet this is the time chosen by the Government of Canada to start foreclosing on farms, kicking farmers off the land and kicking farmers when they are down.

Will the Prime Minister immediately reverse yesterday's mean-spirited decision by the Minister of Agriculture to start foreclosing on Canadian farms?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, there is no doubt, and we on this side realize it, that it is a serious matter for Canadian agriculture. The federal Government has taken many initiatives to address that problem but let me try to put into perspective, if I can, the situation with the Farm Credit Corporation.

There are approximately 225,000 commercial farms in Canada. The announcement of the lifting of the foreclosure moratorium will affect approximately 50 farmers per month. By the way, those farmers have the option of having their cases referred to farm debt review boards or other programs this Government has initiated. So that a year from now, if the process goes ahead as planned, it will affect at the maximum about one-quarter of 1 per cent of all commercial farms in Canada.

• (1420)

In the meantime the federal Government is providing substantial financial assistance to farmers to see them through this very, very difficult time in the international grain markets.

[*Translation*]

GOVERNMENT ASKED TO GUARANTEE FARMERS DECENT STANDARD OF LIFE AND JUST PRICES FOR GRAIN CROPS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, last week the Government reduced the preliminary price for grain by 18 per cent. This week, it has started turning farmers off their farms. These measures are stupid and unfair and are destroying a whole way of life on the family farm. When will the Prime Minister guarantee our farmers a decent standard of living and a fair price for their produce, especially for grain?

[*English*]

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, as I said, I hope the Right Hon. Leader of the Opposition will put it in perspective and consider the facts. I say again that one year from now the lifting of the moratorium will affect at a maximum one-quarter of 1 per cent of all commercial farms.

The Hon. Member talks about stupid and unfair. One of the reasons we are in this situation is because of the stupid, ignorant and unfair policies of the previous Government—

Some Hon. Members: Hear, hear!

Mr. Mayer: —in bringing in a high interest rate policy which put farmers in the position they're in today.

GOVERNMENT POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, after all those Tory promises why do it now? Why kick the farmer when he is down? Why reduce grain prices? Why start foreclosing on farms? Why now, and why all at the same time?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we recognize this is a serious matter. The Minister of Agriculture has put in place several options farmers can consider. One of them is the farm debt review boards. Another one is the Canadian Rural Transition Program. The FCC has initiated two other interest rate programs which reduce interest rates for farmers. All of this is an attempt to deal with this very difficult situation. All of those programs are up and operating. They will be of use to farmers in this very difficult time.

Might I say that we are taking an entirely different approach under the leadership of the Prime Minister by trying to solve the problem internationally? That is in great contrast to a previous Prime Minister who came to western Canada and told us to sell our own wheat.

FARM FORECLOSURES—GOVERNMENT POSITION

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. He started his own form of capital punishment for farmers yesterday when he announced he will start foreclosing on tens of thousands of farmers this Friday.

Some Hon. Members: Oh, oh!

Mr. Foster: Can the Minister tell us why he is starting these foreclosures now? This is being done just one week after he reduced grain prices by 18 per cent. It is being done after he and the Minister of Agriculture refused a deficiency payment for the coming crop year. Farmers are going to the bank to get money to put in a crop. Why is he starting the foreclosure action this Friday? Is it going to be known as Black Friday from now on?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I would appreciate it if the Hon. Member, who has been a distinguished Member of this House for a long time, would at least get his facts correct. We are not starting foreclosure on tens of thousands of farmers. The process will involve at the most approximately 50 per month. If he does the arithmetic, that amounts to about 600 per year. We are not involved in any way in the kind of thing the Hon. Member suggests.

Let me say again that anyone affected will have the option of having their case reviewed by the farm debt review boards which have been in operation since last August. They will be of great use to many of the farmers who are going to be affected.

NUMBER OF LOANS IN ARREARS—REQUEST FOR RESCHEDULING

Mr. Maurice Foster (Algoma): Mr. Speaker, I would just remind the Hon. Minister that when he talks about 600 farmers he knows he is just kidding everybody. There are 6,000 FCC loans which are more than two years in arrears. When they are more than two years in arrears the history has been that they never recover. Altogether there are 16,000 FCC loans which are in arrears.

• (1425)

Before the Minister puts this program into effect this Friday to start thousands of foreclosures, will he put in place a major new system to reschedule debt? Does the Minister not have any compassion? Does he not have any heart? Does he not know what is going on out there?

Some Hon. Members: Hear, hear!

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member distorts things wildly out of proportion. He knows very well that the total number of Farm Credit Corporation clients is approximately 76,000. Therefore, for him to suggest that there are 60,000 in arrears is absolutely—

Mr. Foster: Six thousand.

Mr. Mayer: I am sorry, the figure I heard him use was 60,000.

However, he should know that the approximate number of farmers who will be affected, regardless of all the numbers he wants to throw around the House, will be in the neighbourhood of 50 per month.

Mr. Blackburn (Brant): How would you like to be one of the 50?

Mr. Mayer: That means that a year from now the action which was announced by the Minister of Agriculture will affect approximately one quarter of 1 per cent of all the commercial farms in Canada.

In the meantime we are providing a substantial amount of financial support. For instance, to repeat, there will be approximately $1.3 billion of federal tax money going into the western grain economy in the next five weeks. In my opinion that does not indicate a Government which is unconcerned and shows lack of compassion for the farm community. It indicates exactly the opposite and most farmers realize that.

Some Hon. Members: Hear, hear!

REQUEST THAT GOVERNMENT DECISION BE CHANGED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. He knows that the figure to which the Minister has just alluded is to pay farmers for last year's crop. He knows that his Government has made no commitment to bringing in special assistance for farmers who are now putting this year's crop in the ground.

His decision to go ahead with foreclosures on Friday will mean that some 600 farms are immediately in danger. Since 25 per cent of Canadian farmers are on the verge of bankruptcy, will the Prime Minister intervene directly, change the Government's decision, and put an end to this policy which the Government wants to inflict upon Canadian farmers on Friday?

Some Hon. Members: Hear, hear!

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Leader of the New Democratic Party says farmers need cash for seeding now. That is exactly what we are doing. We are providing cash for them now.

Mr. Broadbent: That's not what I said.

Mr. Mayer: Well, the Hon. Member now wants to take it back. I wish he would know what he wants to ask when he phrases his question.

However, I will repeat that there is a substantial amount of money going into the pockets of western Canadian farmers right now at a critical time of the year, which is exactly the

point he makes in his question. There is $1.3 billion of cash going into the pockets of western Canadian farmers right now at seeding time which is a critical time of the year. Farmers need cash for seeding right now and that is what we are supplying.

REQUEST FOR GUARANTEED RETURN FOR GRAIN FARMERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will repeat carefully and slowly what I said so that the Minister can hear it. The Minister tends to answer questions in a straightforward way. He knows that the money which has been committed is for last year's crop, not for the crop which is now being put in the ground.

Will the Minister now guarantee grain producers who are planting this year's crop that their final return on this year's crop will not be one cent lower than the return they received last year which has already dropped by some 18 per cent?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I farm and speak from first-hand experience. When farmers seed their crops in the spring they usually do it out of revenues derived from last year's sales. That is exactly what is happening. Farmers are selling record quantities to the Canadian Wheat Board which is doing a very good job of marketing. The federal Government is providing a record amount of cash. With those two factors combined farmers are equalling and probably surpassing the income they received from the previous crop.

We are performing in exactly the way farmers would expect, based on the kind of marketing they are undergoing and the normal amounts of cash they would receive from such marketing. Therefore, I do not understand what the Hon. Member is talking about. If he knew something about farming, as I do, he would not phrase his question in that fashion.

Some Hon. Members: Hear, hear!

• (1430)

REQUEST FOR INCOME GUARANTEE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to turn to the other well known farmer in the House of Commons, the Prime Minister, who did not hesitate to answer questions on this important matter when the Saskatchewan election was taking place. Will he guarantee to Canadian farmers who are putting the crop in the ground now that the money they get from that crop will not be one penny lower in terms of their final income than they got from last year's crop? Will he give that guarantee now when an election is not taking place in Saskatchewan but when there is a real crisis in western Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will acknowledge that I am not an expert in farming. I just sound like one when compared with the Leader of the NDP. The Leader of the NDP was doing well until he had Shirley Temple sitting next to him.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The very serious question by my hon. friend was given a very serious answer by the Minister of State for the Canadian Wheat Board who is not only an experienced public official but an experienced farmer, with vast amounts of knowledge. He has been working very closely with farm organizations and individual farmers to maintain the record of this Government's commitment to agriculture nationally and western agriculture in a special way because of commodity difficulties it is undergoing.

May I say to my hon. friend that an important part of the resolution to the problem is on the international level where, in Tokyo last year, the Secretary of State for External Affairs and I raised agriculture and the implications of commodity prices for the first time at the summit—

Mr. Broadbent: It really did a lot of good, didn't it?

Mr. Hnatyshyn: They are joking about this.

Mr. Mulroney: It is now at the GATT for the first time. I will acknowledge that there have been no overnight miracles, but there has been solid progress on a number of fronts and farmers recognize that.

Some Hon. Members: Hear, hear!

CANCELLATION OF FORECLOSURE MORATORIUM—ROLE OF CHARTERED BANKS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, perhaps we can get back to the serious issue facing the House today, which is the Government's announcement that it was cancelling its moratorium.

My question is directed to the Minister of State for the Canadian Wheat Board. He is fully aware that one of the most dangerous aspects of that announcement is the signal it will send to the chartered banks which hold over $8 billion of farm debt at the present time, that it is now open season on farmers to foreclose their mortgages.

Does the Minister or do his colleagues intend to call a meeting of the chartered banks of Canada to make it very clear that this disgraceful act by his Government should not be taken as a signal that they can start their own foreclosure actions and therefore precipitate an even broader and deeper crisis than now exists?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, let me try again to put it into some perspective. That is not what will happen. No one wants to see that happen because it is not in the best interests of farmers, banks, Governments or anyone else.

The Farm Credit Corporation will be looking at approximately 50 clients per month, which, on an annualized basis, is approximately one-quarter of 1 per cent of all commercial farms in the country. If it was believed for one minute that

what the Hon. member suggested could possibly happen, that action would certainly not have been taken.

We have been in contact with the banks to have an understanding with them of how they intend to proceed. Let me assure the Hon. Member that what he suggests will not happen.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Minister knows from the testimony of the FCC itself before the Agriculture Committee that over 16,000 farmers are now in arrears on the credit lines of the corporation itself. Six thousand of them have been in that situation for over two years. The conclusion is that they have a dangerous potential for bankruptcy.

The fall in farm prices and the lack of a deficiency payment precipitate even a further pressure on those farmers. Why will the Government not include the banks, which share the responsibility along with the Government and farm organizations, to work out a debt restructuring system to ensure that there will be no further attempts by the banks to foreclose, and to ensure that farmers can go ahead in the expectation that they can get loans and credit this year in order to put seed in the ground? Why does the Government not show some leadership in this issue?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I do not know where the Hon. Member has been for the last two and one-half years of the Government. If he had been paying attention to what has been happening in the House he would have been here when we passed the Farm Debt Review Board legislation. Those boards have been in operation since last August and have gained some experience in how to deal with some of these situations. That which he suggests in his question is exactly what is happening through the Farm Debt Review Board appeal process. Those boards will be looking at every case, as the farmer so chooses, that the Farm Credit Corporation processes so that people have the option of dealing with the Farm Debt Review Board that has been in operation for some eight or nine months and gained some experience in how to deal with these situations.

The process that is under way is exactly as he suggests in his question. We have been doing our job in showing some leadership. If the Hon. Member had only paid attention he would know what was happening.

REQUEST FOR GOVERNMENT ASSURANCE ON FARMERS' INCOME

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. The Minister knows that the billion dollars promised last year and is still coming was for last year's crop. He also knows that $705 million that is coming in for western grain stabilization is a deficit on last year's crop. Most of that money is not going to the pockets of the farmers but directly to the banks. The Minister knows that businessmen depend on the farm. The farmers need some assurance for the fall that they will get money back. Can the Minister give us that assurance? Will the Government give us that assurance now?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I can give the Hon. Member assurance on two matters. We will fully support the Canadian Wheat Board in selling the record crop that we produced during the 1986 growing season.

I can also assure the Hon. Member that the federal Government will, in all likelihood, see that there will be a record payout under the Western Grain Stabilization Act this fall. That money will come entirely from taxpayers' money because the Hon. Member knows that the fund is in deficit.

The Wheat Board will continue to sell and farmers will be able to market a record amount of grain. Second, there will be a record final payment under the Western Grain Stabilization Act this fall.

Mr. Hovdebo: The record amount of grain does not help us very much with the price at which the Wheat Board is selling it. That is the real problem.

SITUATION OF FARMERS—GOVERNMENT POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the suggestion that the Farm Credit Corporation will begin to foreclose adds to that situation because it not only affects the farmers but all the rural businessmen who depend on the farmers. Will the Government give us the assurance that it will allow for that kind of money?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, since this Government came to power we increased agricultural spending substantially, over 60 per cent in the first two years of this Government as compared to the previous two years of the last Government.

Second, we estimate that we will increase the amount of spending on agriculture in western Canada by 50 per cent in the present year. We have supported agriculture in the past, we are supporting it now, and we will be there to support agriculture in the future.

* * *

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA—CANADA-UNITED STATES TRADE NEGOTIATIONS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Yesterday, Mr. Bruce Smart, the American Undersecretary of Commerce, said that if Investment Canada turned down Amoco's bid to purchase Dome Petroleum then Investment Canada would have to be negotiated away in the free

trade negotiations. Is the Government losing control of our energy industry because the Prime Minister does not want to risk offending the American Government?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I grew up in and represent the Province of Alberta. I know that when the Government of Canada and this country began to lose control of and hope in our energy industry was when the Liberal Party, of which the Hon. Member was a supporter, brought in the National Energy Program which devastated western Canada and which set in place the circumstances that brought Dome to its present situation.

I also know that there is no relation between the question of Dome and its possible acquisition and the trade negotiations.

Mr. MacLellan: With this Government, the Canadian people have given up practically all hope at all.

GOVERNMENT POLICY

Mr. Russell MacLellan (Cape Breton—The Sydneys): What I want to know is why the Government remains quiet while the Americans tell us not to use our laws while the free trade negotiations are undertaken? They did not hesitate to use their laws and impose tariffs on softwood lumber.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if one wants to get into an argument about which Government has used which powers, let me say that there has also been the use by Canada of Canadian legislation with respect to the corn countervail. There has been action by the United States on a wide range of Canadian commodities. Surely the point is to arrange a situation where, instead of having conflicts over corn, over softwood and over these matters which are costing Canadians jobs, we should instead put in place—

Some Hon. Members: Sell them out.

Mr. Axworthy: "Sell them out Joe", we call him.

Mr. Clark (Yellowhead): —a new trading arrangement.

CANADIAN OWNERSHIP OF OIL AND GAS INDUSTRY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I want to direct my question to the Minister of Energy, Mines and Resources on the same subject but a different line.

Mr. Turner (Vancouver Quadra): You just pulled your line in, John.

Mr. Crosbie: The line is in the streets.

Mr. Waddell: We know from the Government's own records—

Some Hon. Members: Oh, oh!

An Hon. Member: Order, Mr. Speaker.

Mr. Speaker: I think I mentioned yesterday to Hon. Members that, when we have these delays, the Question Period is a little longer than it would be otherwise.

Mr. Waddell: We know from the Government's own records that foreign oil companies have not served Canada's energy interests as well as Canadian oil companies. For example, in the first six months of 1986, Canadian companies with 48 per cent of the upstream oil and gas revenues made 58 per cent of the capital expenditures, whereas foreign controlled companies with 52 per cent of the revenues—

Mr. Crosbie: Question.

Mr. Waddell: —made only 42 per cent of the expenditures. Does the Minister agree that there are clear benefits to Canadian ownership in the oil and gas industry? And if he does, why the hands off attitude to the Dome-Amoco deal? Is it really because Mr. Bruce Smart is calling the shots for Canada?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, we can always find statistics that say what we want them to say. Yesterday, I showed the Leader of the New Democratic Party figures on investment in research and development—I did not really want to release them, but you are forcing my hand—that show that the two largest Canadian companies, Petro-Canada and Nova, have a percentage far lower than Esso, Shell and several other multinationals, so that depending on the point of comparison we want to establish in a given sector, we can always prove what we want to prove, while the important thing is not proof but reality. The reality is that, as far as Dome is concerned, we have a corporation from outside Canada which Dome regards favourably, and that the Canadian Government has all the instruments it needs to ensure that the interests of Canada will be protected, and that is what we are going to do.

REQUEST THAT TWO OFFERS FOR DOME PETROLEUM BE MADE PUBLIC

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have a supplementary. The other day, Mr. Maier, President of TransCanada Pipeline, said there was no difference between the offer made by Amoco and the offer made by Trans-Canada Pipeline. Why doesn't the Government disclose the two offers so that the Canadian public can see whether or not there is a difference?

[*English*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): For a very simple reason, Mr. Speaker. We are not the ones who put Dome on sale. Dome is owned by Dome. It is as simple as that. The Government has not received any offer and it should not receive any offer. It is up to Dome to

receive the offers and it is up to Dome to decide whether it wants to make them public.

TAX REMISSION ORDER'S EFFECT

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance who in February, 1985, made a tax remission order enabling Hudson's Bay Oil and Gas to deduct over 10 years the costs incurred by Dome to acquire it. Since the order failed to restrict the benefit to the then owner, Dome, will the Minister tell the House if his omission will result in a foreign buyer having a tax holiday until 1995?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member might put the question to her own side of the House because it was the Liberal Government which initiated that remission order in 1984. I am not precisely sure of the facts concerning the question the Hon. Member just put at this point because we are still in the early stages of the discussions on this.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I have to take the Right Hon. Leader of the Opposition through a few simple facts about tax matters.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): He was a Minister of Finance. There is a difference between a tax ruling, which is provided by the Minister of National Revenue, and a tax concession, which is something that the Minister of Finance gives, and a remission order.

Some Hon. Members: Oh, oh!

An Hon. Member: John, remember this now.

Mr. Gauthier: That is what she is talking about.

Mr. Wilson (Etobicoke Centre): A remission order about which his colleague talks could be provided by the Minister of Finance, by the Minister of National Revenue or by another Minister.

Mr. Gauthier: Who sets the conditions?

Mr. Axworthy: That is how you define "sell-out" isn't it?

Mr. Wilson (Etobicoke Centre): If I could go back to the question, my answer to the question is that I do not think that it will have the effect of passing through an acquisition, but we are not entirely sure at this point until we get more detail.

REQUEST THAT CONDITIONS BE ATTACHED TO TAX BREAK

Miss Aideen Nicholson (Trinity): Mr. Speaker, the previous Government may have made the commitment to Dome but the Minister decided the terms of the order and signed it.

Mr. Gauthier: That is right.

Miss Nicholson (Trinity): The Auditor General has estimated that the Dome remission order would cost Canadian taxpayers $1 billion. In view of the sale of Dome, does the Minister plan to put some conditions around this tax break?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member wrote that question before she heard my answer.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I said that we think that the effects of the remission order will not pass through to any new buyer. However, I want to be sure of that and we will find that out from detailed discussions with the new buyer, be it Amoco or some other company, at the time we have those details.

* * *

[*Translation*]

TAX REFORM

REQUEST THAT MINISTER MAKE ANNOUNCEMENT BEFORE END OF JUNE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is also directed to the Minister of Finance and relates to the proposed comprehensive tax reform concerning personal and corporate taxation as well as the sales tax, a reform which the Minister promised to unveil in the spring of 1987. Recently we have had all kinds of indications that Cabinet is split about the Minister's tax reform project. Is the Government still committed to propose a comprehensive tax reform, and will the project be made public before the end of June?

Hon. Michael Wilson (Minister of Finance): Yes, Mr. Speaker.

[*English*]

MINISTER'S POSITION ON TAX REFORM

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, could the Minister be rather more specific?

Some Hon. Members: Oh, oh!

• (1450)

Mr. Cassidy: Are the Minister and the Government still holding to their promise to bring forth comprehensive tax reform in the area of personal taxation, corporate taxation, and the proposed business transfer tax? Or is the Minister now abandoning that particular proposal because of opposition within the Cabinet; and will he, therefore, be perpetuating the unfair tax system that we have in Canada today?

An Hon. Member: Yes, no, and maybe.

Some Hon. Members: Oh, oh!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know where to start.

An Hon. Member: How typical!

An Hon. Member: That is why you are at 24 per cent.

An Hon. Member: Do you know when to finish?

Mr. Wilson (Etobicoke Centre): We will be putting out a White Paper on Tax Reform. That discussion paper will be out before the end of spring, and it will be comprehensive.

An Hon. Member: It is getting awfully grey now.

An Hon. Member: It will be a long spring.

* * *

EXTERNAL AFFAIRS

KURT WALDHEIM—INQUIRY CONCERNING ADMISSIBILITY TO CANADA

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Yesterday the United States announced that Kurt Waldheim, President of Austria, has been placed on their "watch list" and that he is no longer welcome in that country because of the war crime allegations that have been levelled against him, and he will not be allowed into that country until the issue is satisfactorily resolved.

My question for the Minister is: Will Canada be taking a similar position should Mr. Waldheim ask to visit our country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no plan to have Mr. Waldheim visit this country, nor is there any intention on his part to visit Canada.

A question similar to the one raised by the Hon. Member was put to the Prime Minister earlier today, and the Prime Minister made it very clear, in response, that Mr. Waldheim would not be welcome in Canada.

* * *

[*Translation*]

TAX REFORM

REQUEST FOR CLARIFICATION OF PROPOSAL MINISTER INTENDS TO INTRODUCE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Finance and has to do with the tax reform as well. The Minister has just stated in the House that he intends to table a proposal before the end of spring, that is June 21 or 22. May I ask him whether the proposal he intends to introduce will be a White Paper setting forth the Government position, because I heard him say a few moments ago that it would be a discussion paper, which is usually referred to as a Green Paper?

[*English*]

The reason I ask the question is that there is a big difference between a White Paper and a Green Paper. In one of today's newspapers the Chairman of the Finance Committee of the House of Commons, the Member for Mississauga South, said that instead of a White Paper it would be a Green Paper.

Was the Chairman of the Finance Committee, in making that remark, speaking on behalf of the Minister of Finance?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Minister of Finance has never been able to control the Chairman of the Finance Committee.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): In response to the previous question on the subject I said that it would be a White Paper.

[*Translation*]

INQUIRY WHEN MINISTER WILL ANNOUNCE NEW TAX RULES

Mr. Raymond Garneau (Laval-des-Rapides): I thank the Minister for clearing up this point but he knows as well and probably better than I that the Canadian public and particularly business circles are anxious to have an inkling about the nature of the tax rules. Could the Minister tell the House, and businessmen in particular, whether he intends to table a Budget this fall or wait until the 1988 Budget presentation to implement his White Paper?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, once the White Paper is tabled later this spring, all of that information will become quite clear to the Hon. Member and to interested Canadians.

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APARTHEID

SOUTH AFRICA—CANADIAN GOVERNMENT'S POLICY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs.

On April 15 last, the Minister said that the Government would take no additional action against South Africa until after the elections. In the meantime, the Government of South Africa has used those very elections as an excuse for increased oppression and violence, and most recently for an attack against Zambia.

Would the Secretary of State for External Affairs not agree that this effective granting of immunity to South Africa is in fact an encouragement to South Africa to increase the level of violence in southern Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): No, I wouldn't agree with that; but, I think that the latest acts of murder undertaken on behalf of the state and the Government of South Africa, with their incursions into Zambia to kill innocent civilians, should cause any Canadians who have any continuing belief that words alone will cause the South African Government to change its policies to reconsider that view.

PRIME MINISTER'S STATEMENT

Mr. Howard McCurdy (Windsor—Walkerville): If these actions are supposed to cause Canadians to believe that mere words are not going to change things, what about the words of the Prime Minister a year and a half ago when he said that there would be a complete severing of economic and diplomatic relations with South Africa if there was not an improvement in the situation in that country?

Isn't it about time for this Government to put an end to the words and impose some actions on South Africa?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): The Hon. Member has been among those who have acknowledged the role of leadership of this Government, and in particular this Prime Minister, in respect of bringing about a peaceful and profound change in southern Africa. We intend to continue to play that role of leadership.

The exercise of that role will involve the continued application of economic pressure, but it will also involve the seeking of ways in which lines can be kept open with the regime in South Africa so that if there is in fact some peaceful response to the pressures that are brought by Canada and by others, there will be some opportunity for the world to take advantage of it and to try to seek that peaceful way, thus avoiding the chaos that would otherwise come to that subcontinent.

* * *

[*Translation*]

TRANSPORT

SAFETY ON JACQUES CARTIER BRIDGE—MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Transport and concerns safety on the Jacques Cartier bridge. Mr. Speaker, on the weekend there were seven accidents on the bridge, resulting in one death. Since January 1987, the Minister of Transport has had on his desk a report containing specific recommendations for dealing with the safety problem on the Jacques Cartier bridge. Unfortunately, this morning the Minister told reporters that the problem was not urgent. My question is the same one being asked by the police at the Jacques Cartier and Champlain Bridges, and it is this: Will the Minister inform the House how many deaths and serious accidents it will take for him to deal with this problem?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I learned through the Quebec press of Monday that the Hon. Member was going to ask me a question, and I haven't been able to sleep since.

The position on the Jacques Cartier Bridge is as follows. The bridge has been there for many years. It was constructed many years ago. There is no emergency arising out of the bridge having been constructed in any way that was wrong, or whatever.

As a matter of fact, we hired Trafix Inc., a consulting company, to investigate the cause of these accidents and to make recommendations.

That company submitted a report in February to the St. Lawrence Seaway Authority, the authority responsible for the operation of the bridge. As a matter of fact, there was a meeting yesterday between representatives of my office and representatives of the St. Lawrence Seaway Authority and the Department of Transport.

I am concerned about safety matters on the Jacques Cartier Bridge. If the drivers who use it would drive more slowly, it would certainly be a help.

We intend to take steps to see that these matters are looked into. But, Mr. Speaker, I have had a full report on this matter from the Members of Parliament for La Prairie, Longueuil and Chambly, long before the hon. gentleman ever decided to get some publicity in connection with it.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Now we are going to get some action.

[*Translation*]

PROPOSED MEASURES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, it is not only disappointing, it is absolutely shameful, and the family of the victim who died on the weekend is unlikely to see anything funny about the Minister's comments. The Minister is right when he says, and in fact he knows, that according to the report, speeding is the reason why there have been so many fatal accidents on the Jacques Cartier bridge. Since we know the cause and the consequences, and since the report recommends a number of solutions, is the Minister prepared, first of all, to authorize the Jacques Cartier Bridge Corporation this afternoon to invest one million dollars in two extra patrol cars to improve police surveillance; and second, to install permanent traffic signals and third, to install anti-skid

equipment in order to save lives, and finally, is the Minister going to stop fooling around?

• (1500)

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Hon. Member's hypocrisy is really quite odious. He has been a Member here for a number of years. This bridge has been there for a number of years—

Some Hon. Members: Order.

Mr. Speaker: I am sure the Hon. Minister would want to put his remarks in another way.

Mr. de Corneille: Withdraw.

Mr. Speaker: I am sure the Hon. Minister will.

Mr. Crosbie: Mr. Speaker, I want to put my question whatever way you feel—

Mr. Gauthier: It is an answer.

Mr. Crosbie: I want to put my answer whatever way you feel is best, and I will withdraw anything which might arouse the Hon. Member.

The position is that that bridge has been there for many years. For the first time some action has been taken to look into the conditions on the bridge. A report has been done. We have the report. They recommend certain changes which will cost at least $5.3 million over three years for the two bridges. That has been looked at with the St. Lawrence Seaway Authority.

Action will be taken. The hon. gentleman can relax secure in the knowledge that we are well aware of this problem and are acting to do something about it, where he failed to do anything in his years in the House while he was in government.

* * *

[*Translation*]

NATIONAL DEFENCE

REQUEST FOR EXPLANATION OF ALLEGED DISCRIMINATION AGAINST FRANCOPHONES WHO FAIL ENGLISH COURSES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister responsible for official languages. According to a report by the CBC, francophones are being discriminated against at the Department of National Defence.

Could the President of the Treasury Board confirm that such discrimination is taking place? I am referring to a situation where francophones who fail English courses have a note to that effect in their file, while anglophones who fail French courses do not get the same treatment.

Is this true? And what is the Minister going to do to eliminate this kind of discrimination?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have been informed of the troubling report broadcast last night by the CBC. Early this morning I called in the Minister of National Defence to discuss the matter. It is now being investigated, and I intend to report to the House in greater detail, at the appropriate time.

If it is true, it is entirely unacceptable and goes against the most fundamental policies of this House and this country.

[*English*]

REQUEST FOR EXAMINATION OF DEPARTMENT'S MANUALS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I welcome the remarks of the Prime Minister on this important matter. Could he confirm that there will be an examination of the manuals, which according to the report have in effect required this discrimination, so that there will be no remaining discrimination in them?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have had that assurance from the Minister of National Defence who will be conducting a comprehensive inquiry to make sure that the criteria raised by my hon. friend are indeed respected, that the spirit and the letter of that law which governs our national conduct are fully respected at all times.

Mr. Speaker: I should advise Hon. Members that I will recognize the Hon. Member for Mount Royal and the Hon. Member for Swift Current—Maple Creek, and that will end Question Period.

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EXTERNAL AFFAIRS

KURT WALDHEIM—UNITED NATIONS' RETIREMENT ALLOWANCE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the timing of the resurfacing of the Kurt Waldheim issue is quite ironic. This last Sunday thousands of people around the world joined in non-denominational memorial services to mark the remembrance of the most heinous of genocidal crimes, the Holocaust.

My question is for the Secretary of State for External Affairs. Since Mr. Waldheim's activities are contrary to the very heart and purpose of the United Nations, and since his $81,650 retirement allowance is an optional appropriation of the General Assembly, will the Minister act on my previous request to raise the issue at the United Nations and vote against the payment of this allowance?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are raising the matter at the United

Nations, and I will advise the Hon. Member of the consequences of that action.

Mr. Speaker: The Hon. Member for Mount Royal.

Mrs. Finestone: I am sorry, Mr. Speaker. I thought you had said I had only one question.

The Hon. Secretary of State for External Affairs answered in the same way on June 9 and subsequently in a letter on December 29, so I remind him that I have been waiting for almost one year for his response.

INVESTIGATION OF ALLEGATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I should like to ask the Minister what has happened with the allegations in respect of Kurt Waldheim and the study which was to be initiated with other countries in respect of that dossier. Could he give us an update on that now?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in light of the Hon. Member's preface to her second question, I am tempted to say that I have only one answer.

The answer is as I gave it. We are conducting inquiries. We have been in touch with officials of the United Nations. We are in touch with officials of other countries. As she would know, because she has shown a steady interest in this question, her question would require a more detailed reply which I do not have at hand at the moment. However, I will get it into my hands and then into hers.

Mr. Speaker: This will be the last question.

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WESTERN GRAIN STABILIZATION ACT

REQUEST FOR AMENDMENT TO PERMIT EASIER ACCESS BY FARMERS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is for the Minister of State for the Canadian Wheat Board who earlier in Question Period noted that the Western Grain Stabilization Fund is in deficit. The Minister knows that some 17 per cent or 18 per cent of producers are still outside the Western Grain Stabilization Plan.

In view of the fact that future payments will have to come out of future government and producer levies, will the Minister consider at this time opening up the Act to provide for easier and more facilitated access for those farmers who are presently outside the purview of the plan but would like to get in at this time?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises a matter of pretty significant consequences to those producers who are not part of the program, especially in view of the record pay-outs.

We have had representations similar to the ones raised by the Hon. Member. I will certainly look at that representation. I also tell the Hon. Member that we have done some work on how we might open up the plan to bring everybody into it, in line with the import of the question which he raised.

* * *

PRIVILEGE

ALLEGED DIVULGING OF *IN CAMERA* COMMITTEE INFORMATION

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, I rise on a question of privilege. I should like to begin by referring to the Nineteenth Edition of Erskine May at page 146 of Chapter X—Breaches of Privileges and Contempts. In part it reads:

> That the evidence taken by any select committee of this House, and the documents presented to such committee, and which have not been reported to the House, ought not to be published by any member of such committee or by any other person.

It goes on to say:

> Where the public are admitted this rule is usually not enforced. The publication or disclosure of proceedings of committees conducted with closed doors or of draft reports of committees before they have been reported to the House will, however, constitute a breach of privilege or a contempt.

It is on the basis of the third report of the Standing Committee on Aboriginal Affairs and Northern Development, which was presented to the House today, indicating the actions of a member of the committee, the Hon. Member for Kenora—Rainy River (Mr. Parry), that I believe my privileges have been breached.

This morning the report indicated that the Hon. Member for Kenora—Rainy River in fact divulged a good deal of information arising from an *in camera* session in which I participated. He did it without considering the ramifications of such an action.

I should like to refer to exactly what he said on March 25, 1987, the day following the *in camera* session, as reported at page 4540 of *Hansard*:

> —when Canadians elect representatives to speak for their concerns in Ottawa, they do so in the hope that, when appropriate, all Parties will work toward constructive ends. As the spokesman on aboriginal issues for the New Democratic Party, I have and continue to hold the view that partisan concerns and parochial attitudes do nothing to further the cause of Canada's first people.

Those were his words. When speaking of the *in camera* session he said:

> Yesterday the Indian, Inuit and Métis people of Canada were reminded again of that truism. In an anonymous office tower, behind closed doors and safely tucked away from probing microphones, four Members of Parliament abrogated their responsibilities to aboriginal people—

Mr. Speaker: Order, please. The Hon. Member for Kamloops—Shuswap (Mr. Riis) on a point of order.

• (1510)

Mr. Riis: Mr. Speaker, I hesitate to interrupt my hon. friend but I simply want to say that the point he is raising involves one of the members of the caucus that I represent. The Member is on his way back to the Chamber. Would the Hon. Member consider holding off for a moment until the Member has a chance to arrive?

Mr. Speaker: The Hon. Member for Kamloops—Shuswap (Mr. Riis), the House Leader of the New Democratic Party, has suggested that the Hon. Member for Selkirk—Interlake (Mr. Holtmann) pause at least for a moment or two until the Hon. Member for Kenora—Rainy River (Mr. Parry) could be in the Chamber. Could I ask the Hon. House Leader to see where the Hon. Member is. I think that is a perfectly reasonable request. I would just ask all Members to wait for a minute or two.

Mr. Riis: Mr. Speaker, I appreciate the co-operation of Members of the House. I have been informed that notice was not given. I appreciate there is no requirement to give notice that a question of privilege should be raised at this moment, however, the Hon. Member for Kenora—Rainy River (Mr. Parry) at the moment is not available. He will be later on. I must say that he is not here and is unable to be here to witness and hear the comments of the Hon. Member.

Mr. Speaker: The Hon. Member for Kamloops—Shuswap, the House Leader of the New Democratic Party is absolutely right. There is no requirement to give notice. Notice is sometimes given. Under the rules on an application like this it can be withdrawn right up to the last minute. Even if the Speaker has notice of it, not only do I have no obligation, I am not permitted to give notice to the other side. Under the circumstances, perhaps I could ask the Hon. Member for Selkirk—Interlake whether it would be possible, and perhaps the Hon. House Leader could help, that this whole matter be adjourned to the same time tomorrow. If that suits all parties, it might be the answer.

Mr. Holtmann: Mr. Speaker, in view of the fact that the Member cannot be reached, I would be prepared to present this with your permission tomorrow at the same time.

Mr. Speaker: Perhaps the House Leader for the New Democratic Party could convey that generous accommodation to the Hon. Member for Kenora—Rainy River. I will arrange to hear both Members, and other Members if it is necessary, tomorrow at three o'clock, if that is satisfactory to everybody.

Mr. Riis: I want to say that it is certainly acceptable, Mr. Speaker. I want to express to my friend from Selkirk—Interlake how much we appreciate his willingness to co-operate on this very important matter. I want to express that gratitude and say that we will be here ready to debate the issue tomorrow.

Mr. Speaker: I think I should say as Speaker that I appreciate the patience of all Hon. Members. While perhaps a few minutes were taken, sometimes a few minutes taken this way actually saves a lot of time in the long run.

GOVERNMENT ORDERS

[*English*]

CAPITAL PUNISHMENT

ESTABLISHMENT OF SPECIAL COMMITTEE ON REINSTATEMENT

The House resumed consideration of the motion of Mr. Mazankowski:

That this House supports, in principle, the reinstatement of capital punishment and directs that a special committee on reinstatement, composed of 15 members, be established, hold hearings and make its final report to the House no later than three (3) months following the adoption of this motion, such report to provide recommendations on:

(a) which offence or offences should carry the death penalty, and in what circumstances;

(b) which method or methods should be used to carry out the penalty of death, and in what circumstances;

That, pursuant to Standing Order 107(1), this special committee be hereby appointed as a committee to prepare and bring in a bill no later than three months following the adoption of this motion, founded on the committee's recommendations on (a) and (b) above; such a bill shall be the object of a separate and distinct report of the special committee, and such a report shall be its final report;

That such bill, when reported from such special committee to the House, be deemed pursuant to Standing Order 107(1) to have been introduced and stand on the Order Paper, in the name of the special committee chairman, for first reading at the next sitting of the House; and that subsequent House stages of the bill be considered under "Government Orders", with the bill standing under the heading "Government Business"; and that, when the said bill has been read a second time, it shall stand referred to a Legislative Committee;

That the Striking Committee be empowered to name the Members of the special committee, provided that once the Striking Committee report is laid upon the Table, it shall be deemed concurred in;

That the special committee have the power to sit while the House is sitting and during periods when the House stands adjourned;

That the special committee be empowered to report from time to time and send for persons and papers, and to print such papers and evidence from time to time as may be ordered by the committee and to retain the services of expert, technical, professional and clerical staff;

That the special committee be empowered to adjourn from place to place inside Canada and that, when deemed necessary, the appropriate staff accompany the committee;

That a quorum of the special committee be eight (8) members for any vote, resolution or other decision; and that the chairman be authorized to hold meetings to receive evidence and authorize the printing thereof whenever six (6) members are present;

That any substitution of membership on the special committee be made pursuant to Standing Order 94(4); and

That, notwithstanding the usual practices of this House, if the House is not sitting when the special committee is ready to issue its final report and the said bill, the special committee shall present its report and the bill to the House by filing them with the Clerk of the House provided that the report shall then be deemed to have been laid upon the Table, and the bill shall then be deemed, pursuant to Standing Order 107(1), to have been introduced at the first sitting of the House thereafter and to stand on the Order Paper in the name of the special committee chairman, for first reading at the next sitting of the House;

and that subsequent House stages of the bill be considered under "Government Orders", with the bill standing under the heading "Government Business".

and on the amendment (Mr. Robinson) (p. 5311).

Mr. Deputy Speaker: This is the question and comment period on the speech of the Hon. Member for Mission—Port Moody (Mr. St. Germain). For the first question I recognize the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

Mr. Manly: Mr. Speaker, I was interested in the speech of the Hon. Member for Mission—Port Moody (Mr. St. Germain). His desire to see the return of capital punishment seemed to turn on the whole question of law and order and what he called the protection of society. When it was brought up, as it has been many times and will be again, that capital punishment does not provide any real deterrence to murder, the Member said that justice, not utility, should be the basis on which we operate. I would be interested in hearing from the Hon. Member what standard of justice he uses. How does one determine what is just in a measure such as that? Is it the basis of an eye for an eye and a tooth for a tooth? How does the Member determine justice?

The other question I would like him to address relates to protection of society. Opponents of the death penalty are very concerned that if the death penalty is reinstated it will mean that innocent people will be put to death. The Member said every precaution will be taken to ensure that this will not happen, but the Member knows that in some circumstances an innocent person will be put to death. People are very concerned about that, and Members of juries will be very concerned when accused murderers are facing trial. They will have very skilful lawyers working with juries, to play on the fears of jurors that they might condemn an innocent person. We have seen statistics which indicate that where there is capital punishment there is a higher rate of acquittal than in situations where there is not. It seems to me a very real possibility—a probability—that guilty people will be acquitted much more frequently under a capital punishment provision than otherwise. I would appreciate it if the Member would tell the House how he feels the acquittal of guilty murderers—juries do not want even the possibility of having condemned an innocent person to death—will lead to further protection of society?

Mr. St. Germain: Mr. Speaker, let me first comment that it is unfortunate that the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) will not in this particular instance be able to exercise a vote of conscience. My understanding is that his Party is voting in a block—

Mr. Manly: Mr. Speaker, I rise on a point of order. I regard that as an imputation of motives. Members in this Party will vote according to their conscience. That comment is not a worthy part of this debate which so far has been on a fairly high plane.

Mr. St. Germain: Mr. Speaker, I certainly do not want to be confrontational on this issue. It is a very important issue, and if the Member feels he should rise on a point of order, then so be it, and I will be guided by your wisdom.

Let me come to the question of deterrence. As I pointed out at about one o'clock today, I do feel that deterrence is marginal, and it is very hard to determine exactly what deterrent effect this will have. We are speaking of a protection of society. I would gather it is a perspective that we see as individuals. It comes down to this conscience aspect of how we evaluate things morally within our own lives and how we see certain things evolving in society. I feel it is something that people should be free to express within themselves. It is something that should not be bound by Party lines or by dogma or doctrine. It is something that evolves from an individual's viewpoints, his upbringing, his spiritual views and his moral views.

• (1520)

In answer to the question of the Hon. Member, I would say that logically I am concerned about the innocent being prosecuted. Though I do not like to deal with statistics, members of the NDP have dealt with them considerably in this debate so I would say that statistics in Canada have shown that there is no proof that anyone in Canada has ever been put to death in error. I do not believe that anything we would institute would allow this kind of thing to happen. We would take the utmost of precautions. In the protection of society, there is always a risk, but it is so minuscule that I feel the protection of society far outweighs any risk we may take in this instance, given the heinous crimes and abominable situations we are facing at the hands of murderers.

Mr. Nunziata: Mr. Speaker, when one analyses the arguments put forward by proponents of the death penalty, one realizes that the bottom line is that those who support the death penalty do so on the basis of vengeance and retribution. It has been proven that capital punishment is not a deterrent. Given the fact that the status quo is such that the death penalty is not on the books, the onus rests on those who want to bring back the death penalty to prove that it is justifiable in today's society. Study after study has concluded that it is not a deterrent.

Does the Hon. Member believe it is appropriate that vengeance or retribution be the basis of our criminal justice system? Does he believe it is right that our criminal justice system should be based on the theory of an eye for an eye, a tooth for a tooth? If he thinks that that is morally right, perhaps he could indicate to me what other western nations have retribution as the basis of their criminal justice systems. Would the Hon. Member not agree that retribution has no place in the Canadian criminal justice system, that in fact there should be other principles that underlie our justice system, namely, the protection of society and the rehabilitation of those who would pursue a life of deviant behaviour?

I would admit that we all at times feel the need or desire to get even with someone who has committed a wrong, either toward us personally or toward the state collectively. However,

this is a human failing that we must overcome when we are talking about the criminal justice system, because if we were to allow vengeance to creep in and form the basis of our criminal justice system then we would in effect be saying that our criminal justice system is the law of the jungle. Would the Hon. Member not agree?

Mr. St. Germain: Mr. Speaker, as I pointed out earlier, I do not see this as being a form of revenge. Obviously the Hon. Member does, and that is the basic difference. This is why it is a question of the conscience, perception and perspective of each individual. It has never been proven that capital punishment is not a deterrent, as marginal and questionable as this particular area really is.

The Hon. Member asked what advanced nations have capital punishment. The answer is the United States of America, Ireland and Belgium, to name just a few.

There are those of us who believe that the protection of society is not a question of revenge or vengeance, but is merely a question of the ultimate crime being controlled. When I was a member of a law-enforcement agency, I recall an individual who had killed a child and was incarcerated. Through the system of parole he was released, according to the laws of the land. He was not on the street three months before he had killed again. I am not saying that in this particular case capital punishment would have been the penalty in the first instance, but had it existed it certainly would have been a deterrent to the second murder.

I do not want to base this entire debate on a question of revenge. It is a question of the protection of society and we have an obligation as legislators and leaders of the country to come forward with the protection that is needed today and in the future.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I should like to take part in such an important debate, so important in fact that after my election the first question put to me by a news reporter when I first arrived in Ottawa was wether I was for or against capital punishment. Canadians are following this debate with interest because it is very important, yet at the same time sad for me because nearly 15 years after the death penalty was abolished in Canada the Canadian Parliament reopens the debate with a motion aimed at restoring capital punishment.

During that time mankind was able to send men to the moon and in orbit in space. As Canadians we are very proud of the Canadarm sent to the moon to repair satellites. Our scientific achievements are well known, but after 15 years, since yesterday, publicly in this House, by debating the restoration of capital punishment we admit we have failed and that as citizens we have been unable to find solutions to provide better protection for our society and prevent certain kinds of murder from happening again.

Any way you look at them, Mr. Speaker, statistics show that the number of murders did not increase since the death penalty was abolished in Canada. In countries where capital punishment is still on the statute books statistics reveal that the number of murders did not decline either. So, Mr. Speaker, what is the point of restoring capital punishment in Canada?

We have a serious problem, a problem of society. How to protect society? How can we make sure that certain criminal acts will not be repeated? How can we make sure that the life of every human being on earth will be protected? That is the real issue of the debate. Those are the answers which we as parliamentarians must find and give people. But what are we up to? We want to restore the death penalty. And when I say it is sad, Mr. Speaker, it is because by so doing we admit we have failed in our duty, that we are unable to move forward, to better our society.

• (1530)

[*English*]

Killing those who have killed in order to prove that killing is wrong in today's modern society is absurd. As a parliamentarian I do not believe the state should have the power to kill someone. If killing is wrong, why should the state have the right to kill? That is what we are debating here today. People often argue that if the death penalty is reinstated that will dissuade people from committing murder. On statistical grounds alone that argument does not stand up. Most of the time even if murderers knew they would die they would still kill because they are not normal human beings. They are sick. That is what we should be addressing: how can we solve the problem, how can we cure those who need help instead of killing them?

[*Translation*]

Mr. Speaker, assuming that some day on our planet earth—there are even some scientists who are foreseeing this in the more or less distant future—there are more human beings than the planet can support, what will happen? Would the authorities decide to kill a lot of people to ease the problem? Or would they look at the problem as a whole to try and find a balance and save all human lives? That is the question, Mr. Speaker. Personally, I feel that by reinstating capital punishment in Canada after 15 years, we show that we are unable to find solutions in our modern society, to develop effective preventive mechanisms to reduce crime and to protect our society against unbalanced human beings.

Mr. Speaker, those who are in favour of reinstating capital punishment will certainly say that three out of every four Canadians agree with them. In my opinion and on the basis of the great many thorough discussions I have had with my Saint-Léonard—Anjou constituents, these polls mean that people want better protection. It is our penal code that should be revised.

Of course, we have penitentiaries. But are they part of the solution? In penitentiaries, we take criminals and lock them up

in small rooms. But is that a solution? Is that the way to cure them? Years ago, people felt that this was the solution. But today, have we considered all possibilities? Why do some people kill? If scientists can study and develop the technology to travel to the moon and throughout the universe, why can they not find out why some people kill instead of us wasting so much time and energy reinstating capital punishment in Canada after 15 years?

Mr. Speaker, I believe in life. I suggest that all human beings should be the right to live, even after committing a murder. It is our responsibility, as a society and as well-adjusted human beings, to find ways to help the murderer and to cure him, to protect both him and society, and not simply by locking him up to show him that everything is over, but maybe by truing to rehabilitate him. And it is my view, Mr. Speaker, that with all the scientific progress accumulated to date, if we really took the trouble, if we took the same amount of time available for this debate, if we used all the publicity enjoyed by this debate—and this is something I have been repeating for two and a half years, how many times have I been asked by the press whether I was for or against the death penalty. If we put all the emphasis enjoyed by the death penalty on finding a solution as to how to protect our society, how to rehabilitate and cure the people who kill, I think we would have a better society. This is where we should apply an ongoing effort, put all our energies to find a solution in the hope that some day our society will be better.

Mr. Speaker, of course this debate is very emotional. People who support capital punishment come up with examples—children that were killed, very young innocent children and women, all sorts of crimes that are really unacceptable. Of course there is no acceptable crime, but those crimes are most horrible. With capital punishment, they would like to say—Well, we found that individual guilty, we sent him to the gallows, the problem is solved. I do not think the problem is solved. First, we must ensure whether the convicted individual was the guilty one. How many people sentenced to die were innocent! Our judicial system is a human system, therefore subject to human error. There is that aspect. Think of the jury or the judge who sentenced someone to die and found a few years later they had erred. Imagine, Mr. Speaker, what their lives must be. So, the equation must be made on both side of the coin.

Those are horrible events, criminal acts with loss of life, but on the other side there is also the possibility of error. That has happened in history. Therefore, when someone says the solution is the death penalty, my answer is no, because statistics once more prove the opposite. Although some countries have capital punishment, the crime rate has not decreased. And here in Canada, the crime rate has not increased since we abolished capital punishment 15 years ago. We must therefore ask the question: Is that the right solution, and should we really, as a modern society, go over what was done 15 years ago, because this debate already took place twice in this House? Why should we, Mr. Speaker? I put it to you: Why should we have this debate at this point, rather than debating our judicial system, looking at our Criminal Code, bringing in real reforms to our penitentiary system? That is the kind of debate we should have, Mr. Speaker, and that is where we should begin instead of moving backward. We are not making any progress, we are regressing.

[*English*]

What are the alternatives? How can we reduce the number of murders? No one, not even the most staunch supporter of the death penalty, argues that its reinstatement will prevent all murders. The declared aim is to reduce the murder rate. If our society is serious about that goal we must resist the temptation to adopt measures such as the death penalty which are illusory. Instead, our support must be directed toward effective alternatives.

[*Translation*]

We must find better alternatives. We must make sure that our criminals are put away until they are rehabilitated in order to protect society. Nowadays, of course, Canadians are concerned. It is true that they are asking for protection. Opinion polls indicate that quite clearly. However, as I said, Mr. Speaker, what they want is not the reinstatement of capital punishment but a more fair and equitable society that would reflect the history of mankind. And when at the beginning I said that I was sad, Mr. Speaker, I am really sad. For the past 15 years, since Parliament abolished capital punishment, we have made considerable scientific progress. We have sent human beings on the moon, we are exploring outer space, we have heart transplants and we have made so many incredible and marvelous scientific discoveries. How is it that after 15 years, we have to come back to capital punishment and have no other alternative than going backward?

This is not progress but regression. And on this issue, Mr. Speaker, I will continue to try to convince my colleagues that the reinstatement of capital punishment is not the best direction to take, but that we should find a better system and look at the structure of our penal and rehabilitation systems. Perhaps it is true, Mr. Speaker, that our rehabilitation system should be closely examined. It often happens that people undergoing rehabilitation commit other crimes. We have to consider the whole question. However, capital punishment would not solve those problems. It often happens that a murderer does not think about capital punishment. He is not a normal person.

In conclusion, Mr. Speaker, I should like to tell my colleagues that I will vote against the reinstatement of capital punishment.

Mr. Robinson: Mr. Speaker, I wish first of all to congratulate the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) for his speech and for saying that he is against the reinstatement of capital punishment.

Mr. Speaker, I would like to ask the Hon. Member a question on the way capital punishment is applied in Canada.

The Hon. Member has already mentioned a number of problems with capital punishment.

• (1540)

[*English*]

I would like to ask the Hon. Member to reflect on a very serious concern which I have with respect to the application of the death penalty, that being the fact that it is applied not to the rich and powerful in societies where it exists, but rather to those who are poor and, in many cases, are racial minorities.

A study was conducted by Professor Kenneth Avio at the University of Victoria which showed that native Indians, Ukrainians and French Canadians, interestingly enough, were executed in disproportionate numbers to English Canadians while the death penalty was in effect in Canada.

The warden of Sing Sing prison said this:

> Not only does capital punishment fail in its justification, but no punishment could be invented with so many inherent defects.
>
> It is an unequal punishment in the way it is applied to the rich and to the poor. The defendant of wealth and position never goes to the electric chair or to the gallows.
>
> Juries do not intentionally favour the rich, the law is theoretically impartial, but the defendant with ample means is able to have his case presented with every favourable aspect while the poor defendant often has a lawyer assigned by the court—with no experience.

Similarly, the former Governor of Ohio, Michael Di Salle said this:

> During my experience as Governor of Ohio, I found that the men on death row had one thing in common, they were penniless—the fact that they had no money was a principal factor in their being condemned to death.

I would like to ask the Hon. Member, who has spoken with great conviction against the death penalty and outlined a number of arguments, to comment as well on the unequal application of the death penalty in Canadian society.

[*Translation*]

Mr. Gagliano: Mr. Speaker, that is definitely one of the reasons. I wish to thank my hon. colleague for mentioning those facts. That is indeed one of the reasons why we should not reinstate capital punishment.

In actual fact, Mr. Speaker, when a trial is held, everything is a matter of credibility and a jury is asked to judge a person on the basis of facts and circumstances and even in some cases of appearances. This is also the danger I mentioned in my speech, Mr. Speaker, namely the fact that it has been proved that in many instances throughout history, jurys and judges erred in sentencing to death people who were proved to be innocent a few years later.

The have-nots in our society whose appearance may not be as neat and whose defence may not be as well prepared as that of well-off people, tend to be more easily sentenced. Because a person is not properly dressed, or does not have a good appearance, that person may give the wrong impression. And these statistics show that more of those have-not people have been sentenced to death than those who were well-off in our society.

It is unfortunate, Mr. Speaker, that such things can happen under our legal system, and that is the main reason, that is another very important argument, Mr. Speaker, to show that the reinstatement of capital punishment will not solve those problems, but will indeed lead to more injustice. Therefore, instead of spending our time and energy on this debate which the House has been through twice already, it might be more worthwhile having a debate on our criminal law, on our social justice system in order to provide all Canadians with the same justice.

[*English*]

Mr. Stevens: Mr. Speaker, in the main body of his remarks I believe the Hon. Member said in effect that the state should not have the right to kill. Could the Hon. Member expand on that? In the case of war, if we were invaded by an enemy, does he not think the state would be in a position of being able to field an army which would possibly have to kill the invader in order to protect our territory? In short, surely it is a fairly wide statement to say that the state should not have the right to kill.

Mr. Gagliano: Mr. Speaker, I think the Hon. Member took my statement out of context. With regard to capital punishment the state definitely should not have the right to kill. However, when a state declares war it does not declare the intent to kill but rather the intent to defend. The action of defence naturally creates the horrible thing which is war.

As far as I am concerned it is not right to extrapolate from the state's right to kill that parliamentarians can authorize the Prime Minister (Mr. Mulroney) to authorize someone to kill a person because he or she has killed. However, the case of war, in which we have to defend our country, is not the same circumstance.

Mr. Stevens: Mr. Speaker, the Hon. Member rather startled me by using a figure which I know that those in support of abolition often use, that being that since the time capital punishment was abolished in Canada the death rate for murder has not risen. Surely the relevant period to consider is not from when it was technically abolished but from the last time capital punishment was carried out in this country.

Could the Hon. Member tell the House whether he has checked the figures? If he has, would he not confirm to the House that the death rate from murder per 100,000 has more than doubled since the last time capital punishment took place in this country, which means that on average every year 300 more Canadians have been murdered than were murdered on average in the years previous? Does it not concern him that the murder rate would jump so dramatically as a result, at least in part, of the abolition of capital punishment in practice as opposed to the technical abolition to which he referred?

[*Translation*]

Mr. Gagliano: Mr. Speaker, I have all the statistics here. I have about 10 pages of statistics and I have a few other books from which I could quote. As we all know, Mr. Speaker, it all depends which side we want to look at and what point in time we want to consider. As I said before we can approach this from just about any angle. Those in favour of capital punishment are saying that the number of crimes has increased. Those against are saying the number has not increased. The point is, we have to know what periods the statistics are supposed to cover and how they are interpreted.

Mr. Speaker, what we are really talking about is human lives, and if we have to consider a human life in terms of statistics, I repeat, that is very sad. Fifteen years after the last debate on the subject, we still have no other alternatives, no other solutions to the problem, and here we are debating on whether to reinstate capital punishment, while in other areas we have made fantastic progress. Mr. Speaker, we can use statistics to prove that capital punishment does not act as a deterrent, while those who are in favour of capital punishment can use them to prove the death penalty does help reduce the crime rate. I think, however, we should consider the context from which these figures were taken.

Mr. Deputy Speaker: One last question by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I would like to know whether my colleague from Saint-Léonard—Anjou (Mr. Gagliano) shares my view that this debate is useless and will not do anything to prevent young criminals from committing further offences in future no matter how the vote turns out. Does the Hon. Member agree with me that we should first deal with three issues if we really want to reduce the criminal rate and the number of murders? First we ought to spend months and months debating the establishment of full employment policies for the benefit of poor people, programs to find jobs for everybody. Second we ought to introduce legislation to ban all violence on TV, including NHL telecasts where we see hockey games which promote violence among young people. Third, we ought to be here to undertake a real reform of our penal system, a real reform of the judicial system. Personally I think that such debates would make it easier for us to reach the objectives we have in mind, they would be more practical than simply deciding to take someone's life.

Mr. Gagliano: Precisely, Mr. Speaker, this was the whole thrust, if you will, of the remarks I made earlier concerning capital punishment. I think that this debate, instead of channelling all our energies . . . I said at the outset that when I first came here, my first day as a new Member in Ottawa, the first question put to me by a news reporter was whether I was for or against the death penalty. As a new Member I was not asked whether I had any suggestions to make to solve the unemployment problem or something else. So instead of putting so much energy to decide whether capital punishment should or should not be restored, I fully agree with the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) that we should solve the unemployment program.

I say we must take a closer look at our rehabilitation system. We must have a closer look at it. People are often allowed to go free and they go on to commit other crimes. We should have a look at that, and at our judicial system as well. The penitentiary system we have now was probably designed hundreds of years ago. Do we really need the same system, or should we have a new one to meet the needs of today's society?

Mr. Deputy Speaker: Would the House give unanimous consent to allow the Hon. Member for Duvernay (Mr. Della Noce) to ask a short question?

Some Hon. Members: Agreed.

Mr. Della Noce: Thank you for your patience, Mr. Speaker. First of all, I want to say the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) is to be commended, but I do not agree with him at all. As far as figures are concerned, he does not know what he is talking about, although I agree that figures can be made to say what we want them to say. However, his figures do not prove a thing. And I wonder whether the Hon. Member knows the difference between first-degree murder and unpremeditated murder. When he talks about possible errors, I do not agree, and perhaps I could give an example. If I go on the highway and I am driving too fast, and the policeman fails to stop me, are we going to stop writing speeding tickets because the policeman is no good at his job? Maybe we should get another policeman. I wonder whether the Hon. Member has considered that if there is the possibility of a judicial error, something he has failed to prove and will not be able to prove, even if he takes Marshall and Coffin as examples . . . Coffin is one of Senator Hébert's favorites and Marshall is a guy who perjured himself and anyway, he was not given a death sentence. I wonder whether in the case of a judicial error we should not consider revising our laws instead of ignoring the principle of justice altogether. I want to ask the Hon. Member . . . Even if the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) was referring to the consequences for the future, and there will be consequences, because before, the annual figure for people sentenced to 25 years in our penitentiaries was five, while today, this has risen to nearly 60, I wonder whether in 10 years' time, we will see that three-quarters of our prison population with 25 year sentences. I think it would be interesting to pursue the matter. My question to the Hon. Member is this: Would we not be better off reforming our laws, instead of giving up altogether on the principle of justice which is something to which Canadians are entitled? Surely, we cannot deal with crime without sentencing the criminal?

Mr. Gagliano: Mr. Speaker, the difference between the Hon. Member for Duvernay and myself is that we both agree—and I said as much in my speech—that we must take a closer look at our judicial or penal system. A closer look at this aspect is definitly in order. That is the point I think should be debated here. That is where the problem lies. How does killing

someone deal with the issue? Mr. Speaker, do you think that killing someone, once we have capital punishment, will mean fewer murders? The Hon. Member said that the figure . . . I have a paper on those figures. I didn't want to use them. I have them right here and I could use them, but as far as I am concerned, this debate goes beyond mathematics. It is a debate about people and about human life, and killing someone because he killed someone else is absurd, Mr. Speaker. We have serious problems in our society, and after 15 years we are back with the same debate and we still have no solution. And so we say: We must reinstate capital punishment. This is absurd.

• (1550)

[*English*]

Mr. Joe Reid (St. Catharines): Mr. Speaker, I will not begin my remarks, as most of us are wont to do, by saying that I am pleased to take part in this debate, because I am not. My conscience dictates, however, that I must.

Sometimes it is casually said in light of the importance of an issue that it is a matter of life and death. However, I need not remind my colleagues in the House that the debate on which we are now embarking is a question of life and death.

I must state clearly and unequivocally that when it comes to such an issue of life and death, I opt in favour of life. If, as a society, we respect human life as sacred and inviolable, and if we recognize the rights of each person as primary, how can we do otherwise?

As has already been stated often, the death penalty in this country was abolished in 1976, even though by a narrow majority. However, if there is one thing that the people in this country want, it is a rule of law that is firm, strong, and predictable.

I take the position that it is incumbent upon those who want to restore the death penalty to justify the taking of life in the name of the state. The onus is on them, and it is a heavy onus, to prove why we should join that small band of countries that, by some means or another, inflict the death penalty.

The motion we have to address commences with these words:

> That this House supports, in principle, the reinstatement of capital punishment—

That is what the debate is all about. Those first 11 words set out the real issue. As soon as anyone begins talking about first, second or third degree murder, or about hanging being too inhumane, that person is backing away from the real core issue.

• (1600)

Does any Government have the right to sanction the killing of any person? It is a simple question but one which deserves more than a simple answer. Advocates of the death penalty will skip the moral issue, but can we? I have a letter on my desk, and I assume each Hon. Member received a copy of that same letter, which was referred to yesterday. It was written by Leslie Parrott of Toronto whose daughter Alison was tragically abducted and murdered just last July. Mrs. Parrott writes in part:

> It has more than ever convinced me that we as a society cannot ever and must not ever condone killing, whether by state or by an individual, in any shape or in any form.

She continues on to talk about victims' rights and states her belief that in no way can anyone's suffering be alleviated by the deliberate killing of another. Her message is clear and unconditional. Human life is sacred and killing is always wrong. who could have said it better?

We have already heard in the context of this debate several biblical quotations, beginning with the Book of Genesis, as justification for state killing. First let me say that the Roman Catholic Bishops, and practically all the councils of the other established churches, hold that it is abhorrent in the 1980s to turn to the Old Testament to justify a legal and moral position. If the church or synagogue or Christianity means anything today, the lessons to be learned are lessons of love. Love thy neighbour. Have compassion, understanding, charity and forgiveness. These are the teachings and principles of the church. If we take them away, we have not much left. The Lord giveth and the Lord taketh away. Life is not ours to create and it is not ours to take.

Of course, arguments will be raised in favour of reinstatement, setting out, first, that there will be deterrence if the death penalty is there. To me, this is the only justifiable reason. If it can be shown that the death penalty has a deterrent effect then we might justify the return of the death penalty.

The second argument is that the penalty must suit the crime and, third, what about popular opinion which calls for reinstatement? There are other arguments such as the cost factor, but time will not permit me to address every one of these arguments.

First, with respect to deterrence, there are many who really believe that the death penalty has an effective deterrent ability for those who commit the crime of murder wilfully and with forethought, premeditated murder, but to me this is the last group which is likely to be deterred by the death penalty because theirs is the perfect crime and they will not be found out.

The facts are that in most western countries which have abolished the death penalty—and interestingly enough, Canada is included—the rate of murder has dropped or, put in another way, it has not climbed significantly since capital punishment was abolished.

A recent Statistics Canada report indicates that the rate of 2.19 per 100,000 in 1986 is the lowest homicide rate in 15 years, down from the 2.75 rate per 100,000 in 1976. In the United States currently 35 of the States have the death penalty. There are some interesting comparisons. For example,

Maine and Vermont are side by side with basically the same kind of people, income range and otherwise. Maine does not have the death penalty, Vermont does, yet Vermont's murder rate is slightly higher than that of Maine. It is the same with Rhode Island with no death penalty when compared with Connecticut, North and South Dakota, Virginia and West Virginia as well as with Oregon and Washington, which have a death penalty. In each case, the state which does not have capital punishment has a lower rate of murder although just slightly, than the state adjacent to it which does.

It is argued that the death penalty is needed to protect policemen and prison guards, and we all agree that policemen and prison guards have a difficult job and need all the protection which society—we, the people—can give, but I say to you, Mr. Speaker, in all sincerity, that the death penalty will not make their jobs one bit safer. The subculture in prisons will be there tomorrow as it was yesterday.

I do not want to enter into the numbers game but we did in fact have a bad year in 1962 while the death penalty was in place. In the year of our last hanging, 11 policemen were murdered. The high number since that date was in 1984 with six police murders, and at that time there was a substantial increase in the number of policemen serving their respective communities.

From 1961 to 1983, 14 prison guards were murdered with no clear indication of the deterrent effect of the death penalty. Indeed, the President of the Police Association of Ontario writes:

> There is no concrete evidence to prove that it is or is not a deterrent and indeed it is quite likely that we will never know with certainty if capital punishment deters one who is contemplating murder.

I would ask my colleagues to note the reference to "one who is contemplating murder" since in this debate most of us are talking about premeditated and deliberate murder.

The Canadian Association of Chiefs of Police has decided it is futile to base an argument of reinstatement on the grounds of deterrence. The point is simply that capital punishment has no material effect on the murder rate. It is not a deterrent and it fails completely to meet the test of justifying a return of the death penalty.

I turn next to the crime penalty aspect, the penalty must suit the crime. Retentionists will argue that legislation must make it safe for the public to walk the streets at night and at least with capital punishment a murderer will not commit a second offence. For them, the only just punishment for a murder, that most heinous of crimes, must be death. It is an appropriate means of justice—or so they say. Apart from death, there is no guarantee that a second offence will not take place—and I will not guarantee that it will not take place, either. But it is to be noted that the rate of occurrence of a second offence of the crime of murder is, thankfully, the lowest of all criminal offences.

• (1610)

In looking at these issues, one has to weigh the balance. Sometimes the cure is worse than the disease. While I have the greatest respect for our system of justice and our courts, I do not for one moment believe that that system rests on that delicate balance of an eye for an eye, or a tooth for a tooth, or an assault for an assault, or a rape for a rape, or a life for a life. Of course the penalty must suit the crime; but a life for a life concept is barbarous, outmoded, and revengeful. Yes, some convicted murderers, not executed, may murder again. But let us weigh the results of the restoration of capital punishment.

All of us have read the recently released study by Professor Freedman of the University of Toronto. We have a system of justice made up of people with feelings as strong as those held by the Members of this House. There is no doubt in my mind that the reimposition of the death penalty would have an effect on jurors. I have had a member of the Supreme Court of Canada say to me that, in the event that the death penalty is reinstated, he will resign before invoking that penalty.

Once again, the most frequent argument against the death penalty is the gross inequality of its application. I am convinced, as some of you are, that the wealth and status of the accused will have some bearing on the result. I am just as convinced that the death penalty, if imposed, would be imposed more frequently on the poor, the socially deprived, the disabled, or on the ethnic and social minorities.

Our courts are not infallible. Occasionally they do err. One of the reasons that lawyers are so very much concerned about this issue is that they know that false testimony is sometimes introduced into evidence; they know that there are cases of mistaken identity, cases of biased or circumstantial evidence. All of these things make it possible to convict an innocent person. It can happen. It has happened. No amount of compensation or expression of regret will ever bring back a life that the state mistakingly takes. What a terrible crime by the state against a citizen!

You may ask: What about the polls? I have to admit that my constituents read the polls and read the results, and they are just as concerned about the rise in crime generally as are people across the country. I know that a majority of Canadians favour the restoration of the death penalty.

Some of my colleagues have said that they will vote in accordance with the wants and the wishes of their constituents, and they ask why I do not do likewise.

Well, Mr. Speaker, I have come through three general elections, and in each one the issue of the reimposition of the death penalty has come up. It is a point that has been raised at candidates' meetings, general meetings, and in other forums. My answer has always been that I am opposed to the restoration of the death penalty. The people of St. Catharines do not expect me to change my religion or to vote against my conscience. I take some comfort in knowing my home community.

In this respect let me quote the words of Edmund Burke, who said: "Your representative owes you not his industry only but his judgment, and he betrays instead of serving you if he sacrifices it to your opinion".

Ours is not a "punch button" democracy. Each of us has been forced by the media to take a position on this question before having had the opportunity of engaging in a reasoned discussion or debate. Ours is not a country, either, of common referenda or plebiscites. We are expected to debate and fully reason any issue before the House before making a decision thereon. When the vote is finally taken on this issue, I expect the result to be a reasoned decision.

Those of you who were in the Chamber this morning to hear the words of the Hon. Member for Lisgar (Mr. Murta) will know whereof we speak on this matter. For those who were not in the Chamber this morning for that speech, I commend it to you for your reading.

The real bottom line, as has been mentioned, is not the continued abolition or the reinstatement of the death penalty but our system of justice. It is our justice system that we have to look at and our justice system that we must be concerned with. I have always said that the taking of a life is the last thing that we should do, and I am not satisfied that we are anywhere close to having to take that last step.

One of the reasons that my constituents and your constituents feel as they do is that they are displeased and discouraged with our whole judicial system. They feel frustrated, ignored, and sometimes fearful for their own safety. They want to see that justice is being done. The public confidence in the judicial system is undermined by the discrepancies in sentencing. Confidence has to be restored in our parole system.

Canadians do not have faith in a system that they no longer understand. They read and hear little about it, and they do not believe that it reflects the kind of system that they were brought up under. Media coverage has led the people of Canada to believe that the crime rate is far in excess of what it is in fact, and they are now of the belief that only with the restoration of the death penalty will they be able to restore the law and order that was the norm in past times.

We are all concerned with violence in our way of life; far too many acts of homicidal violence take place in our society. But I sincerely do not believe that the return of the death penalty will resolve those problems. Rather, the problems of our society must be addressed by vigorous law enforcement measures, law reform measures.

Canadians want a society that is both just and humane. We want a criminal justice system that will respond effectively to the real needs of our citizens, who must be protected from crimes of violence. We, in our life-styles, cannot, at home and in our schools, continue a life of permissiveness without the counterbalance of restraint, discipline, and personal responsibility. Having disapproved of the use of the strap in our school system, the use of corporal punishment, we cannot now call for capital punishment for the weaker among us who did not learn discipline and responsibility.

Society can, through its courts, express clearly and forcefully its profound condemnation of murder and other flagrant crimes against the person without resorting to the death penalty.

When the Lord put his mark upon Cain, the first biblical murderer, and cast him out of his family and into the wilderness, he did not kill him; he forced him into a life, remembering each day the wrong that he had committed.

This debate will be followed by a vote of conscience, free of dictate, partisan or Party loyalty. In good conscience, I shall cast my vote against the motion. I cannot do otherwise.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Hon. Member for Nickel Belt (Mr. Rodriguez), on a question or comment.

Mr. Rodriguez: Mr. Speaker, before putting my question to the Hon. Member for St. Catharines (Mr. Reid), I want to commend him for his excellent speech. It was a speech given with much feeling and much insight. I was certainly touched by what he had to say. In prefacing my question to him, I want to indicate that today was a day chosen by the Canadian Labour Congress to remember men and women who died or have been injured and possibly disabled in the workplace over the last year.

• (1620)

Those who would return capital punishment to the books of Canada have argued that it is essential to protect the innocent. Does the Hon. Member not think that it may be far more worth while for us to talk about corporate responsibility, for example, in terms of preventing deaths and injuries on the job, as there seems to be a far greater problem in that area? Is that not something on which we ought to spend more time and energy in trying to find the laws and processes that would prevent unnecessary deaths or maiming in the workplace?

Mr. Reid: Mr. Speaker, the Hon. Member for Nickel Belt (Mr. Rodriguez) will not catch me out in a moment of softness. The problem of employer-employee relations is not a subject for this debate. However, I believe much progress has been made in respect of safety in the workplace. I support measures which are being taken to introduce a greater degree of safety in the workplace.

I do not take the position that accidents, which happen as a result of carelessness or otherwise, can be brought into the same realm of consideration as deliberate homicides. I am sure that safety in the workplace is a matter of concern that all of us are addressing.

Mr. Manly: Mr. Speaker, I join in congratulating the Hon. Member for St. Catharines (Mr. Reid) on his first-rate presentation on this subject.

I understand that the Hon. Member is a lawyer and I should like to ask him a question concerning his profession. To what extent does he believe that the skill and intelligence of defence lawyers and prosecuting lawyers determine the outcome of a trial regardless of the guilt or innocence of the accused?

Mr. Reid: Mr. Speaker, I thought I addressed that particular point in my speech. As a lawyer I recognize that it is a matter of concern.

There are variances of skills in lawyers, particularly criminal court lawyers. Some of them do a much better job than others. We also know that the law of the land provides a lawyer for a person charged with or accused of a capital offence. He will not go into court without one, but just as there are differences in the skills of parliamentarians in the House, there are differences in the skills of practising lawyers before the bar.

Mr. Deputy Speaker: The Hon. Member for Burnaby (Mr. Robinson) on a question or comment.

Mr. Lewis: And here is one now.

Mr. Robinson: Mr. Speaker, I look forward to hearing from the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) in due course.

Mr. Lewis: I have already contributed.

Mr. Robinson: I forgot we already heard from him. It was obviously a notable contribution to the debate.

I have a question for the Hon. Member for St. Catharines (Mr. Reid) referring to the support of major church groups in Canada for the continued abolition of capital punishment. He will know that all major church groups in Canada, including the Canadian Jewish Congress, the Canadian Conference of Catholic Bishops, the Anglican Church, the United Church, the Presbyterian Church, the Baptist Convention of Ontario and Quebec, the Canadian Unitarian Council, the Evangelical Lutheran Church, the Mennonite Central Committee, and the Religious Society of Friends, officially support the continued abolition of the death penalty. In fact, we are even waiting for PTL south of the border to pronounce itself on this particular question.

The Hon. Member made a comment in respect of some of the concerns raised by those who spoke in favour of capital punishment and made reference to biblical passages in so doing, the old "an eye for an eye". Does the Hon. Member agree that Christian people in the example of Jesus himself should follow an example of forgiveness and reconciliation? Christ himself, as a victim of capital punishment on the cross, after all, said: "Father, forgive them for they know not what they do". He also saved a woman condemned to death by stoning for the crime of adultery by teaching: "Let he among you who is without sin throw the first stone".

I suggest that those who claim to live in Christ's image can therefore not abandon hope, faith, and the sacredness of life, even the life of a murderer.

Would the Hon. Member like to comment in respect of the extent to which biblical passages are invoked in support of capital punishment in this debate?

Mr. Reid: Mr. Speaker, I was in the House yesterday when the Hon. Member for Peterborough (Mr. Domm) pointed out the great number of communications received from United Church ministers and representatives of the clergy in a wide range of doctrine. I was careful to point out—and I firmly believe it—that the governing bodies of the established churches to which the Hon. Member referred are in their council in favour of the continuation of the abolition of the death penalty. There are some, perhaps in each congregation, in favour of restoration despite the fact that the councils have indicated by resolution that they favour the continuation of abolishment of capital punishment. I think that is so.

I have heard members of the clergy point out in their interpretation of the Scriptures extracts from different sections of the Old Testament, as well as the fact that Jesus was a victim of popular opinion. When Pilate himself could find no wrong, Jesus might be said to have been one of those who were innocent and condemned to death wrongfully by mass public opinion.

There is a difference in the interpretations. It takes a theological scholar to point out the differences and the inflections in each of the extracts. I do not want to dwell upon them particularly, but I certainly agree that the church councils are in support of continued abolition.

Mr. Della Noce: Mr. Speaker, I congratulate the Hon. Member for St. Catharines (Mr. Reid). I think he made a very good speech, but that does not mean that we all agree. I hope my hon. colleague does not expect that to be the case. We are a normal family over here and everyone is allowed his or her rights.

There are five major jails in my riding of Duvernay which I have been able to visit in the last two years. When I visited the prisons, I spoke with inmates who had 25-year sentences. As the Hon. Member will know, when we removed the death penalty, we made a deal; we changed death penalty to 25 years firm. Is it more humane to keep someone inside for 25 years with no option, no solution, and no hope in a six-foot by nine-foot cell? I do not think jail is the best place to be even if our constituents say that they are better treated than in hotels. However, the jails I have visited are far different from a Sheraton Hotel.

Second, does the Hon. Member not think that a person who puts someone's life in danger puts his or her own life in danger? Is 25 years more humane? What is the Hon. Member's solution?

• (1630)

Mr. Reid: Mr. Speaker, I will not say that I have a solution. I recognize, as my hon. colleague does, that a prison life is not life in a Sheraton Hotel. It is a life of confinement and it is not

intended to be a Sheraton Hotel environment. If a person commits a wrong, that person must be seen and known to pay the penalty.

The whole system of justice is an evolving one. We have come a long way since Elizabethan times when about 149 offences resulted in the death penalty. Even children under the age of nine who pickpocketed were put to death because they could not afford to keep them in jails. It was inhumane. Time and evolution have changed the system and the system will continue to change in the future.

If the consideration of a debate such as this dwelt on the system and improvements to it, perhaps we could find a better way of making certain that those who have committed a wrong who can be rehabilitated should be rehabilitated much more rapidly than those who do not have the capability of being reinstated into society. Only medical authorities, psychiatrists and others can have the expertise to determine whether or not a person should be released. I am satisfied that we have the talent and the ability to do that if given time and opportunity.

Mr. Deputy Speaker: Before resuming debate with the Hon. Member for Ottawa Centre (Mr. Cassidy) I will recognize the Hon. Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis) on a point of order.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, I want to take this opportunity to advise the House that the business for tomorrow will be report stage of Bill C-22.

Mr. Deputy Speaker: I thank the Hon. Member. The Hon. Member for Ottawa Centre (Mr. Cassidy) on debate.

* * *

CAPITAL PUNISHMENT

ESTABLISHMENT OF SPECIAL COMMITTEE ON REINSTATEMENT

The House resumed consideration of the motion of Mr. Mazankowski:

That this House supports, in principle, the reinstatement of capital punishment and directs that a special committee on reinstatement, composed of 15 members, be established, hold hearings and make its final report to the House no later than three (3) months following the adoption of this motion, such report to provide recommendations on:

(*a*) which offence or offences should carry the death penalty, and in what circumstances;

(*b*) which method or methods should be used to carry out the penalty of death, and in what circumstances;

That, pursuant to Standing Order 107(1), this special committee be hereby appointed as a committee to prepare and bring in a bill no later than three months following the adoption of this motion, founded on the committee's recommendations on (*a*) and (*b*) above; such a bill shall be the object of a separate and distinct report of the special committee, and such a report shall be its final report;

That such bill, when reported from such special committee to the House, be deemed pursuant to Standing Order 107(1) to have been introduced and stand on the Order Paper, in the name of the special committee chairman, for first reading at the next sitting of the House; and that subsequent House stages of the bill be considered under "Government Orders", with the bill standing under the heading "Government Business"; and that, when the said bill has been read a second time, it shall stand referred to a Legislative Committee;

That the Striking Committee be empowered to name the Members of the special committee, provided that once the Striking Committee report is laid upon the Table, it shall be deemed concurred in;

That the special committee have the power to sit while the House is sitting and during periods when the House stands adjourned;

That the special committee be empowered to report from time to time and send for persons and papers, and to print such papers and evidence from time to time as may be ordered by the committee and to retain the services of expert, technical, professional and clerical staff;

That the special committee be empowered to adjourn from place to place inside Canada and that, when deemed necessary, the appropriate staff accompany the committee;

That a quorum of the special committee be eight (8) members for any vote, resolution or other decision; and that the chairman be authorized to hold meetings to receive evidence and authorize the printing thereof whenever six (6) members are present;

That any substitution of membership on the special committee be made pursuant to Standing Order 94(4); and

That, notwithstanding the usual practices of this House, if the House is not sitting when the special committee is ready to issue its final report and the said bill, the special committee shall present its report and the bill to the House by filing them with the Clerk of the House provided that the report shall then be deemed to have been laid upon the Table, and the bill shall then be deemed, pursuant to Standing Order 107(1), to have been introduced at the first sitting of the House thereafter and to stand on the Order Paper in the name of the special committee chairman, for first reading at the next sitting of the House; and that subsequent House stages of the bill be considered under "Government Orders", with the bill standing under the heading "Government Business".

and on the amendment (Mr. Robinson) (p. 5311).

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I very much regret that the Government has reopened the issue of capital punishment and made it necessary for me to participate in this debate.

During the last election I made it clear to my constituents that I am opposed to the reinstatement of the death penalty in Canada. My opposition is on moral grounds, on grounds bound to conscience. I believe that my constituents respect my decision and I would not be prepared to change my vote or my view on this issue even if that were the price of retaining my seat in the House of Commons.

A number of people during the course of this debate will be making a number of common arguments, and I basically support the arguments made by others who will be supporting the continued abolition of the death penalty. They will argue, and I agree, that capital punishment is not a deterrent and it is not, therefore, justifiable on that particular ground. They will argue, and I agree, that to restore capital punishment in Canada would be an uncivilized act and that we as Canadians should look at the precedent and practice of most western industrialized countries in western Europe, of Australia, New Zealand and all other countries in the OECD, with the exception of the United States, which have either banned the death penalty or in the case of Belgium and Ireland have not used it for a very long period.

They will note, as I note, that the murder rate was down in 1986 and that it has not risen in Canada since the death penalty was abolished 11 or 12 years ago. They will note, and I agree, that the chances of execution with the death penalty restored would very much depend on a person's social class, on how a person looked, whether he or she were of the middle class or seen as a loser, the court the person drew, the judge he or she drew, the lawyer, the jury, the defence lawyer, the jurisdiction in which the person appeared, whether or not he or she appeared before a jury, and a number of other factors like that. In other words, this application of a reinstated death penalty would be very unequal.

I noted, for example, in the statistics that the chances of being executed in the United States are a great deal greater if a person has murdered a white person rather than having murdered a black person. In the Republic of South Africa, that great example to us all, of the 115 executions in 1984, 113 were of blacks, only two were of whites. Your chances of being executed because you were black were something like 12 to 15 times greater than if you were white.

In my own constituency there was a tragic case a year or so ago, the death of Celia Ruygrok who was working in a halfway house in downtown Ottawa who was raped and then killed by a man who had a previous conviction for murder. That case has been brought forward. One cannot comment on it too greatly here except to express one's extreme condolences and regrets to Gerry Ruygrok and his wife, her parents and to all of those in the great, close-knit and loving family.

Gerry Ruygrok has expressed to my Leader and through him to this House his opposition to the death penalty. The evidence coming forward in the case and also before the inquest indicated that had our criminal justice system been working effectively, had parole been revoked, as it should have been in this case, then the incident could and should have been avoided. It seems to me that it is an example where we say we might have avoided this particular killing had there been the death penalty. The assailant would have been executed previously for his previous first offence. Therefore, this was an avoidable death.

[*Translation*]

Mr. Speaker, I think it is hypocritical of the Prime Minister (Mr. Mulroney), who says he is against the death penalty, to be perfectly willing to let Parliament spend time on this debate on capital punishment, in the knowledge that it might result in legislation that in the final instance could mean the death penalty for some of our fellow citizens.

Mr. Speaker, it is the Pontius Pilate approach. I believe the Government should have shown some leadership on this issue, either by deciding that its policy would be to reinstate capital punishment or by deciding to do nothing.

We are told that 70 per cent of Canadians are in favour of the death penalty. But, Mr. Speaker, very few of those Canadians consider it a priority. Incidentally, two-thirds of Canadians are opposed to the changes in the Patent Act being proposed by the Government, but the fact that the majority of Canadians object has not convinced the Government to drop the Bill. I agree that even if the Government is wrong about Bill C-22, it has the right and the duty, from time to time, to introduce legislation, even if that legislation is not supported by the majority of the people.

The Parliamentary Secretary who opened the debate said that now the Government had resolved the unemployment issue and dealt with Canada-U.S. relations and other problems it had been considering, it was time it kept its promise to hold a free vote on the death penalty.

Mr. Speaker, in seven provinces, the unemployment rate remains higher than it was during the recession from 1981 to 1983. An increasing number of jobs are part-time instead of full-time jobs, and some are for a short term only. In Newfoundland, the unemployment rate is 24 per cent. Among young people in Quebec, the unemployment rate is 16 or 17 per cent. The Government has yet to respond effectively to the youth unemployment problem that exists across the country. In fact, the recession is continuing. Mr. Speaker, there are all kinds of things for this Government to do. Ministers are complaining they do not have enough time to bring some very important Bills before Parliament and that we have many other Bills before the House that are just as important, but the Government will not be able to work on those Bills because Parliament is tied up with the death penalty.

• (1640)

[*English*]

Surely these other problems are more important than bringing back a measure which smacks of vengeance and which does not respond to the real problems of poverty, unemployment and the perception that there can and should be things done about security or law and order.

I would also point out that the scale of violence in Canada is grossly overestimated by many Canadians. One study that was done in Toronto indicated that Canadians felt that the murder rate in Canada was seven times higher than it actually is. In a single evening on the channels available in Metropolitan Toronto, more murders are perpetrated than occur in Metropolitan Toronto in an entire year. Most of the violence we see is fictional, and there is too much of it. From time to time, I feel thoroughly sickened by what I see on television. I see a set of values which, on the one hand is unduly commercial and appeals to people's vanity and greed, and on the other is perpetrating the myth that this is a violent society in which one can hardly dare to go out at night for fear of being attacked.

I have no problems when I walk anywhere in my constituency at any time of the day or night. There are some very limited areas in which I would recommend that a woman perhaps not walk at night, but in general our streets are safe. Our society in Canada is safe even though there are things we can and

should do, particularly with respect to the concerns, feelings and rights of victims.

I would like to put some statistics on the record to put the question of capital punishment into perspective. In 1983, there were over two million Criminal Code offences committed in Canada. That is too many, but that included speeding and other offences which I would suspect would probably make virtually every Member of Parliament one of those who from time to time may have violated the Criminal Code. Of those offences, 8 per cent or 172,000 were violent crimes.

To put things into perspective, it is interesting to note that for each policeman or policewoman on duty in Canada, there was an estimated one and a half to two violent crimes committed in the course of an average year. In other words, the perception of police always fighting crooks is incorrect. In fact, police are doing many other things as well and they do not, day after day, come into contact with violent crime.

Of that violent crime, something like one-third of 1 per cent were murders. The average between 1977 and 1983 was 589. Of those murders in the same seven years, on average 178 were first-degree murders, 170 were second-degree murders, and 140 were unreported.

The rate of conviction for murder is relatively low. It is running at about 19 per cent for first-degree murder and 29 per cent for second-degree murder. That translates to an average of 32 convicted first-degree murderers per year between 1977 and 1983 and 120 second-degree murderers. Assuming for the sake of argument that half of the first-degree convictions would in fact go to execution—and I do not know if that is realistic or not—then we are talking about perhaps 16 murderers per year who would actually hang, be electrocuted, be given an injection or be killed in some other awful way. One then must ask oneself about the biblical principle of the sanctity of human life and the Commandment: "Thou shalt not kill". We as a state would violate it whether one or 1,000 persons were executed for crimes of murder.

If there is to be deterrence, one must ask, what would be the rational response, supposing there is one, of someone who is on the verge of committing a crime which involves murder? There are 600 murders in a year and 32 convictions for first-degree murder, 16 of which might lead to a hanging. That is a 2.5 per cent chance of hanging and only that.

Most crimes are committed in passion, in anger, under the influence of drugs or under the influence of alcohol, but we are to assume that despite that, the criminal or potential criminal will stop, have a moment of lucidity and rationality, and say: "If I shoot this gun, then I might hang for the crime. There is a 2.5 per cent chance that I would hang, but 39 times out of 40 that I will not hang". Is that a deterrent? No, it is not. It is ridiculous to suggest that criminals think in those rational terms when murder is essentially an irrational act, but I would suggest that that is a very real factor.

I would like to read into the record a few letters which have come from my constituents. Despite the opinion polls, the mail I am receiving from my constituents, which is substantial, is eight to one against the reinstatement of capital punishment and in favour of continued abolition. I have a letter here from young Elizabeth Monahan who lives in my riding. Her letter reads in part:

> I am 11 years old, my name is Elizabeth and I am totally against the death penalty. You say it's wrong to kill somebody and then turn around and kill somebody yourself now does that make sense to you. What's the point of killing somebody?

We say that of murderers, we should say that of the state as well. She goes on:

> And if you make a mistake and only find out too late what happens then, somebody's family is going to be pretty upset.

Another constituent who lives on Cartier Street has this to say:

> Dear Mike,
>
> I take this opportunity to add my voice against the imposition of the death penalty in Canada. I have lived in this country, my new home, for about thirteen years and the absence of the death penalty was—is one of the many humane institutions I enjoyed.
>
> I consider the death penalty as being nothing less than an act of collective vengeance, indeed legalized lynching.
>
> I trust that you and your colleagues will do your best to prevent Canada from regressing into the barbaric age of "an eye for an eye and a tooth for a tooth".

Another letter from a constituent reads as follows:

> Dear Mike Cassidy,
>
> I am writing to encourage you and all the other MPs to keep the death penalty out of Canada. I am opposed to any brutal or cruel punishments. I do not believe that fear will prevent murder. We see in the U.S. that the more fear, the *more* murders seem to occur. At least there is no solid statistical evidence that capital punishment works as a deterrent.
>
> Families of victims deserve care & sympathy & support for their grief & anger. Those criminals who are out-of-control need restraint and also psychiatric care so they may change and not be tormented further by their own failings.
>
> I hope you will follow your inner conscience & that it will lead you to oppose capital punishment, to support victims' rights to grieve & anger, and to call for further psychiatric help for all those who commit violent crime. I also feel tight gun control will minimize the number of murders we have.

Another letter from a constituent reads as follows:

> Dear Mike
>
> One issue concerns me more than any other facing Canada in the next few months. That issue is the death penalty. I had hoped the debate was behind us for good, the "hanging and flogging" wing of the Conservatives notwithstanding. Unfortunately, it is not.

He goes on to say:

> We never should have to live again in a Canada which feels that legal murder is justice. All too much, the support on the other side is symptomatic of the kind of country people would like this to be—an Iran, a South Africa, a U.S.S.R., a China. No thanks, not my kind of Canada.

Another letter reads in part as follows:

> We too know the death penalty is not a deterrent. Legalized killing of humans out of a sense of frustration at the lack of options or while pointing to the cost of prison sentences, is dehumanizing and demeans each of us individually.
>
> Add to this the threat of executing an innocent party and you have a situation which is untenable on human, moral and legal grounds. We owe more to ourselves and our children.

> We wish you well in your attempt to convince your colleagues to affirm the basic morality that civilization's history has been intent to show us, that killing people is antithetical to our existence. Teaching by example is the best tool we have to create Canada as a peaceful and secure society. The example that puts human blood on all our hands is the wrong one.

I could go on and on reading letters but I will only read a final letter from Mr. Ken Cunningham, the President of the John Howard Society of Ontario. He points out the number of organizations concerned with prison rights, the churches and the like, which have stood steadfastly in favour of abolition. Then he goes on to say the following:

> As an organization which has worked for decades in the area of rehabilitation of offenders, we know that it is essential that the state's policies and practices model the behavior we expect of the offender. The death penalty, in our opinion is the ultimate hypocrisy. It does not reject violence, it embraces violence. It does not reject revenge, it elevates it to the status of law. It brutalizes us all. It removes the distinction between the murderer, who in his or her delusion feels justified in killing, and the rest of us, who in our delusions feel justified in killing the murderer.

• (1650)

I have quoted those views of my constituents at length and I subscribe to them.

This is a moral issue. The intensity of people opposed to reinstatement of the death penalty must be taken into account. I plead with my colleagues from all Parties. Listen to what Pope John Paul says. He calls for clemency and pardon for those who are condemned. The Canadian Council of Churches, representing 13 denominations, has said that it is implacably opposed to the death penalty. The Catholic Bishops in Canada have expressed very strong opposition. The Hon. Member for Peterborough (Mr. Domm) has come up with a handful of church people who are in favour. Of course there will be some. However, an overwhelming number of our moral and religious leaders say: Do not do it. Do not go backwards. They point out that the biblical precept of an eye for an eye and a tooth for a tooth was put into the Bible to stop wanton vengeance for minor crimes at a time when the death penalty was prescribed for such things as swearing, blasphemy, sorcery, or fornication. There would not be many of us left if those penalties were enforced today.

Mr. Nystrom: Order!

An Hon. Member: Speak for yourself.

Mr. Cassidy: My colleagues suggest they have never been guilty of those sins. I wish them well.

The concept of an eye for an eye was a measure of penal reform in those days. It was to prevent worse penalties from being imposed. For God's sake, whatever your religious faith may be today, let us be guided by the religious teachers who are still, praise the Lord, around. I am a Unitarian. I respect the teaching of the Christian churches without being a Christian. I believe those things should be carefully listened to.

I want to say a final word about the process. The amendment put forward by my colleague, the Hon. Member for Burnaby (Mr. Robinson) would effectively allow the parliamentary committee set up under this resolution to go around the country to examine the issue without being committed to reinstatement. That would follow the precedent set on child care, star wars, acid rain, the rights of the disabled, and so on. That is a good precedent. The Deputy Prime Minister (Mr. Mazankowski) quotes the McGrath Committee which recommended wider use of parliamentary committees. However, he neglected to point out that McGrath recommended that these committees conduct general inquiries when policy choices have not been made. It is an abuse for this Parliament to turn around and make such a profound decision without having inquired into it much, much further.

I believe the process is fundamentally flawed. If we have to bring it forward at all, and I wish we did not, the Prime Minister (Mr. Mulroney) could still respect his commitment to a free vote by sending a parliamentary committee out to investigate the issue. We have noted that several Members of Parliament have already changed their position. Having voted in favour of capital punishment, they are now opposed. That comes with deeper and more profound study and reflection on a very difficult issue. I believe a parliamentary committee, whatever its initial prejudice on the issue might be, could well come back and recommend against capital punishment, particularly when we note that this has been done in most other countries.

[*Translation*]

So finally, Mr. Speaker, I conclude by saying that I will vote against this resolution. For reasons of conscience I believe it is a moral question and I appeal to all my colleagues of all political Parties here in the House of Commons. If you have no doubt this is a measure which in the end is irreversible, and for this reason it is a bad way to make a decision when there is no consensus in the House of Commons. If there is no consensus, better live with the existing situation than restoring the death penalty and running the risk of legally killing certain people who have been found guilty of homicide, and then again change our point of view.

So I urge all those who may entertain some doubts to vote against this Government resolution.

[*English*]

Mr. Deputy Speaker: Questions or comments?

Mr. Jepson: Mr. Speaker, I listened with interest to my friend from the NDP. He cited passages from the Scriptures about an eye for an eye and a tooth for a tooth. If I heard him correctly, I understood him to say he was not a Christian. As a Christian myself, it is my understanding as I study the Scriptures that an eye for an eye and a tooth for a tooth really means that the sentence should be commensurate with the severity of the crime. That is not to say that if a person takes another person's eye, that person will lose his or her eye. It does not mean that a person who cuts off another person's arm is going to lose his arm. What the Scripture is saying very clearly is that you must have sentences commensurate with the

crime committed. That has to be clearly indicated to society at large.

I also heard his colleague commenting on the Catholic Church, the United Church, the Ontario-Quebec Conference of Baptist Churches, and so on. I think he was quite correct when he said the councils of those churches put forward their views on their opposition to capital punishment. What he did not say and what has clearly been expressed to those I have come in contact with, and is of course reflected in the polls we see across the country, is that they are not speaking for their total membership. In fact, I would respectfully suggest they are speaking for a minority. I know many United Church, Catholic and Baptist Church members who are in favour of the reinstatement of capital punishment.

Mr. Cassidy: Mr. Speaker, as I recall, the Member is an active Baptist and received the nomination in his constituency because of support from his friends and colleagues in his local congregation. I think he referred to the fact that the Ontario and Quebec Conference of Baptist Churches affirmed its opposition to capital punishment. I am not a Baptist and I cannot speak on behalf of all Baptists. However, I certainly respect the views of the Baptist community leadership. From the early days of all religions people have looked to their religious leaders for guidance on these subjects. In the case of the Baptist community I presume that is the Conference of Baptist Churches. In the case of the Catholic Church it is the Pope and the Bishops. They are the teachers of today and should be respected. I say that very sincerely.

I would point out as well that the Hon. Member says that perhaps the leadership of the Baptist community is not representative. Perhaps we should question having a free vote in this House, given the indication that this House of Commons is not reflective of the Canadian people today. I would point out that the NDP MPs will be voting against this resolution, and have so indicated. It is a free vote and they will be voting against it. The vast majority of Liberal MPs will also be voting against it. According to the current polls, we would have a Parliament in which there would be a couple of hundred Members elected from the NDP and Liberal Parties and maybe 75 or 80 from the Progressive Conservative Party. Under those circumstances, this resolution would be sure to be defeated. I think it is not only hypocritical but the Government has no credibility in putting forward this motion which would be defeated if Parliament reflected the political sentiments of the public at large.

[*Translation*]

Mr. Deputy Speaker: It being five o'clock the House will now proceed with Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

WAR MEASURES ACT

SUGGESTED REPEAL

Mr. Ernie Epp (Thunder Bay—Nipigon) moved:

That, in the opinion of this House, the government should consider the advisability of repealing the War Measures Act, which authorizes unlimited and arbitrary exercise of power by the government of Canada during periods of war or apprehended insurrection without providing any review mechanism for such actions nor any basis for redress of the victims of unjust actions.

Mr. Deputy Speaker: Before proceeding with debate, I have received written notice from the Hon. Member for Etobicoke Centre (Mr. Wilson) that he was unable to move his motion during the hour provided for Private Members' Business prior to May 26, 1987. It has not been possible to arrange an exchange of positions in the order of precedence pursuant to the Special Order of the House agreed to on February 20, 1987. Accordingly, I am directing the Table to drop that item of business to the bottom of the order of precedence.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to move this motion asking the Government to consider the advisability of repealing the War Measures Act, and I appreciate the opportunity to debate the motion this afternoon. I am sorry that the motion was not made a votable motion because I think there are many Canadians who would support Parliament expressing itself on this particular long-standing piece of legislation.

There have been indications at various times that Governments were considering a change to this legislation, amendment of it to weaken its Draconian powers or, conceivably, replacement of it with other legislation, but that has not happened.

It is incumbent upon me this afternoon to speak for all those Canadians who, at various times, have said that the War Measures Act should not be on the statute books of a country which believes in the rule of law, that the War Measures Act should be replaced or, at the very least, should be removed from the books so that we might enter a better area of provision for emergencies perhaps, if that is necessary, but without having this particular power available to Canadian Governments.

The legislation itself, particularly in Section 6 of the Bill as it was originally passed in 1914, indicates the kinds of powers which Governments have. It reads:

6. The Governor in Council shall have power to do and authorize such acts and things, and to make from time to time such orders and regulations, as he may by reason of the existence of real or apprehended war, invasion or insurrection deem necessary or advisable for the security, defence, peace, order and welfare of Canada; and for greater certainty, but not so as to restrict the generality of the foregoing terms, it is hereby declared that the powers of the Governor in Council shall extend to all matters coming within the classes of subjects hereinafter enumerated, that is to say:—

(a) censorship and the control and suppression of publications, writings, maps, plans, photographs, communications and means of communication;

(b) arrest, detention, exclusion and deportation;

(c) control of the harbours, ports, and territorial waters of Canada and the movements of vessels;

(d) transportation by land, air, or water and the control of the transport of persons and things;

(e) trading, exportation, importation, production and manufacture;

(f) appropriation, control, forfeiture and disposition of property and of the use thereof.

In this extensive clause are powers given to a Government of Canada to be invoked as a blank cheque to take practically any kind of action at all that it might think advisable in circumstances of emergency. We note that it is not only in situations of war, or even more, actual invasion of Canada, that these powers are available to Canadian Governments, but also in situations of insurrection in Canada, and not only actual situations of insurrection. The powers are available in a context of apprehended insurrection.

Anyone who thought in 1960 when the Bill of Rights was being debated in the House of Commons and when the then Prime Minister, the Right Hon. John George Diefenbaker, resisted suggestions that his Bill of Rights should supersede this legislation, that this legislation would not be used in peacetime discovered only 10 years later how wrong they were. In October of 1970 when kidnappings occurred in the Province of Quebec, as I am sure we all remember, and when the Canadian Government became anxious about maintaining order, as it claimed, and there was concern about finding those who had perpetrated these acts, the Government chose to use the War Measures Act, not only as a symbol, but as the reality of its exercise of power in the Province of Quebec. There were those far beyond the borders of Quebec who saw possibilities in this. I was living in the interior of British Columbia in those days. I was most shocked to hear a mayor of Vancouver speaking at the time of the possibilities of dealing with people in his own province under the new realities which the War Measures Act proclaimed.

The War Measures Act very significantly provided a basis for other actions. The proclamation of the Act was the authority for the publication of regulations. The regulations which were published made certain associations which had been legal before the Act was invoked now illegal. They made any sort of involvement with those organizations which had been legal before now a matter of crime.

In these contexts we saw the worst reassertion in our time of principles which long stood, back in the 1920s and 1930s, as Section 98 of the Criminal Code. These provisions followed the Winnipeg sympathetic strike which had been resisted by the first leader of the Co-operative Commonwealth Federation year after year and were finally repealed in the middle of the Great Depression after the Liberal victory of 1935. A decade and a half after those provisions had been put in the Criminal Code providing for action against political organizations they reappeared in this context in 1970.

It was not only that kind of abuse of law by the Government of Canada that made the War Measures Act possible. We have still before us today, in the declaration of the present Prime Minister of Canada (Mr. Mulroney) that there is a need to redress the action against Japanese Canadians, the reality that the War Measures Act was the basis for moving against the Japanese Canadian population of British Columbia. Canadian citizens found themselves dispossessed and relocated. Many of them found themselves detained in the process and afterwards. They found their lives completely disrupted. In a somewhat similar way as those several hundred persons who were arrested in 1970 never obtained compensation, there has never been adequate compensation for the Japanese Canadians who experienced this under the War Measures Act beginning in 1942 and continuing for at least the next half a dozen years.

It was for those reasons that the Special Committee on the Participation of Visible Minorities, which did such yeoman work in the last couple of years of the previous Parliament, in its Recommendation No. 34 called upon the Department of Justice to "review the War Measures Act with a view to proposing the safeguards necessary to prevent a recurrence of the kind of mistreatment suffered by the Japanese in Canada during and after World War II". It was Japanese Canadians of course who suffered this, not Japanese citizens in Canada.

That was the recommendation of all members of the committee. I would go further, as I do in this motion, to call upon the Government to consider repealing the Act altogether. If we need some sort of emergency legislation, let it be properly drawn up. In this area of the Charter we need provisions which prevent the kind of arbitrary action which has been taken in the past. We need protection for the rights of Canadians.

In emergency legislation we need review mechanisms so that it is possible for those who have been detained or have otherwise suffered under the legislation to obtain compensation for what has been done to them. Nothing less than that is necessary. Individuals must have a basis for redress. It is not sufficient for the Government of Canada to act in this way. It is an abuse of rights and was such long before the Bill of Rights. It is tragic that the Bill of Rights was not regarded as being violated if action occurred under the War Measures Act. I am sorry to say that the provisions of the 1982 Charter allowing for reasonable departures from freedom, opens the same kind of possibility that we found in the fall of 1970.

• (1710)

Recognizing the possibility for arbitrary exercise of power, which needs always to be constrained by the law of the land in order to have the rule of law truly prevail, I call upon the Parliament of Canada to urge the Government to consider a repeal of this War Measures Act of 1914 and give us carefully considered legislation in peacetime that will not be rushed through as was done by our predecessors in 1914, in giving a blank cheque to the Government of Canada.

Mr. Bob Hicks (Scarborough East): Mr. Speaker, the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) is to be congratulated for a most sensible suggestion that is, doing away with the War Measures Act, the subject of much controversy today. It is too severe an instrument to be used in circumstances short of war.

Perhaps what we should do is to look closely at the vacuum that would be left by this Act and see what should replace it. Maybe we need more precisely conceived and worded legislation to protect Canadians in many emergencies.

Since Roman times, Governments have recognized that they have a fundamental obligation to provide for the safety and security of their peoples in times of catastrophe. This dictum is summarized in the Latin phrase: *Salus poluli suprema est lex*, or, the safety of the people is the supreme law.

The Government of Canada recognizes this fundamental obligation and is committed to improving the national standard of emergency preparedness and developing the national capacity to provide for the safety and security of Canadians in emergencies of all kinds. This is done on the basis of partnership with the provinces, with mechanisms to provide comprehensive, joint planning and the formulation of co-ordinated arrangements for dealing with all aspects of emergencies falling under their respective jurisdictions.

Officials of Emergency Preparedness Canada, and other federal Departments have been addressing the entire question of legislation surrounding emergency response in Canada and during the course of their review a number of gaps in the legal framework for emergencies have become apparent, raising questions about the Government's ability to provide for the safety of Canadians during national emergencies.

The current statutory framework for authorizing emergency powers has some shortcomings.

The War Measures Act is generally conceded to be too broad and sweeping for peacetime public safety or public order emergencies. While it provides adequate powers for war or invasion, it includes few safeguards against abuse. Less provocative legislation for dealing with a deepening international crisis in not available.

Other statutes such as the National Defence Act, the Criminal Code, and several others Acts contain some provisions that could be applied to emergencies. In most cases these provisions are unnecessary for a minor emergency and likely to be very inadequate for a major emergency. Some would possibly be subject to challenge under the Canadian Charter of Rights and Freedoms. If invoked in combination, they would give rise to considerable confusion. Finally, few are adequately safeguarded. The Crown prerogative and the common law doctrine of necessity could possibly be used as the legal basis for taking emergency measures. However, the legal foundations of this approach are shaky and uncertain.

The Government could resort to the enactment of *ad hoc* legislation during an emergency, basing its legislation on the "peace, order and good government" clause of the Constitution Act. However, the *ad hoc* approach could result in hasty and poorly drafted legislation if prepared in the heat of an urgent crisis. The process could be insufficiently rapid if Parliament were not in session, and would be impossible if Parliament were dissolved when the emergency arose.

Emergency legislation is an attribute of statehood. Canada is unique among industrially developed nations in not having comprehensive emergency legislation on its books. As well, all of our provinces and territories have legislation in place to deal with their responsibilities in emergencies.

As I said, I understand that the Government is reviewing the entire matter, and because revocation of the War Measures Act is on its agenda, I am certain that shortly we shall be discussing this matter publicly and in much greater detail.

There is no doubt that we in Canada must give greater attention to the entire area of emergency preparedness and to our ability to respond to crises. Emergencies take many forms and arise from many causes. They may be man-made in origin or may be the result of acts of God. They occur in peacetime and in war, and the range of precipitating causes encompasses natural disasters, such as epidemics, earthquakes, fire, floods, tornadoes or drought; technological mishaps such as industrial spills, pollution or major accidents; civil disturbances arising from revolts, terrorism or riots, conventional war and finally, the ultimate threat of nuclear attack.

The common factors in these disparate events are the sudden threat they pose to the community, the widespread harm they cause, and the need for prompt, often extraordinary measures to mitigate their effects and recover from them. In different ways and to varying degrees they may place in jeopardy the life and property of the individual, disrupt the peace, order and welfare of the community and, in the most extreme cases, threaten the continued existence of Canadian society itself.

Our ancestors lived in a less complicated age. With increasing population, especially in our urban centres, and with the threat of technological threats of all kinds mounting—ranging from chemical spills to the possibility of some madman launching a nuclear or biological attack—we are at the mercy of forces often beyond our control.

Our entire civilization seems to hang on an electrical thread. We saw what happened last summer when downtown Ottawa was without power for days; we know what happens in many emergencies when the power fails in the winter at temperatures of minus 40 degrees Celsius. Even in mid-summer, when tornadoes strike a community and the power goes off for a couple of days, freezers full of food can spoil. We have seen many instances in Canada when communities have been isolated because of floods and food has been airlifted in. Even those with freezers stocked with food found they had nothing to eat because it went bad. We saw what happened not too long ago in Montreal when fire put Air Canada's computerized reservation system out of action for days. Add to this incidents such as the Mississauga train derailment, when

escaping chlorine gas forced the evacuation of thousands, and it gives an idea of what kinds of things can happen in this country almost daily.

We are fortunate in having in Canada a sensible and effective emergency response system. Through the offices of Emergency Preparedness Canada, the agency responsible for co-ordinating the federal response to emergencies and for encouraging a uniform system of emergency response across the country, joint activities have been undertaken with provincial officials to evaluate current resources, both legal and material, assess actual needs, demarcate and co-ordinate respective responsibilities and to develop comprehensive plans for dealing with emergencies of any kind and of any scale.

The federal Government has concluded Memoranda of Understanding with all but three of the provinces and territories in order to demarcate respective responsibilities for emergency planning. A joint emergency preparedness program has been established with the provinces and territories to enhance the national emergency response capability and to encourage co-operation between the federal Government and the provinces and territories.

Further, disaster financial assistance arrangements have been put in place as a means of providing financial assistance to the provinces and the territories when the cost of dealing with the disaster would place an undue burden on the provincial economy. In general, the provinces and territories are well prepared to deal with the kinds of peacetime emergencies that have arisen in the past.

What we want in place of the War Measures Act is the kind of legislation other modern democratic states have had for many years.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am pleased to participate in the debate, but I am certainly not in support of this resolution. I think it would be the height of foolishness, if not idiocy, for a democracy that believes in the rule of law to disarm itself of the only method that it has consistent with the rule of law of dealing with crises.

Listening to the New Democratic Party and the arguments they raise that this should be repealed and that we should try to put something more modern and sensible in its place later, gives me one more reason to be glad that the Canadian people have never given the New Democratic Party the kind of support they have sought in election campaigns.

I have many reservations about the War Measures Act. If we had the wisdom that we have now when it was being drafted in 1914 it might have been a better and more moderate Act. I wish it were now possible to draft an improved version consistent with the principles which are fundamental to us in our democratic society today. However, the suggestion that that Act should be done away with, even if it means there is nothing in its place, is, to me, the height of irresponsibility. It is a way of betraying our democracy. It is a way of putting us into some predicaments.

• (1720)

Let me give an example of one or two predicaments in which we would find ourselves if this New Democratic Party resolution succeeded. My colleague, the Hon. Member from Scarborough, referred to the derailment in Mississauga where a few tank cars full of chlorine gas fell off the tracks and might have killed a quarter of a million or more Torontonians, people living in the Mississauga area. The emergency team to which the Hon. Member referred, which is established and does work well with federal, provincial and municipal volunteers, and so on, would have arrived on the scene. It would have needed to commandeer some buildings in the area to use as hospitals. They would have had to rely on the Expropriation Act, which the federal Government introduced very proudly a few years ago, which gives 60 days' notice to the owners of that building, and if the owners of the building did not want to allow them in, they would have absolutely no authority to go in to establish hospitals.

There is nothing in the law of Canada, nothing in the law of necessity and nothing in the Crown prerogative, which permits the Government to take away a large building from its owner even if hundreds of thousands of Canadians are dying outside and need to be brought in and sheltered. Perhaps the owner would co-operate. Perhaps the owner could be spoken to and even pressured, but I do not believe that is the way to run the country even in a time of war.

I believe the country should be ruled by the rule of law, and the War Measures Act is consistent with the rule of law. The Act itself, as primitive as it is, requires the matter to be brought to the attention of Parliament. It has to be legislated. Procedures have to be set out in regulations. They have to be available for people to look at. Surely to God that is a better way to deal with the crisis which could have arisen and can arise any day of the week in this vast country of ours. To suggest that we should have nothing like the War Measures Act which could save hundreds of thousands of Canadians in a crisis situation is irresponsible.

Let me talk about the possibility of invasion. We may never be invaded. I hope we never are. But if we are invaded, how are we going to respond? I was once Solicitor General. Let us say we are invaded and have the problem of what to do with our prisons. Let us say there is a terrible tragedy of the sort which occurred in Europe. Should the prison guards have to stay on the job? Should the inmates continue to be fed three meals a day if the rest of the population is starving? Should they be moved somewhere? Should the prisons be used for prisoners of war if we are successful in capturing our invaders and want to use the prison for that purpose? Should the warden be able to turn his guards on the civil authority or on the military authority for wanting to use our penitentiaries for that purpose? That is ridiculous. How could we handle an invasion of that scale without having the possibility of rapidly reorganizing rights and freedoms and doing it according to some basis of rule of law.

I do not like the War Measures Act. I could visualize a better version being drafted. However, to say we should do away with it, with nothing to replace it, is to say that there are circumstances where we are prepared not to have the rule of law at all.

I want to talk now about the Charter of Rights and Freedoms because I think the Charter of Rights and Freedoms must be reviewed as a very important constraint on the War Measures Act. Let us say that in a regrettable circumstance we are at war and some measures are introduced under the War Measures Act which establish press censorship. What if our military plans of defence of Canada come into the hands of the media? If they are printed, the enemy can buy copies of the daily newspapers and learn where Canadian troops are going to be deployed over the next few months. We could call in the media and order them, if we did not have the War Measures Act, not to print those plans, but we have absolutely no authority to do that. That would be an illegal act and, in my view, it would be an infringement on the rights of the press and a violation of the rule of law. Or we could introduce under the War Measures Act some program of censorship which would make it very clear that the authority defending our country in those circumstances would be legally able to order the media not to print any plans of the Canadian Armed Forces which fell into their hands. Without the War Measures Act we would have no legal way of doing that.

I will take my third example as a way of explaining what the Charter adds. Suppose people start writing letters to the editors complaining about the way in which the war is being conducted, about the way the Government is handling the powers it has, and the censor decides under the powers of the War Measures Act, because they are stated in very broad terms, that the Government does not need these critical articles to be printed in the newspaper. That, in my opinion, would be a violation of the Charter. The censor could not prevent the media from printing criticism of the Government, but it should be able to prevent the media from printing plans which show the way in which Canada will defend itself in the invasion, and I am still using my hypothesis of invasion. There is no way we could justify criticism of the Government being censored, whereas there would be justification for censoring the plans of the Canadian Armed Forces being printed in the media.

The Charter does add something, and when my friend regrets the fact that all we receive from the Charter is protection of things that are reasonable—we do not get the protection of everything or things that are not reasonable—frankly, it does not bother me very much. I am relieved that protection extends to what is reasonable. I voted for the Charter and I am quite sympathetic with the idea that rights which are asserted beyond the point of reasonableness in a democratic society and its circumstances are not protected. Therefore, to make a point, the War Measures Act has a lot to offer the Canadian people. Perhaps it could be improved. Perhaps it has been abused. I would say that with the Charter of Rights and Freedoms there is a considerable restraint on the way it can be exercised. For a politician who wants to be taken seriously to argue there should be no War Measures Act, that Canada should have no lawful way of dealing with emergencies until perhaps Parliament brings in another law, in my view disqualifies that person from participating in the discussion of what the rule of law ought to mean in a democratic society.

I want to conclude by saying that I defend the use of the War Measures Act during the FLQ crisis. My friend, the Hon. Member for Waterloo (Mr. MacLean), used the FLQ crisis as proof that the War Measures Act is a big mistake and not necessary. I was there and remember the circumstances. The City of Montreal and the Province of Quebec were demanding that the War Measures Act be introduced. Ordinary citizens were afraid to go to work. They were staying at home because of fear of terrorism in the streets of the city. I also remember the effect of the War Measures Act. It restored a sense of confidence and peace in the City of Montreal.

If the War Measures Act had been a more nuanced instrument, and it should be, there might have been able to be a more precise and relevant intervention into the normal rules and regulations of the community. However, that was the Act that we had. It was brought in and it accomplished what had to be accomplished. I feel that the War Measures Act proved itself in the FLQ crisis. That is far from saying it discredited itself during that FLQ crisis.

• (1730)

As a member of the Liberal Party who voted in favour of the imposition of that measure at the time, I honestly believe that history will show those whom Mr. Trudeau described as "bleeding hearts" to have been on the wrong side of the issue. These people were unwilling to have our society defend itself by the only means that it had at hand.

[*Translation*]

Mr. Marc Ferland (Portneuf): Mr. Speaker, I should like to echo the remarks made by the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) and by my Conservative colleague from Scarborough East (Mr. Hicks) to stress the need to repeal the War Measures Act.

Never twice without a third time, as the saying goes. Sadly enough, the War Measures Act made these words even truer. It will not be imposed a fourth time, three times is enough. A number of Canadians of Japanese origin and a lot of Quebecers are the living proof that the letter may not kill, but it certainly can cause serious injuries.

Yes, Mr. Speaker, the War Measures Act and its built-in excesses has caused enough harm. It is a dangerous weapon which no longer has its place, even in a legislative arsenal.

Appropriately my learned colleagues have pointed out that in recent years all political Parties have spoken against this unfair law and for the need to draft new legislation.

I do not think it is necessary to emphasize the fact that the former administration did not keep this promise. What matters is that our Liberal colleagues join forces with our NDP colleagues and with us on the Government side to give Canada emergency measures worthy of this great country of ours. Our laws should reflect what we are—one of the most democratic nations in the world. This is how we are seen worldwide, and this is how we see ourselves.

Mr. Speaker, my colleagues who rose before me gave us a good idea of the kind of Bill which will replace the War Measures Act. Once it has been the subject of exhaustive consultations with the provinces, this Bill will provide the essential guarantees which are lacking in the current legislation. The War Measures Act will be subject to the Canadian Charter of Rights and Freedoms, the Canadian Bill of Rights and the International Convention on Civil and Political Rights.

The interests of the provinces will also be adequately protected during emergencies. The consultation mechanisms provided under the proposed legislation are unprecedented in Canada's constitutional history, because they guarantee the provinces a major role prior to the declaration of a state of emergency.

Over the years, Mr. Speaker, the War Measures Act has given rise in this Chamber to comments where shame and anger were the predominant sentiments. That is why I want to say how proud I am of the steps being taken by our Government and why I want to share this sentiment with all the Members of this House.

[*English*]

Mrs. Mary Collins (Capilano): Mr. Speaker, I am sure that there is not a Member in this House who does not subscribe to the repeal of the War Measures Act and its replacement by a comprehensive safeguard of legislation with which to deal with a wider spectrum of possible national emergencies in an appropriate manner.

The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) will be gratified to know that this Government has every intention of presenting such legislation. The people of Canada and their elected representatives have for years been demanding that this blunt instrument be abolished. Its powers are too sweeping. On two of the three occasions on which it was invoked, it involved serious violation of fundamental freedoms in Canada.

Other modern states have had appropriate legislation to deal with national emergencies for years. Canada is lagging in this respect. Despite successive promises by the former Liberal Government, nothing was done about it. But the present Prime Minister (Mr. Mulroney) has, on several occasions, promised to do away with the War Measures Act, a blunt instrument designed for another age, and replace it with something more in keeping with our times. It is on our agenda, and will be presented to this House.

We want to be sure, Mr. Speaker, that what replaces this infamous Act is right and appropriate for our society and for our times. It is not simply a matter of throwing out an inadequate piece of legislation. Our society is much more complex now than in 1914, when the War Measures Act was originally enacted.

I do not know whether you are aware, Mr. Speaker, but that Act was passed without dissent and after just one half hour of debate.

The emergency powers granted to the Government were not spelled out in the legislation. Rather, the Governor in Council was given broad powers to declare a state of emergency, and then to pass orders and regulations that could replace any statute of Parliament, all without Parliament ever having its say. Under the Act, a proclamation is considered conclusive evidence that war, invasion or insurrection, real or apprehended, exists.

In the spring of 1971, realizing that the existing Act was too imprecise to deal with emergencies in a modern democratic state, proposals for legislation were considered. The Government of the day proposed the appointment of a special joint committee of the Senate and the House of Commons to consider the enactment of such legislation. However, that committee was not appointed, and the legislation was never introduced. And so the War Measures Act, a totally inadequate and inappropriate Act, remains on the books.

One of the troublesome features of this Act, Mr. Speaker, is that in the past, regulations under the War Measures Act replaced statutes and normal laws, after an emergency was declared, without the consent of Parliament. We want to ensure that the new legislation brings Parliament further into the process and builds in other safeguards to protect the rights of Canadians should the legislation need to be invoked.

We have every intention of ensuring that the civil rights of Canadians will be considered first and foremost. We want to place limits on the use of the Act, and tailor it to specific emergency situations.

Some would suggest, Mr. Speaker, that perhaps we should just throw out the War Measures Act and pass emergency legislation when it is needed. I feel that that would be dangerous. Such an approach could lead to delays in responding to crises, and it would be impossible were Parliament not in session or dissolved when the emergency arose.

In addition, legislation rushed through in the heat of a crisis might be more likely to run roughshod over civil rights than would a properly safeguarded Act, calmly and carefully considered, by Parliament, using the instruments which Parliament has provided.

As we well know, Mr. Speaker, natural and man-made disasters are occurring with great regularity. Canadians who say it cannot happen here remind me of those who argued, in the 1920s, that there was no sense in Canada preparing for emergencies because we lived in a fire-proofed house far from inflammable materials.

It is amazing how quickly developments can overtake the best prepared of organizations. One needs only to look at the recent New Brunswick floods, or the gas cloud that sent people to hospital in Calgary. Both New Brunswick and Alberta have superb organizations to look after the safety of their citizens. But things can happen out of the blue.

For instance, Mr. Speaker, did you know that more than 1,000 earthquakes occur in Canada annually? Because most of them happen in isolated spots, the damage is light, and they do not make headlines. But did you realize, Mr. Speaker, that scientists predict that within the next 25 years there could be an earthquake of catastrophic proportions in the Lower Mainland of British Columbia, in my own home area? An emergency preparedness official claims that such an event could be so disastrous as to be considered a national disaster.

For reasons such as these, we need to have in place national legislation, to identify very clearly the responsibilities of various orders of Government under crisis conditions of national proportions. The citizens of a society such as ours have the right to know in advance how their rights and freedoms might be limited in a serious emergency; and on the other side of the coin, what limits will be placed on government action.

I should like to conclude, Mr. Speaker, by expressing our appreciation of the Hon. Member's efforts in bringing forward this proposal. I want to reassure him that the Prime Minister and this Government are committed to repealing the War Measures Act and replacing it with legislation that is fair and just. I can assure the Member that we will be doing that in the very near future.

• (1740)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I congratulate the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) for bringing forward this motion. While I believe that the War Measures Act goes much too far and gives the Government much too much power, I believe that if we repealed that law we would have to enact another law to give the Government the power it might need under certain circumstances.

I wish the Hon. Member for York Centre (Mr. Kaplan) were here. I heard him make the point that we need a law and talk about what happened in 1970. I also heard him say that perhaps the law gives the Government too much power and should have been amended.

When the Liberals were in government, Members of Parliament were promised many times that the matter would be discussed and that we would receive a report on what happened. The present Leader of the Opposition (Mr. Turner) was the Minister of Justice in 1970 when the War Measures Act was used at the time of the FLQ crisis. He promised on more than one occasion that Parliament would be given an opportunity to have a full discussion of what happened, and that Members of Parliament would be given a report in great detail of what really happened. That never happened in all the time the Liberals were in government.

I find it passing strange that the Hon. Member for York Centre would say some of the things he said. I was here in 1970 when the War Measures Act was used because there was a fear of insurrection. I understand the fear of the people of Quebec. After all, there had been bombings. There were also the kidnappings of James Cross and Pierre Laporte, followed by the murder of Mr. Laporte.

We could understand then the way the people of Quebec, and indeed the vast majority of the people of Canada felt. Not much was known about the real strength of the FLQ. I remember that a then Minister, a man for whom I had a great deal of respect, Mr. Jean Marchand, made the statement that the FLQ had more than 2,000 supporters and that they had infiltrated the unions, Radio Canada, and many other organizations. When the facts came out later, there was no truth in that claim. The FLQ never had more than a few members.

We opposed then, as we do now, separatism. We opposed then, as we do now and always will, acts of terrorism. However, we understood the fears and concerns of the people of Quebec.

We were not surprised by the stand of many people with whom we worked very closely in the labour movement, in the political area, and in the civil liberties area. People like Frank Scott who had fought the oppressive regime of Premier Duplessis for many years supported the imposition of the War Measures Act. We understood why he did that. We believed then—

Mr. Prud'homme: Not all of you.

Mr. Orlikow: Almost all of us. I did not take the time to look up the records—

Mr. Prud'homme: Well, I did.

Mr. Orlikow: If I remember correctly, three or four of our Members voted with the Government and all Conservatives except one were in support of the imposition of the War Measures Act.

We believed then—and I think time has proven that we were correct—that the Government had over-reacted. Let us remember what happened. Troops were sent into Montreal. Over 250 people were apprehended and incarcerated, some of them for several days, some of them for several weeks, if I remember correctly. After the investigation was completed, not a single one of those more than 250 people were charged, brought to trial, or convicted. We said then—and I say it now—that the Government over-reacted.

We can understand why it did in the same way as we understand why the then Government of Canada took the action of removing all Japanese people from British Columbia. There was fear and racial prejudice in that case. That action

had the support of a huge majority of Canadian people at that time. With the passage of time, more and more people realize that the action taken during World War II was not only a mistake but should not have happened. Very few people, if any, would now defend what happened in the 1940s. I say that there are fewer and fewer people who will defend what was done in the 1970 FLQ crisis by the then Government.

While I believe that a government needs legislation which will give it power to act decisively in a time of emergency, the powers given to the Government of Canada, regardless of which Party happens to form the Government, under the War Measures Act as it was drafted many years ago go much too far. We need a very careful study of the present Act. We also need a redefinition and a redrafting of the Act so that the Government of Canada will be given the power it needs, not power which can be misused as I believe it has been on some occasions.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I realize that the Hon. Member for Charlesbourg (Mrs. Tardif) and several other Members wish to take part in this debate, so I will try not to use up all my speaking time for this very important motion.

This is a debate we were not expecting today, but when I heard the first Member who spoke to the motion, the Hon. Member for Thunder Bay—Nipigon (Mr. Epp), the mover of the motion, I had to come to the House because I witnessed those events, and I could not, not even for a few moments, let a political Party rewrite history to make itself look better than the other Parties at the time.

Mr. Speaker, I regret only one thing and that is that we do not have more time to discuss a page in our history which is certainly not one of the most glorious in the history of human rights in Quebec and Canada.

Mr. Speaker, many of us who were young parliamentarians at the time were agonizing about this issue.

• (1750)

[*English*]

We were not "bleeding hearts" as my colleague, the Hon. Member for York Centre (Mr. Kaplan) said earlier on. Many of us were agonizing as to what we were about to do. Having been very close to university students at that time, having had in mind the events of Kent University—I go by memory, not having prepared any notes, but I lived these events—when the army shot some young university students, all of us had those events in mind in the House of Commons on that famous unfortunate night when we voted for the War Measures Act. But one cannot say that one Party in this House has more virtue than any other. Thank God I reminded the Hon. Member for Winnipeg North (Mr. Orlikow) that his Party was not unanimous that night. There was a tough debate in the New Democratic Party at that time as to what to do. I agree many New Democrats voted against the Act, but they had a tough debate. I remember it only too well.

My price for voting for the War Measures Act was that I be included as one of the speakers. I would like to re-read my speech here today. It was the price I made my Party pay for me to vote for the War Measures Act. I was concerned. I knew that abuse could take place. I said that night in 1970—and I rely on memory as I have not looked at any notes—that we were going to vote for a tough law because we had nothing else. I remember that my Leader, who was then the Minister of Justice, wanted to pass a different Bill that would address itself to crises here and there in Canada so we would not be obliged to use the War Measures Act, but there was no agreement between Parties as to what kind of Bill that should be. It is all very well to say that the War Measures Act—

Mr. Orlikow: You had lots of time later.

Mr. Prud'homme: Let me say to the Hon. Member from Winnipeg that I have never seen his Party press that question since, if I may kindly remind him of that. Seventeen years later the NDP has come forward with a motion. But I have never seen New Democrats take an Opposition Day to try to impress in Parliament that we should get rid of the War Measures Act. Suddenly out of nowhere, maybe out of a new discovery of Quebec, they want to please some people.

I will say in English and in French that I will always regret having voted for the War Measures Act. I felt it was my duty as a Canadian with the kind of information that we had that I had to do so. I had no other choice.

When history is written we will know more. Maybe we will be told that we were not given the entire picture. Maybe we did not have good information on Canadians at that time. I will always remember and I will name him, the Ambassador of Tunisia—

[*Translation*]

. . . the ambassador of Tunisia and what he said to other ambassadors who were saying: "Mr. Prud'homme, how could a free country like Canada pass legislation like this? It isn't like your country". The Tunisian ambassador, the brother of the former Secretary General of the United Nations, then said: "Mr. Prud'homme, don't worry about them". And he turned to the other ambassadors, saying: "This kind of thing could never happen in your countries." And why not? Because the other countries who were attacking Canada's position on this issue had files on all citizens who did not see eye to eye with their respective Governments.

And I must admit that on that evening, Canada entered a secondary phase, in the sense that on that evening, we lost that pastoral aspect of Canada in which there was no intelligence service and we were not too familiar with the movements that wanted to change the order of things.

I could even use the remaining minute—because I promised to give the Hon. Member for Charlesbourg (Mrs. Tardif) an opportunity to speak—I could even say that today, this might

be an opportunity for me, I am not ashamed to say so, to apologize to those who were unjustly arrested. But this is something that was discovered later.

The Hon. Member for Winnipeg should however realize that it is always easier to show virtue with hindsight and to suggest: I told you so, look at what happened. The decision that had to be taken that night was different. The atmosphere was different. And I would like to remind him that the Armed Forces were not sent to Quebec—they were already in Quebec.

And my own concern was to avoid the events at Kent University where young people challenged the military, knowing our military's loyalty and devotion, because it was people from the Royal 22nd Regiment that were there, rather than English-speaking regiments. And they were there to perform their duty. And I would have had lifelong regrets had there been bloody incidents. That was the great debate within our caucus, especially the Quebec caucus, whether we should do it or not. But when we thought of what could happen, we told ourselves: It is disgusting, and I repeat disgusting, but we will have to do something we do not like. Why? Because there is no other statute in our books. And I will conclude on a kind note by stating that the Hon. Member should be thanked for at least putting the matter up for debate.

If it could expedite this debate—Mr. Speaker, you are a man who is well-known within the legal community—we could have a legislation which is everything that the Hon. Member for Capilano (Mrs. Collins) and all the others want . . . But I can tell you, Mr. Speaker, and my NPD friends that if you think that it is easy to get a legislation on which all of us can agree, that is what we have been debating since 1970. We do not like the War Measures Act and we do not want it to be the only one in the statutes, but we have to find a replacement, and if NDP Members have suggestions to make, even after 17 years, I would be delighted to hear them, because we could have a legislation which is better, more in line with the spirit of the Canadian Charter of Rights and Freedoms and more compatible with what we want to defend.

To conclude, I regret that we had to pass this legislation. I have something to say to those who were arrested, and I know them even better than the Hon. Member. Several of them since then have become political men and women. I am sorry they were subjected to the brunt of our police forces who abused a legislation we had given them by arresting just about anybody. But Parliament could no longer intervene because it had given them *carte blanche*.

If I take part in this debate, Mr. Speaker, it is to prevent a single political Party to rewrite history within such a short period of time, and I hope that we may some day return to this issue in order to examine all aspects of the unfortunate debate held in 1970, which led to such regrettable events.

Mrs. Monique Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the testimony we have just heard from the Hon. Member for Saint-Denis (Mr. Prud'homme) does prove that we are all here to do our best to serve the Canadian people who have elected us.

Mr. Speaker, in the few minutes left to me perhaps I should focus on what I would like to find in a statute designed to replace the War Measures Act.

As I see it, the War Measures Act should be replaced by a law which might be called, for example, the Emergency Measures Act which would provide the Government with the means to cope with the four major kinds of national emergencies. These include disasters—they were mentioned earlier—the state of emergency, the state of international crisis, and the state of war. We should keep in mind that it is important to respect Parliament's right of inspection, in consultation with the provinces, and with due regard for the individual rights of all Canadians. This legislation should be subject to the Canadian Charter of Rights and Freedoms and the Canadian Bill of Rights. It should also be in accordance with the requirements of the International Covenant on Civil and Political Rights and provide compensation for damages incurred by the victims.

Before resorting to this legislation or any part of it, consultation with the provinces would be mandatory. The length of time the legislation is in force should be limited, much in the same way as the nature of the special measures which will be defined in specific terms.

In my opinion, Mr. Speaker, all these elements ought to be included in the measure which should be introduced by the Government. I should hope that when the matter comes up for consideration by the House all those who have the national interest at heart, namely all elected Members of Parliament, will support an amendment to this law.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order shall be dropped from the Order Paper.

[*English*]

It being six o'clock I do now leave the Chair until eight o'clock, at which time the House will proceed to the question of the current crisis facing Canadian grain producers.

At 6 p.m. the House took recess.

HOUSE OF COMMONS

Tuesday, April 28, 1987

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S. O. 29

[*English*]

AGRICULTURE

CANADIAN GRAINS CRISIS

Mr. Deputy Speaker: Leave has been granted to the Hon. Member for Prince Albert (Mr. Hovdebo) to move the adjournment of the House pursuant to Standing Order 29 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the current crisis facing Canadian grain producers.

Mr. Stan J. Hovdebo (Prince Albert) moved:

That this House do now adjourn.

He said: Mr. Speaker, we have asked for this emergency debate because, as every Member of this House knows, and as anyone who is even remotely connected with agriculture knows, there is a crisis in the industry. All of agriculture is suffering these days but we are particularly concerned at this moment and for the next year about the grain industry. This debate is an attempt to bring before this House and the country the real crisis grain farmers are facing.

This crisis has been building for years, but during the last week or so there have been a number of events which have moved it from a crisis to an emergency. First, last week the Minister of State for the Canadian Wheat Board (Mr. Mayer) announced an 18 per cent reduction in the initial prices for grain. Every farmer knows that that reduction was a minimum, because when the grain spreads are announced that drop will become greater. That 18 per cent decrease in grain prices comes on top of a 20 per cent decrease inflicted upon farmers last year. Even before that grain farmers across the country were feeling the pinch.

Second, yesterday the Minister of Agriculture (Mr. Wise) announced that he was removing the 18-month old moratorium on Farm Credit Corporation foreclosures. That action puts at risk about 20 per cent of FCC borrowers who are in arrears. More than that, it sends a signal to financial institutions all across the country that the federal Government is removing its protection from farms. It sends a signal which indicates open season, not only on farms but on small businesses as well. It sends a signal that the Government will no longer make a commitment to retain the family farm.

• (2010)

Third, and perhaps this is the most devastating event of all, if you can call it an event, the Government has refused to commit itself to some kind of deficiency payment to make up for the reduction in grain prices. Many farm groups across the country, and many Members of this House, particularly in the Opposition, have attempted to get from the Government some kind of commitment which would assure farmers that some deficiency payment would be available.

Farmers realize that with the Government indicating much lower grain prices and that it will not commit itself to any level of deficiency payment, the crisis becomes an emergency. When the Government announces open season for farm foreclosures by removing the moratorium, the crisis becomes an emergency. The withdrawal of protection only applies to FCC loans, but every farmer in financial difficulty looked to that moratorium as a commitment by the Government to keep them on the farm. Why should a private bank go the extra mile to try and keep a farmer farming when the Government will not do it?

This crisis has manifested itself in many ways. First, we have had a large number of farmers leaving the farm. Quite often you will hear people say, well, it is not as bad this year as it was last year. It was not as bad last year as it was the year before. However, let us all remember that when a group of farmers leave the farm they do not come back. It is cumulative. Five hundred leave this year and 500 left last year and 1,000 farmers are off the land. If you extend it for three years, it goes up to 1,500, and so on.

The crisis has also manifested itself in a great deal of stress on the family farm, resulting in family breakup and discouragement for many farmers. Ordinarily spring is a time of great enthusiasm and renewal. Farmers are out cultivating, seeding, and this is the time the Government picks to take action it has taken and make the announcements it has made—lower prices, no protection. Many people think that life on a farm is not stressful; in ordinary and good circumstances that is possibly true. However, when your family depends on you, when the bank is looking over your shoulder and the Government is abandoning you, stress is something that you live with.

It is not that the Government has done nothing. It has done something. Previous Governments put in place the Western Grain Stabilization Program, and an insurance program. A drought relief program has been in place for many years. The current Government last year put in place a special grains program which supposedly gave $1 billion to grain farmers across the country. That promise was made last October. The money has not yet all materialized, but we expect it will come.

The Western Grain Stabilization Program pays for deficits incurred by farmers in the previous year. Those programs are in place and have helped but are not solving the problem. As one farmer told me, "they just keep you dangling a little longer but in the end you go under anyway".

• (2020)

How can the Government deal with lower prices set in an export market? They can negotiate, but Canada is basically a price-taker rather than a price-setter. Therefore, we must sell our grain on the world market at the available price. However, if the Canadian Government has a commitment to keep the agricultural industry viable it must take some action to ensure that farmers can survive. It must either guarantee the farmer a specific price for his grain or, if that is open to too many problems, guarantee him a basic return from his farm. All the Government really need do is assure the farmer that if he plants and harvests he can survive.

The Government says it has a debt review program in place and can, therefore, lift the moratorium. However, the review boards which have been put in place across the country have no teeth. They are unable to make judgments which will allow the farmer to remain on the farm if he is in trouble. The hated transition program makes no attempt to keep the farmer on the farm.

I think these two programs are an indication of the commitment which the Government has to the family farm. First, the Farm Debt Review Program does not have the mandate to keep the farmer on the farm. The Saskatchewan Farm Security Act has such a mandate and does everything to keep the farmer operating. The Farm Debt Review Board only brings the debtor and debtee together to talk.

The transition program is exactly that. The Government is spending money so that another 500 or 1,000 farmers can leave the farm. The moratorium should not have been removed until the Government had in place a debt relief program which would give the agricultural community confidence that it can survive and that the Government will help it to do so.

Some Hon. Members: Hear, hear!

Mr. Hovdebo: We can only ask whether we have a philosophical commitment to the family farm. Europe has such a commitment. In Europe subsidy programs have been put in place. Although we may not like them and may disagree with them, they have been put in place because of a commitment to keep the family farm operating. Subsidy programs may not work well for us, but they have chosen that method in Europe.

Japan as well guarantees their farmers a price for their products which will ensure them of a living wage. We do not necessarily want to mimic these programs, but they assure those farmers that they are wanted and that their Government is willing to commit a certain amount of funds to give the agricultural community the confidence it needs.

The Government apparently does not have the commitment to the agricultural community to allow farmers to plant and harvest crops with the assurance that they will receive enough return for the product to allow them to survive. Across the country we have been facing a situation for some time which requires, not a band-aid solution but a global solution which considers all the requirements of the farmer.

It does not help to reduce the price of diesel fuel if farm taxes are increased. It does not help to reduce the cost of fertilizer if, by the same process, the cost of chemicals is increased. All parts of the farming process are important. Doing something about each part will, in the end, impact upon the amount which the farmer will take home.

However, that will not solve the problem. Canada must take a good look at the entire agricultural industry and make the decision that we want the agricultural industry and the family farm to survive.

Some Hon. Members: Hear, hear!

Mr. Hovdebo: We must be willing to put in place a program which will allow that survival.

Today the President of the Saskatchewan Wheat Pool, which is the largest farm organization in the country, wrote to the Prime Minister of Canada (Mr. Mulroney). He said:

> Saskatchewan Wheat Pool believes that the rural way of life and related service industries are in jeopardy.
>
> The Pool asks that all Members of Parliament recognize the very critical economic situation confronting western Canadian families and communities. This crisis has far-reaching social and economic implications for the national economy, as well as for the West.

Some of my colleagues will be telling you about the effects which the devastation of the grain industry will have upon them. The Saskatchewan Wheat Pool recommended that programs be immediately developed through federal and provincial co-operation to keep families on their farms in productive capacities.

Some Hon. Members: Hear, hear!

Mr. Hovdebo: The Wheat Pool is asking that we in the Opposition and Government put in place the political will to ensure that the agricultural industry, and particularly the farm family, can survive.

Some Hon. Members: Hear, hear!

• (2030)

Mr. Hovdebo: Second, the Wheat Pool recommends that early consideration be given to the acute need for a substantial deficiency payment for the 1987-88 crop year. We have been attempting to get that kind of commitment for several months. The Member for Algoma (Mr. Foster), the Member for Humboldt—Lake Centre (Mr. Althouse) and myself have asked this question at least twice a week for the last month, but have yet to receive a commitment. Several farm groups

have asked for specific commitments but none have been received.

Third, the Wheat Pool recommends that the Government continue its efforts to restore sanity in the international grain market. While this would solve the problem if it could be done, I have already said that we are price-takers, not price-makers.

The letter concludes:

> Saskatchewan Wheat Pool continues to be prepared to work with government to achieve short and long-term solutions in the interests of the farmers and communities of Saskatchewan and Western Canada.

That is the kind of commitment we need and are requesting. We asked for an emergency debate in order that we, as members of the Opposition, could suggest the kinds of programs to the Government that are needed to allow the farm communities to survive.

Some Hon. Members: Hear, hear!

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the motion this evening reflects a serious situation in much of Canadian agriculture, especially that part which is very dependent on grain and oil seeds. The area which is most responsible for that production in Canada is western Canada.

The Hon. Member opposite raised some concerns during his remarks that I would like to address. I do so with a certain sense of satisfaction, because it allows me to put on the record the kind of action the Government is taking in response to a very serious situation.

The Hon. Member raised three points. He talked about initial payments, about the concern over the Farm Credit Corporation's situation and the lifting of the moratorium on foreclosures, and he talked about the Government's refusal to commit itself to deficiency payments.

First I want to address the Farm Credit Corporation situation. I believe it is useful to put the over-all situation into some perspective, as I did in the House earlier today.

Of the approximately 225,000 commercial farmers in Canada, approximately 76,000 do business with the Farm Credit Corporation. It is no secret that some people have been having trouble keeping current and making payments to the Farm Credit Corporation. The Minister of Agriculture (Mr. Wise) initiated a program whereby the FCC was instructed not to proceed with any foreclosure actions as far as Farm Credit Corporation clients were concerned.

In order to allay some of the concerns that have been raised by Members opposite during some of their observations and questions today, I want to outline as clearly as possible what the FCC is doing.

First, the Farm Credit Corporation will be able to deal with approximately 50 such situations a month. Those who find themselves in that unfortunate situation will meet with Farm Credit Corporation personnel on a one-to-one basis. They will have an opportunity to examine the current financial situation and consider alternatives to see how that farm can stay in business. Each farmer will be given a proper opportunity to work out the problems which, above all, will be based on his ability to pay. These cases will then be referred to the Farm Debt Review Boards.

Hon. Members will know that Farm Debt Review Boards were established last summer and are operating in nine out of 10 provinces. They have met with considerable success, with an over-all success rate in excess of 50 per cent and more than 60 per cent in Alberta.

In order to assist farmers to stay on their land, they will consider such things as set-asides of both principal and interest, interest rate write-downs, and setting aside or writing down interest in arrears. Farmers will be able to consider a lease-back option where, if it looks as though the immediate financial position is such that it could sustain outright purchase, farmers will be given an opportunity to engage in a lease-back. That is another option to help keep farmers on the land.

They will also have the option of buying the building site so that if it is judged that the farmer's operation is not viable he will have an option of buying his building site at less than market value. This is another way to help keep farmers on their farmsteads.

In addition, FCC has developed two innovative types of loans that attempt to address the over-all concern about interest rates. One is a commodity based loan and the other is shared risk mortgage.

Shared risk mortgages now operate at approximately 9.5 per cent. If we consider the commodity based loans for farmers strictly engaged in wheat production, this year they will be eligible for a loan at approximately 6 per cent. It is simply not the case that there is an open season on farmers, as suggested by the Hon. Member at the beginning of his remarks. The figures simply do not justify that assertion.

If the FCC continues to deal with approximately 50 cases per month, as it has indicated, in a year it will have dealt with a quarter of 1 per cent of all commercial farms in Canada.

This farm debt review process takes into account all those options which I said will be considered with the objective of keeping as many farmers on the land as possible. I hope that when Members understand the process that will be used to deal with people who are having problems in respect of FCC payments, it will allay some of the concerns that were raised about a wholesale abandonment of farmers and a lack of commitment to agriculture by the Government.

Let me address the situation as far as initial payments are concerned. It has been suggested that we should have kept initial payments at $130 per tonne for wheat and $80 per tonne for barley. I want to quote from people who deal with initial payments. Garf Stevenson of the Saskatchewan Wheat Pool said: "The Pool agrees with the Government's decision to set initial prices to reflect world prices". Mr. Brunton of the

Alberta Wheat Pool said: "The Wheat Pool is all in favour of the Wheat Board setting an initial price that reflects real market conditions".

There is considerable support for the setting of initial prices in direct relation to the existing world prices. If that is not done, two concerns came through to us loud and clear. First, most farmers do not want to see the Wheat Board system of selling used as an income distribution system. They want to see the pooling system we use, which has worked so successfully for Canadian farmers for the past number of years, kept separate from the system of income distribution or income support. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse) says no one said that but by implication that is exactly what was said when it was suggested that initial prices should be kept at a level which does not at all reflect actual world prices.

• (2040)

Hon. Members will know that the second concern which was raised is with the livestock industry, and that the secondary industries which use feed grain as an input operate on a North American market. They have to be competitive right across North America, and that means in the United States.

What do we do to the people who use barley, for instance, as an input in the livestock industry? The Hon. Member will know that in fact 60 per cent and sometimes higher of the barley grown in western Canada is fed to livestock. Therefore, if initial prices are kept higher than the world market, the domestic feed industry, which is a bigger customer for feed grain in western Canada than our export market, is forced to compete with an artificially high price based on world market expectation. That is why the president of the Saskatchewan Wheat Pool exercised good judgment when he said that the Wheat Pool is all in favour of the Wheat Board setting initial prices that reflect real market conditions. That is exactly what we attempted to do.

I would like to speak now about what has been going on in agriculture. Let me try to put some semblance of balance into the situation. There is absolutely no question but that we face extremely low world market prices for grain and oil seeds, but there are other sectors of the Canadian agricultural economy which are not in that kind of situation. The beef industry, for instance, is in relatively good shape. Markets have improved considerably. I could say the same thing for the pork industry and for the supply managed industries, the feather industries and the dairy business. That is reflected in over-all estimates of Canadian farm income.

If we take the 1981 to 1984 average, we find that the net total revenue from all farm production in Canada is $6.165 billion. Last year it was up to $7 billion as opposed to $6.1 billion. This is net total revenue from all farm sources. If we want to talk about total receipts, then we are talking about a $20 billion industry. The projection for 1987 as far as all farm income is concerned is virtually the same as 1986. That is all Canadian agriculture, for all commodities, no matter where in Canada.

Let us look at the situation which we all know is the most serious, what is going on in western Canada, the revenue from grain and oil seed production. That is where we have the problem. I will give some figures just to put the situation into context.

The 1981 to 1984 average was slightly over $3 billion. That is net total revenue, net income. In 1986 it dropped over $800 million to $2.2 billion. But the estimate for 1987 is that it will go up slightly to $2.5 billion. One can ask the question, how can we have net revenue go up when we are facing such very large declines in prices? It goes up for two reasons, Mr. Speaker.

First, the Government has taken the deliberate decision to assist the Canadian Wheat Board and other people who sell our grain commodities on the world market. In fact, we have been doing a very good job of selling. We increased our market share for the last crop year and we have the prospect of increasing our market share again this year. This year Canada, for the first time in a number of years, will account for in excess of 20 per cent of the world trade in wheat. That is a direct result of the Government supporting the Canadian Wheat Board in its efforts to sell.

The other reason the net revenue has gone up is because of the amount of support which has come largely from the federal Government. I would like to give some additional very startling figures to show what has happened as far as federal support of agriculture in western Canada is concerned. From 1983 to 1987, it has gone up dramatically. The average income support from the federal Government from 1981 to 1984 was $336 million. In 1987, it is estimated to be $2.6 billion. We have responded tremendously to a very difficult situation.

Let me give you an example of some of the ways we have responded. With respect to the Special Canadian Grains Program, Hon. Members opposite ridiculed us last fall. One of the Members of the Provincial House in Saskatchewan called it "mythical". He said it would never happen. Hon. Members opposite said it was going to be a loan guarantee. They said it was not going to be cash. But it was cash, it is cash, and it came in record speed. The crop year starts on August 1. Two months into the crop year the Prime Minister announced in principle that $1 billion was going to be made available. He said that in the Throne Speech, if Hon. Members will remember. Four months into the crop year the details of how the money was going to be paid out was announced. It was announced in December at the Agricultural Outlook Conference. So that four months into the crop year for which the money was designed to help, this Government made available the details of how that money was going to be distributed. The first payment to western Canada went out in January. The final amount will be made available towards the end of May. That is three months before the end of the crop year. That full $1 billion will be made available three months before the end

of the crop year, which is exactly the time when that money is needed.

Farmers grow their crop during the summer season and sell it throughout the crop year which concludes on July 31. So the money would normally be received, if the price was higher, during that time period, and that is exactly when the $1 billion from the Special Canadian Grains Program is being made available.

Our response has been tremendous. Those of us who come from western Canada have long thought we have been left out of the decision-making process. Bureaucrats in Ottawa printed up forms and sent them out and we filled them in and sent them back. That did not happen this time. We sat down with farmers from right across the country, the majority of them from western Canada. That would be expected because the majority of the farmers who are in trouble come from western Canada; that is where most of the grain and oil seeds are produced. We sat down with the farmers and worked out a program together and on that basis I think we developed a very fair minded program.

The Hon. Member from Saskatchewan will know that Saskatchewan produces approximately 39 per cent of the grain. It received over 40 per cent of the benefit. Alberta produces 25 per cent or 26 per cent of the total grain. It received 26 per cent of the benefit. My own Province of Manitoba produces 15 per cent of the grain and it received 15 per cent of the benefit. It is a very fair minded approach to a very serious problem, and that approach resulted in money being put out at exactly the time of year it would have been received had prices been higher.

As far as the Western Grain Stabilization Act is concerned, one of the first things we did as the Government was to amend the Western Grain Stabilization Act to allow for interim payments prior to spring seeding. We have seen the affects of that in the last three years running. We had an interim payment in April, 1985, of, I believe, $450 million. We had an interim payment in April of 1986 of $580 million. We announced an interim payment 10 days ago of $705 million.

That is a tremendous amount of money to be made available at a critical time of the year for farmers' spring seeding. When we couple the $705 million with the remainder of the Special Canadian Grains Program, we get very close to $1.3 billion going into Western Canada at the most critical time of the year, spring seeding.

• (2050)

If we look at the amount of money going into Saskatchewan alone I believe we will see that it is $676 million, a tremendous amount of money being made available at a critical time of the year. So for Hon. Members opposite to get up and suggest that the Government has abandoned agriculture and that we have no concern about it bears absolutely no resemblance to the record of this Government in agriculture.

Mr. Althouse: Read the motion.

Mr. Mayer: There is another approach that we have taken, one in which we have taken the lead as far as a Government and a country is concerned. We all realize that the problem we face is largely beyond our borders. It is international in scope.

Mr. Benjamin: So?

Mr. Mayer: It is a problem with the European community and the Americans who are in a trade war. Most farmers and most thinking people realize that if there is to be a lasting solution then it has to come about internationally.

What have we done internationally? We have taken the lead—

Mr. Benjamin: You sound like R. B. Bennett.

Mr. Mayer: —in attempting to arrive at some solutions. It was our Prime Minister (Mr. Mulroney) who sat down with farm leaders in Vancouver last year before he went to the Tokyo Summit to indicate to farmers that he would raise agriculture at the Summit, which happened. It was Canada which organized the five major wheat exporters getting together for the first time. We have been taking the lead. We played the lead role at the GATT meetings in Punta del Este, Uruguay, and agriculture will now be addressed as part of the main agenda of GATT. We have been taking the lead internationally in seeking a lasting solution to these problems.

Members opposite talk about us having no policy. We have policy. If I had another half hour I could go through all of the items that we have done internationally and cover the initiatives we have taken.

Mr. Althouse: Just tell us what the policy is for next year. That is what the motion is about.

Mr. Mayer: We are doing three things. First, we are seeking international solutions. Our Prime Minister is taking the lead in that respect. As he said today, we are getting some results. They may not be too dramatic, but they are steady.

Second, we have provided a tremendous amount of financial support, and I did not go into some of the things we have done in terms of reducing input costs. But we have taken considerable steps in reducing input costs. As I just pointed out, we have provided a tremendous amount of cash.

Third, and as important, we have encouraged and supported the Canadian Wheat Board in its over-all efforts to continue to sell our product around the world so that when these markets turn around—and we believe that they will—Canada will be in a position as a reliable supplier to maintain those markets and to supply them when prices go up. That is a decided difference from the approach of previous governments.

Some 15 years ago when we faced this situation in the early 1970s we had a Government which took us out of the international market, instituted a Local Initiatives Program, cut our production in half from one year to the next, and it was a disaster for us. It took us almost five years to recover our

production. That is not our approach. Our approach is to support a very important industry. We intend to do that through this very difficult time.

Some Hon. Members: Hear, hear!

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have a chance to speak in this emergency debate tonight concerning the current crisis facing grain producers. It was very interesting to hear the Minister talk about the controlled commodities such as dairy products and others. However, what the debate tonight concerns is the tremendous tragedy that is taking place in the western grain industry.

The Minister said that we will have a grain industry in this country with grain producers in two or three years when the market turns around. Most western farmers are not very certain in their own minds whether that will be the case. There is no commitment of a deficiency payment for the new crop year.

The Minister of Agriculture (Mr. Wise) told the House a few weeks ago, "We will spare no effort". I say to the Minister of Agriculture and to the Minister of State for the Canadian Wheat Board (Mr. Mayer), go to your banker and try to get money to put in a crop and say, the Minister of Agriculture said he will spare no effort, and give the banker 65 cents, and he will give you a cup of coffee. But he will not give you a production loan. That is what this debate is all about tonight. It is about whether or not the Minister and the Government, who brag day in and day out about how much they have done for farmers, will put up the money and give the commitment in the new crop year to see that we have a viable and operating grain production industry in Canada.

Clearly, the two actions taken in the past week leave great uncertainty about that. Grain prices are down by 18 per cent, on top of 20 per cent last year. Last year when grain prices went down by 20 per cent the industry said that in constant dollars grain prices were at the same level as they were in 1933 when the Bennett buggies were being used and R. B. Bennett was sitting in the seat which the current Prime Minister (Mr. Mulroney) occupies. I am not saying that Tory times are hard times; but a great many western farmers must think that tonight, because grain prices have gone down by 18 per cent due to international forces, and there is no question about that.

For the Minister to trot out the canard that somebody is saying that initial prices should be set above world prices is patently ridiculous. What we want to know, and what American farmers and farmers in the European Economic Community already know, is what type of stabilization deficiency payment will be provided. They want to know that. Maybe they do not have to know the exact amount. The Minister could simply come clean and say, "Look, we are going to provide the same returns, that is, what the market provides, plus the Special Canadian Grains Program, or a new special grains program, plus even throw in the Western Grain Stabilization Fund. We will give equivalent returns to what we gave last year".

The second thing about which farmers want some information is on the basis on which this will be paid. The Minister says that the farmers should only look at the market, that they should not assume that there will even be a program, which there probably will not be since there will be an election in Saskatchewan this fall. The Minister has said that they should not assume that there will be a special grains program, and that they should not assume on what basis it will be paid. It seems to me that a great many farmers might say that the only precedent they have is the one they had last year when it was paid on the basis of seeded acres.

A few weeks ago we had farmers from Lethbridge in southern Alberta saying, "What we will do this year is mind the land. We will do some recreational seeding. We can then say the land has been seeded. We will get the special grains program, if there is one, and if there is not one we will not have spent very much because we will not have put on any fertilizer, or worked up the land. We will not have used too much seed or too much weed control or anything else".

Surely, the Government owes it to the farmers of western Canada to tell them on what basis a deficiency payment, a special grains program, will be paid, as well as the amount. Surely, if the Government is to be fair it should come clean and give the farmers this information.

I believe that the pressure, not from us in opposition but from farmers from the three prairie provinces, will be enough that within a matter of a few weeks the Government will cave in and give this information so that farmers can go to their bankers, get their credit and know what is happening. American farmers know. They know exactly what the loan discount rate will be. They know what the target price will be. They know what the deficiency payment will be. They know on what basis conservation should be carried out, and so on. Western farmers do not know any of those things.

This afternoon I spoke to a western wheat grower who said that the crisis today is not so much with respect to the price of grain but the uncertainty of government policy. He said, "We do not know whether there will be a deficiency payment, or a special grains program, and we do not know on what basis".

• (2100)

Many believe that the payment should be completely neutral; that it should be on the basis of cultivated acreage. In that way, people would not be pressed to produce a certain crop, or even to seed unproductive acreage, unproductive land. But, no one knows on what the program will be based, or in fact whether there will be any program.

I was impressed by the fact that the Minister quoted the President of the Saskatchewan Wheat Pool. I talked to the President of the Saskatchewan Wheat Pool today, and I can tell you that he is particularly concerned about this. It is for that reason he sent a special letter this evening to the Prime Minister, calling the attention of the Prime Minister to the fact that the rural way of life in western Canada is in jeopardy.

He points out in his letter the critical economic situation confronting western Canadian families and communities.

This is a crisis that has far-reaching social and economic implications for the national economy, and particularly so for the west. The letter makes the point that programs must immediately be developed to keep families on the farm. What the President of the Saskatchewan Wheat Pool is highlighting is the lack of a program for restructuring the debt. He talks about the need for a deficiency payment, and about the acute need for a substantial deficiency payment for the 1987-88 crop year.

The Government has been stonewalling up to now. The pressure is now on, and eventually it will have to set out the parameters of a deficiency payment and the basis upon which it will be made. As a nation, we have to be prepared for at least two more years of massive payments from the public Treasury to meet the shortfall in the price of grain.

Several of us met with six U.S. Congressmen yesterday noon, and the same group met with the Minister. Those U.S. Congressmen made it perfectly clear that the U.S. Farm Bill is not going to be changed during the course of the Reagan administration, with the result that we are looking at least at the current crop year and the next crop year. In addition, they made it clear that the export enhancement program, a program about which my colleague from Winnipeg—Fort Garry (Mr. Axworthy) will be speaking in more detail, is going to be strengthened, thus increasing the competition for Canadian Wheat Board sales. That simply translates into the fact that the farmer is going to get less money.

If we are to have our agricultural industry survive in the face of these things, we are going to have to provide more deficiency payments, more special grains programs.

I should like to now deal with the precipitous action taken by the Minister yesterday in lifting the foreclosure moratorium imposed upon the FCC. Like Members of this House, Canadian farmers will be less than impressed with the mathematics of the Minister when he said that one-quarter of 1 per cent of the farmers will be subject to foreclosure. The FCC, when it talks about economic farms in Canada, does not talk about 225,000 farms; rather, it talks about the farms with gross sales of about $20,000 per year. Perhaps the Hon. Minister does not read the FCC literature. In any event, it talks about a figure of 75,000, with gross sales of more than $20,000 per year.

The Minister's action will permit foreclosure proceedings to be commenced against those farmers whose FCC loans are in arrears. They represent about 35 to 40 per cent of the long-term debt in the agricultural sector. About 6,000 of the 75,000 accounts with the FCC have been in arrears for more than two years, and the experience with the FCC is that if a loan is in arrears for more than two years, it almost invariably leads to foreclosure.

So, we are not here talking about a one-quarter of 1 per cent, but roughly 8 per cent of the FCC loans which are certain to face foreclosure proceedings. Well, the Minister says: "Don't worry about that; we are only going to foreclose on about 50 a month. The staff of the FCC cannot process any more than 50 a month. As a result, only 600 farmers a year have to worry about foreclosure."

The question I put to the Minister is: Which of the 600 of the 6,000 loans which are subject to foreclosure will be acted upon? That is what the banker is going to ask when the farmer applies for a production loan. Once the bank points out that the FCC is pursuing foreclosures, the farmer can respond: "Oh, don't worry about that. Charlie says that they are only going to close on 600 a year, and there are 6,000 altogether. If I am the last one subject to foreclosure, I will not be foreclosed on for 10 years."

And the banker, of course, would then say: "Well, the FCC has said they are going to foreclose. If you are going to be the last one foreclosed on, then you had better get a statement from the Minister for the Canadian Wheat Board saying that you will not be subject to foreclosure for 10 years."

That kind of thing, Mr. Speaker, just will not wash. If the Government is lifting the moratorium on foreclosures, then it is lifted. That will then lead to action on these loans. Regardless of how the Minister wants to sugar-coat it, that is the way it is.

This moratorium has been in place for 19 months. During that time, the Government should have put in place a debt restructuring program to solve the plight of farmers. Had they put in place a proper debt restructuring program, the moratorium need not have been in place at all. But the Government did not have such a program, and the moratorium bought time. In the meantime, however, no debt restructuring program was put in place.

The commodity-based mortgage that the Minister spoke of this evening was described to the Standing Committee on Agriculture today by the Ontario Federation of Agriculture as a program that should be sent to the Better Business Bureau to determine whether or not it meets the ethical criteria of a properly run program. That is how that organization viewed it.

I asked why it is that no one was taking advantage of it, and the answer I got was that people do not trust it; that it is too complicated. It is simply not a good program. That is evidenced in the fact that while there are 16,000 FCC loans in arrears, 6,000 of them for more than two years, only 1,200 farmers have taken advantage of that program.

The Minister talked about the Farm Debt Review Boards. I do not have the figures with me for all nine boards, but I can tell you that of 400 applications that have come before the Ontario board, agreement has been reached in 195 cases, and only in two cases has an agreement been signed.

In some cases, the banks have agreed to an agreement verbally but then welshed on it and went ahead with foreclosure proceedings. So, the Farm Debt Review Boards are not functioning that well. In my view, the moratorium should be maintained, and we should take the time to put in place much

better programs. We should modify and strengthen the commodity-based mortgage, or throw it out. More funds should be provided for the rescheduling of debt by the FCC. As well, we need help for other groups.

• (2110)

Tonight I spoke with the president of the Saskatchewan Wheat Pool, the largest Wheat Pool in Canada. He spoke about a program which the pool is examining for rescheduling debt. That is what the Minister must look at. He must maintain this moratorium and put in place new programs for rescheduling debt. He is not kidding farmers. The crisis is facing western agriculture and much of eastern agriculture as well.

This is an historic event. Unless special programs are put in place to cope with it, we will see the loss of an entire way of life in prairie communities and rural communities across the country.

Action is needed now. The Government should come clean, give a commitment on a deficiency payment, stop foreclosures which will start on Friday of this week, and put in place a proper debt restructuring program. If the Government does not do so, the problems faced by western Canadian agriculture and agriculture in other parts of the country will be horrendous. People in the House and across the country who are concerned about agriculture are willing to make that commitment, and the Government must make that commitment now to our rural communities. It is absolutely essential.

Some Hon. Members: Hear, hear!

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I join in this debate with pleasure. The Hon. Member for Algoma (Mr. Foster), the Hon. Member for Prince Albert (Mr. Hovdebo), and I have debated the agriculture issue in the House over many years, sometimes on different sides of the House than the ones we occupy at present.

My memory is long regarding the policies of Parties on agriculture. I listened with care to the Hon. Members when they outlined the problem, the serious situation facing grain farmers in the Prairies and across Canada today. I waited with anticipation to hear how these Hon. Members would assist the Government in solving the problem.

The Hon. Member for Prince Albert said that he was not too sure whether we should do what Europe and the United States were doing. Then he said that maybe we should help farmers. I waited a little longer, and suddenly he sat down. He did not give us the NDP policy on how it would handle the crisis facing Canadian grain farmers. He left the impression that all Canadian farmers were in the can financially, which is simply not the case.

I listened to the Hon. Member for Algoma outline the problem. I waited for the so-called famous Liberal policy on agriculture to assist grain farmers through the serious problem. At the end of his speech he sat down, after saying that special programs should be put in place to cope with it, meaning the farm problem. He also talked about commitment, a member of that Party talked about commitment. In two and a half years the Government has responded in more ways than the Liberals responded in the 20-odd years when they were in government. I will outline some of their responses.

However, let me deal with policy because it is important. When there is a problem, anyone can outline it, but a problem needs to be solved. When we were in opposition about the same time in the term of the former Liberal Government, I recall very well six or seven members of the Tory agricultural committee sitting down and drafting a 10-point policy to deal with the same problem. Grain prices were lowering. Interest rates were at 22 per cent. Inflation was double digit. Farmers were facing a serious financial crisis on the Prairies. As I said, we drafted a 10-point policy which we put before the Canadian people. We took that policy to Prince Albert. We promised it in the election, and it is already in place.

Where is the NDP policy? I looked all over for it. I thought it would come tonight. I searched the records and I found a few things which NDP Members say still stand.

They say that it might be necessary, as well, to take into public ownership some existing farm supply retail operations, farm assembly plants, meat packing plants, and canneries. That sounds very interesting. Would that solve the problem in the farm sector now?

Other proposals in the resolution would be tantamount to the state taking over agriculture, with farmers taking their marching orders from Ottawa. In its policy the NDP says that it would regulate the distribution, sale, and servicing of farm machinery to promote standardization. This is another NDP policy on agriculture.

They would also regulate food processing, wholesaling, and retailing industries in the public interest through the use of price controls. I wonder whether farmers would think this policy would solve the problems of grain farmers at the present time.

They went on to indicate the establishment of a public commission to determine a formula for farm unit size on a regional basis. Are they going to tell farmers what is the optimum size or the best size for their farms? Are they going to say that if they have a quarter section or more it ought to be sold off because it is not an NDP policy? I could continue, but it does not get much better.

However, the best one came from the Liberal Party. I want to deal with the policy of the Liberal Party because I do not have too much time. I searched for its policy. I had hoped the Hon. member for Algoma would stand and give us an indication of what it was.

An Hon. Member: He left.

Mr. Schellenberger: Yes, he left quickly. It seems that the Liberal Party has a policy which it announced a few weeks ago

in Winnipeg. I should like to refer to an article which appeared in the *Winnipeg Free Press* on April 11, 1987, because I think they said it better than I can. The article indicated that the authors of this feeble set of proposals were the members of an exclusive political group and that the task force consisted of two Members of Parliament, one being the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). I am pleased to see him here tonight. I know he will take part in the debate. Perhaps he will elucidate this policy because it is very necessary for him to do so. He was one of the authors. The other author was the Hon. Member for Algoma who just participated in the debate.

The article went on to refer to 11 Senators from western Canada, the leaders of the Saskatchewan and Alberta Liberal Parties, and three Alberta Liberal MLAs who all came from cities. They really had an excellent group!

Perhaps they should have used another western Member. They have one more about whom they forgot, the Hon. Member for Vancouver Quadra (Mr. Turner).

Mr. Clark (Brandon—Souris): He is a Toronto Member.

Mr. Schellenberger: Oh, I thought he was from Vancouver. He was a little farther west but apparently he did not participate in the Party's hearings. Maybe his interests are further away from agriculture.

The *Winnipeg Free Press* article continued:

> Western Canadians who hope the Liberal Party might have learned something about their needs and aspirations during its two and one-half years out of office seem doomed to disappointment. Even the western members of the caucus remain sadly out of touch.

I cannot argue with that, because I looked at its policy, its 17-page report. The article continued:

> The 17-page report is an empty document offering ringing declarations of discredited party policy, outright distortions of economic reality and not a single firm proposal which would make any significant difference to the economy of western Canada.

• (2120)

It goes on and I will read only one more paragraph, but I would like to put this whole thing on the record. It says:

> Western Canadians, of course, know all about mismanagement and a lack of understanding of their economy. They know all about the connection between political and economic decision making. They got a taste of both when the political decision of the previous Liberal Government led to the economic disaster of a National Energy Program which put a large part of the western Canadian oil industry out of business.

On and on it goes.

An Hon. Member: The *Winnipeg Free Press*?

Mr. Schellenberger: Yes, The *Winnipeg Free Press*. I went through the report too. I was pleased to get a copy and I did not see anything different from what was reported there.

Now, what do we have? We have the Hon. Senator—I do not think they have ridings so I will have to use his name—Hazen Argue. He put his great big cowboy hat on and is driving around in an air-conditioned suburban talking about the terrible crisis on the prairie farms. Where was he when he was Minister in the Liberal Government and interest rates soared to 22.75 per cent? Was he driving around on the Prairies at that time?

Some Hon. Members: No.

Mr. Schellenberger: No, Mr. Speaker. He was not, but now he is trying for perhaps a little press because Lord knows the Liberal Party policy needs a lot of help. I do not think the Liberals will get it from the Hon. Senator who is driving around in western Canada in his truck pulling a trailer, trying to get a little press for agriculture. Did the Liberal Party deal with fuel prices, Mr. Speaker? Did the Liberal Party bring fuel prices down for western farmers when all Canadian farmers were going through that crisis? No, prices went up. The Liberals added taxes like the Canadian ownership charge, the Canadian compensation charge. Fuel prices went up for farmers. But what did we do?

Mr. Gauthier: You increased taxes.

Mr. Schellenberger: I am not kidding, and the Hon. Member should sit down and listen. What is the Liberal Party's policy? It is terrible. There is none. Interest rates were at 22 per cent, inflation was over 11 per cent and debt was rapidly increasing to over $20 billion. I sat in this House and watched the then Minister of Agriculture Mr. Whelan for 10 years. What did he do? He flashed his green hat around this country making speeches. I have a whole filing cabinet full of them. His speeches said nothing. What legislation was brought into this House? In 10 years we had 13 Bills, three of which dealt with farm credit, variable interest rates and borrowing outside of Canada.

Mr. Foster: You fought western grain stabilization all the way.

Mr. Schellenberger: We had a better idea. It is starting to hurt Members over there.

Mr. Deputy Speaker: Order, please. Could we allow the Hon. Member to continue his speech?

Mr. Gauthier: As long as he sticks to the facts.

Mr. Schellenberger: The facts are there and they hurt, Mr. Speaker.

What did we have? The then Minister of Agriculture tried to put out fires, but he had no ideas. Several of his Bills were renewing old acts which the Tories had brought in during the Diefenbaker years. The then Minister of Agriculture, Mr. Whelan, ended his term with a gem and that was Canagrex which was going to solve all the farmers problems. That is what we got out of the Liberal Government and a Minister who was Minister for however many years he was Minister.

Mr. Clark (Brandon—Souris): We had 20 per cent interest rates.

Mr. Schellenberger: Yes, we had a wonderful time with interest rates. It took this Government with the policy that we announced well in advance of the election to deal with the very serious problems that farmers faced for a long, long time.

Mr. Orlikow: Are they now all solved?

Mr. Schellenberger: No, we still have much to do but we are working. We know there are difficulties. Let me take Hon. Members through some of the policies that have been put in place and have assisted agriculture.

Mr. Axworthy: If you don't, we will do it.

Mr. Schellenberger: We talk about commitment. In the next five weeks $1.3 billion will be mailed out to western farmers through the Western Grain Stabilization Program and through the special grains program to assist farmers put crops in the ground.

Mr. Axworthy: Where is the Agri-bond, Stan?

Mr. Schellenberger: We are working on that.

An Hon. Member: What about the PFRA Bill?

Mr. Schellenberger: That is my Private Members' Bill and I would be glad if the Hon. Member would stand up and support it. Bring it forward and we will deal with it.

Mr. Axworthy: What about agricultural research?

Mr. Schellenberger: I don't know if I will have time but I will talk about that too.

Mr. Axworthy: I will, though.

Mr. Schellenberger: In the Prince Albert declaration we said that we will remove the capital gains tax. We did that to the tune of a $500,000 exemption. We extended that to small business.

Mr. Foster: You did it for everybody.

Mr. Schellenberger: Absolutely. We do not show favouritism.

We removed the sales tax on farm fuels. This is reduced and will save farmers who farm 1,200 acres some $5,000 annually. We said we would change the western grain stabilization so that farmers could get the money when they need it at the beginning of the crop year. This is assisting them dramatically this year. An amount of $705 million will be sent out to farmers on April 20, 1987.

We said that we would change the Western Grain Transportation Act to remove the volume cap and to freeze the rate. We did that. Not only was the rate frozen but it was rolled back to an average of $6 a tonne, which assisted greatly in the movement of grain out of western Canada.

We promised to increase sales and expand our markets for grains. We did, even in this difficult time of world surpluses, where the EEC assists its farmers to the tune of $36 billion and each of the individual states in the community assists probably as much, so that some $70 billion is going out to 11 million farmers in the European community. There are 340-odd million people paying the tax bill.

Let us go to the American economy. This year some $24 billion will assist farmers to export to try to take a market share. Through all of this, what was the Canadian Wheat Board doing? It was selling and increasing our market share. It was not leaving our bins full like we had under the Liberal Government which had a four bushel quota total in one year. Then we had a Prime Minister who came to western Canada and said "Why should I sell your grain?" That is what we got from the leadership of the Liberal Party. But we did not get that from this Prime Minister (Mr. Mulroney) who says that our problem has to do with the subsidies and it ought to be included in the GATT negotiations. What happens, Mr. Speaker? That is where the problem is. That is leadership. It is not going out to western Canada and saying "Why should I sell your grain?" What kind of leadership did we have then for western Canadian farmers?

Mr. Gustafson: And then we got the LIFT.

Mr. Schellenberger: There are lots of examples of that type of leadership.

Mr. Axworthy: It is better than the Gucci shoes.

Mr. Schellenberger: Under our Prime Minister, when the farmers were in difficulty a billion dollars was offered. Now the commitment is there if the farmers in the upcoming crop year face the same kind of difficulty. The Minister of Finance (Mr. Wilson) in his Budget said "We will be there". The Minister of Agriculture (Mr. Wise) said "We will spare no effort". Given past examples, I would buy those kinds of promises and commitments any time over what we got from the two Parties on the other side. That is commitment. The budget on agriculture has been more than doubled. It was 50 per cent the first year, and there is a 60 per cent increase this year. Just a 1 per cent decrease in the interest rates saves farmers $130 million. How much have interest rates gone down in the last two and a half years? Four points. That is a saving for farmers.

Mr. Blackburn (Brant): Exchange rates are set in the States, not in Canada.

Mr. Schellenberger: We have hundreds of commitments. I give a rounding applause to the House of Commons because it has assisted. The Minister of Agriculture and the Minister responsible for the Wheat Board (Mr. Mayer) are moving this legislation so as to assist farmers. Hundreds of commitments have been passed by this House of Commons under the

leadership of this Government to assist farmers. You would think, as we listen, regarding the difficulties in agriculture, that all farmers were in difficulty. That certainly is not the case. Some grain farmers are in difficulty. Others may get into difficulty. If you look at all the other types of agriculture, as the Minister of the Wheat Board pointed out, many are having an excellent year.

• (2130)

We find that many good borrowers are still coming to the Farm Credit Corporation. This year, it made some $300 million in loans. That was $70 million more that went out to the agricultural community than last year. Under commodity-based loans, another $300 million went out. Some $600 million-worth of loans went out to agriculture this year. These loans certainly would not have gone out to agriculture if everyone was in difficulty.

Comparing 1986 farm loans with those of 1985, one finds that year-over-year, almost $400 million more had gone out to agriculture. That shows that there is still a lot of good faith and many good borrowers, even with today's land prices and today's difficulties.

We have a problem and we will continue to deal with that problem which lies in the grain and oilseeds sector. I know these problems very well because my family went through bankruptcies. I know very well that it is difficult for any family to have to deal with a farm bankruptcy. As a Member of this House, I will do everything possible to see to it that as few farmers as possible have to face that very difficult trauma. Through the Farm Debt Review Board and the Farm Transition Program, we have offered even more assistance to those who will have to face that trauma.

This is not an easy time for any Member who represents a rural riding, but I will say in conclusion that I would far rather be here defending the policy of this Government than standing over there with the NDP and the Liberals defending their policies.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, tonight we are participating in an emergency debate called for two basic reasons. First, during the Easter break, the Minister responsible for the Wheat Board announced a decline in the initial price for Canadian wheat for the coming crop year. This year the decline was 18 per cent for No. 1 wheat. The previous year, the Minister announced at a press conference that he was cutting the price of wheat by 19 per cent, so we are getting pretty close to seeing a 40 per cent decline in the price of No. 1 wheat in the last two years.

There was a 28 per cent decrease in the price of No. 1 feed barley last year, but the Minister was not content with that. This year he brought that down another 25 per cent, so we are talking about a decline of just over 50 per cent in the price of No. 1 feed barley in the last two years.

What triggered the emotional outcry both in the House and in the country was not just that, I believe. It was the additional totally insensitive announcement made by the Minister of Agriculture (Mr. Wise) on Monday morning that he would lift the moratorium on Farm Credit Corporation loans, a moratorium that had been in place since February 17, 1985.

Mr. Blackburn (Brant): Just plain stupid.

Mr. Althouse: It was plain stupid, it was insensitive and it was not something we expected from any Government, particularly a Government that claims to have its finger on the pulse of agriculture and that boasts of its close relationship with Canada's farmers.

In their defence, the Minister of Agriculture and the Minister in charge of the Wheat Board have said that this decision will put only 50 farm families out of business per month. This reminds me a little bit of the Zundel defence. He said that it was not six million but it was only 100,000 who were killed and therefore there was no problem. Fighting with the figures is not the point here and the Chair recognized that when he decided to declare this matter an emergency.

How do these 6,000 farmers who may be on that list of 50 a month feel? No one knows if they are at the top of the list, the bottom of the list or when their loans will be called. They are already under a great deal of pressure. There have been some partial studies done in Brandon, Manitoba, and in Ontario of the kind of stress farm families are under. The study done in the Province of Ontario published reports indicating that more than 30 per cent of the farm deaths in Ontario which occurred during the course of the study were due to suicide. That means that there is a suicide rate among farmers of between 10 and 12 times that of the Canadian average. In its insensitivity, the Government has placed even more pressure on these 6,000 farmers who are facing extreme financial stress according to the Farm Credit Corporation. The Government has made certain that that extreme financial stress is made just a little more difficult. Those are the reasons we put this item on the agenda for this evening.

We along with a great many farm organizations in Canada say that in the short term, and I address this to the Hon. Member for Wetaskiwin (Mr. Schellenberger) who said that we did not mention anything about policy in this debate, there should be an announcement, loud, clear and now, telling farmers what sort of assistance the Government is prepared to provide in the coming crop year.

A billion dollars was added to net incomes from last year and in order to maintain those incomes at approximately the same level, we will need between $1.8 billion and $2 billion to hold the line. That is the kind of figure about which Canadian farmers want to hear. They want to know if there will be that kind of firm commitment. They do not want to hear vague promises about how the Government has permitted the Western Grain Stabilization Act to function or about how there was a $1 billion Special Grains Program announced in the midst of the Saskatchewan election when it appeared that the Conservative premier would lose the election. The farmers want to know what will happen in the 1987-88 crop year and if

the Government will maintain those levels of support and they want to know that now.

The Minister of Agriculture has been telling us in the House and through news releases that the farm organizations did not want to know about anything more than his vague promises of support and concern. We have received letters by mail and Telex in the last few days indicating that at least two of the very large farm organizations, one from Manitoba and one from Saskatchewan, have in fact demanded some kind of assurance. Many other organizations said as much after returning from that infamous meeting the Minister held back in March in which he said that the farm organizations did not really want anything more than to see his smile and shake his hand at the door.

In a letter dated today addressed to the Prime Minister (Mr. Mulroney), the Saskatchewan Wheat Pool asks all Members of Parliament to recognize a very critical economic situation confronting farmers and their families. It asks that programs be implemented immediately. The pool calls upon the Prime Minister to immediately develop programs through federal and provincial co-operation to keep families on their farms in productive capacities and, more to the point, it asks that early consideration be given to the acute need for a substantial deficiency payment for the 1987-88 crop year. That was said very clearly.

The same thing was said by the Keystone Agricultural Producers in Manitoba. On behalf of the grain producers in Manitoba, they call on the Government to announce as soon as possible an intention to introduce a similar program for the 1987-88 crop year with support levels at least equivalent to those of the 1986 program. The farmers want answers now and that is what this debate is all about.

• (2140)

The Minister of Agriculture said the reason he announced his lifting of the moratorium was because he had, in the time between September 17, 1985, and yesterday, initiated programs which would take care of the problem that approximately 20 per cent of farmers with loans outstanding presently face. He says the Government set up the Farm Debt Review Boards. It set up a transition program to assist people to leave agriculture if that is the only choice they have. The Minister of State responsible for the Canadian Wheat Board (Mr. Mayer) referred to some of those programs tonight. He called them great successes. According to his figures, you would be led to believe that 50 to 60 per cent of the farmers who put their names in front of the Debt Review Boards maintained their farms and were successful in staying on the land.

Nothing could be further from the truth. What the Minister perhaps meant to say was that 50 per cent to 60 per cent were processed. Our information from those Debt Review Boards is that less than half survived the cut. About half are rejected out of hand. Half go to the Debt Review Board and of those one-half or one-quarter of the total may stay on the farm.

Mr. Schellenberger: It is 60 per cent in Alberta.

Mr. Althouse: I stress "may" because very few of them get written and signed agreements. Sixty per cent may have gone through the process but they do not have their farm saved yet, Sir.

Mr. Schellenberger: Yes.

Mr. Althouse: They have not saved their farm yet, Sir. I point to the testimony by the Ontario Federation of Agriculture in the committee this morning. They said that so far in Ontario there have been 425 applications received in front of the Debt Review Boards, of those 193 actually were reviewed, that after seven months, and of those, two succeeded in getting signed agreements. So we know where two farm families are in Ontario having gone through the debt review process.

The farmers in difficulty are estimated by Agriculture Canada to have about $10 billion in debt at risk. In Ontario it amounts to $2 billion. The sad fact is that as these farms become more and more at risk, the value of the farm assets that Canadian farmers are working with is declining quite rapidly. There is no clear formula, as you might imagine, but basically once you get into a down slide in price for the basic commodity, grains in this case, when you have a price decline of something like 50 per cent, which we have faced for all grains, the price of land will drop even more than 50 per cent. The rents simply cannot sustain those prices.

I made a series of calls around my riding, speaking with municipal councils and attending annual municipal meetings where farmers come out to discuss farm problems just prior to the spring planting. In areas where production is very high, very good land with good rainfall, the Spalding area in the black soil zone, well-watered, very high-yielding crops, land which has been continuously cropped for eight or 10 years on a cash rental basis, I heard stories where they are having great difficulty finding anyone to look after the land. The landlords have got to the point where they are offering the land if the rent will pay the taxes. People are not jumping to take it up. That is what it has come to and the announcement of an additional 18 per cent decline in the initial wheat price had not been made at that point.

The situation is bad and has triggered a tremendous decline in the value of farm assets. That creates its own set of problems. I submit that the Minister of Agriculture, by pulling off his moratorium, has set to work a whole host of other credit institutions who will take action that I think they were delaying because they were awaiting a signal from the federal agency.

I note that the B.C. Farm Credit Corporation, which is relatively small on a national basis, with only about 2,300 loans, some 488 of which are in arrears for more than two years, has now decided or is expected to announce shortly that it will be lifting the moratorium it had on provincial-based loans. There are 12 immediate candidates for foreclosure, most of them in the Peace River district. The banks in British

Columbia, which has a very small agricultural base, are now estimated to hold, according to the B.C. Federation of Agriculture, some 40,000 hectares of British Columbia farmland. For those who think in Imperial, that is 100,000 acres. The FCC is now estimated to hold about 5,000 hectares, and with the lifting of this moratorium the B.C. Federation of Agriculture estimates that the FCC will be holding in excess of 35,000 hectares very quickly in the Province of British Columbia. Again, most of that is in the Peace River block.

Those are the kinds of things which have been triggered by what the Government's Ministers tell us were very simple and rather tame announcements. Those kinds of tame announcements put farm families out of business, under stress, trigger an even higher rate of suicide, and create distress and destruction, financial, economic, and social, throughout the farming community. That is the kind of announcement that only a Minister of Agriculture who was totally insensitive to the real situation could have made. I deplore it and find it very difficult to understand. Knowing him as a person, I thought he was in tune with what is going on in agriculture, but he seems to have totally missed the mark on this one.

We regret as well that no announcements have been made or no indication has been forthcoming from the Prime Minister or the Minister of Finance (Mr. Wilson) as to what levels of assistance are forthcoming in the 1987-88 crop year. That is something we as New Democrats are looking for, but farmers represented by the Saskatchewan Pool and others, various federations of agriculture, and the National Farmers Union as well, have all called for more clear programs and clear intentions on the part of the Government.

You see, the problem is farmers' memories go back quite a ways. People my age and older hark back to the Diefenbaker Government which came out with an acreage payment under circumstances not unlike this in the 1960s. That was a very welcome program. I have to give the Progressive Conservative Government of that day great credit for having initiated the program. I also note with some awe that it managed to sell that $200 an acre maximum payment for two years before another payment was made, at which time there happened to be an election going on. They are starting to ask themselves whether this is not another of the same kind of political ploy.

• (2150)

Everyone, even four-year old kids on the Prairies, knows that the $1 billion came because Grant Devine was having trouble getting re-elected last fall. They noted that the pay-out did not come until the next calendar year which, I suppose, was to be expected, so they got through 1986 and 1987. The payment was broken into two pieces to spread it over a longer period of time.

With the signals they are getting from the two Ministers they are starting to think that some of the same shenanigans are at work here because it looks as though these payments will be stretched out as long as possible in order to keep everyone on tenterhooks and to keep it as a political issue before the electorate in the west. The Government is hoping it will result in its re-election.

I want to remind the Progressive Conservatives who sit across from me that it did not work for John Diefenbaker. The last acreage payment did not get him re-elected. I submit that unless the Government is honest and straightforward with Canadian farmers now, it will not work this time either. There are no political brownie points to be earned for withholding this announcement. Make it now as the farmers and farm organizations are expecting and give some necessary underpinning to the incomes of Canadian farmers which, by the way, are being maintained almost totally by federal programs. A good many of those programs were in place and would be operating regardless of which Party were in Government.

The net income of farmers in the coming year will be between $3 billion and $4 billion. According to the figures of the Minister, the Government will be pumping slightly more than $4 billion into the farming industry. We do not hear members of the Government talking about the fact that they have almost made farmers public servants or making comparisons with Russia, but if our Party was in Government I am sure they would be taking those kinds of shots at us. The net income of Canada's farmers in the last couple of years has come almost exclusively from the Government. That is deplorable. It is time there were some international agreements to change that.

Mr. Mayer: Tell us what to do.

Mr. Althouse: If the Minister will listen, I will point out that we cannot realistically reach such international agreements within three to five years. Therefore, this sort of pay-out will have to continue and be made on a regularized basis with the announcement being made at the same time as the wheat price announcements so that people will have some idea of what they are facing. That is our policy.

Hon. Alvin Hamilton (Qu'Appelle—Moose Mountain): Mr. Speaker, in the early part of the speech of the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), he made reference to the initial payments being a reduction in price of 18 per cent. Western farmers understand that that is not the price but simply an advance received when grain is delivered to the elevator on the price to be received later There are headlines all across the country stating that wheat prices are down 18 per cent. This frightens bankers and all other people who deal with farmers. By repeating it here in the House tonight the Member is unwittingly attacking the Canadian Wheat Board.

If he read the Canadian Wheat Board Act carefully he would recognize, as very few farmers do, that the Minister has literally no power under this Act.

Mr. Benjamin: This is no time to brag about it.

Mr. Hamilton: The Act makes it very clear that the setting of the initial price is the responsibility of the Wheat Board. It is an indication to farmers of what the directors of the Wheat

Board think the price will be for the coming crop year. The crop year lasts for another year and a half as far as payments are concerned.

I want to emphasize to all good Canadians that Members of Parliament, and particularly members of the Government, cannot make any comments about the Wheat Board which would attack its independence under this Act.

Mr. Benjamin: Who's doing that?

Mr. Hamilton: This Act was set up to make it clear to the country that the marketing of grain was turned over to an independent board which was to do the best job possible for the farmer.

The directors of the Wheat Board have tried desperately over the years to set an initial payment which they know is less than what the actual price will be. They are human beings and sometimes make mistakes, but sometimes they are right. Last year was a bad year for them. There is always pressure from farmers to get the initial payment out as fast as possible. That is a natural thing for them to push for and Governments are guilty of it too. However, the fact remains, as the directors of the Wheat Board know, that if that price is set too high, as it was last year, the Government will stand good for it but the responsibility essentially falls on the Wheat Board.

When Members attack the Wheat Board for making an initial payment which is too low, they are attacking in advance because they will not know what the price will be until the crop year is over.

Mr. Benjamin: Who's attacking them?

Mr. Hamilton: I would like to suggest that the Hon. Member for Regina West (Mr. Benjamin) would be well advised to listen because I will come to him later.

Mr. Benjamin: I've been listening to you for 20 years.

Mr. Hamilton: I have been trying my level best to impress upon the Member for Humboldt—Lake Centre, who is a fair person and a credit to the House, that by joining in this media misconception that the initial price is the price, he is unwittingly harming the farmers. I think that farmers in general understand that this is an advance payment.

Mr. Benjamin: It is not. It's the price on delivery.

Mr. Hamilton: It's the price on delivery to the elevator and is backed up by the Government with a floor price because the Governor in Council has to agree. By saying the things he has the Member for Humboldt—Lake Centre is adding a load on the back of the Wheat Board which it does not deserve. They are trying to be responsible. They remember when the Wheat Pool set the initial price in the days when the pools did the selling. They set the price at $1 a bushel and, through no fault of the pool, the world price collapsed to 32 cents. The Manitoba Pool, the Saskatchewan Wheat Pool and the Alberta Wheat Pool were all bankrupt.

• (2200)

The Bennett Government stepped in and bailed them out to keep them from going bankrupt. To this day the pools have not sold a bushel of wheat in spite of the fact that this was their purpose and they have a licence to do so. It is true, however, that they formed a group with the United Grain Growers approximately 15 years ago.

The fact is that we in the House of Commons, in our attempt to help the farmer, should not be creating a conception that the Wheat Board made a mistake by setting those prices too low.

Mr. Benjamin: Nobody said that.

Mr. Hamilton: I think the Hon. Member for Regina East (Mr. Benjamin) knows that several papers have mentioned the price being down 18 per cent. It was also mentioned today and tonight by the Member for Humboldt—Lake Centre.

Mr. Benjamin: No he didn't.

Mr. Hamilton: Are you saying that I am a liar, Sir?

Mr. Benjamin: I can't do that.

Mr. Hamilton: Anyone who has the reputation of being known as "Mr. Suck and Blow" hardly calls me a liar.

The point I am making is that we must relate the facts as best we can so that a proper decision can be made. The main fact facing the farmer today is the high interest rates with which he must deal.

The Opposition can be very constructive on this point. They must remember that when the Farm Credit Corporation Act was implemented in 1959, the Government provided a statutory ceiling of 5 per cent for interest rates. Some of us in the House will remember when the NDP-Liberal alliance allowed the Liberal Government to remove that statutory provision and raise the interest rates of the Farm Credit Corporation. The farmers will never forgive the NDP for joining with the Liberals in that initiative, simply to oppose the Conservatives who were in opposition. We are paying a heavy price for the love affair that existed then.

As a result of the New Democratic Party's dissatisfaction and perhaps dislike for us, its alliance with the Liberals ultimately worked against the interests of western Canadians. Our Government faced many problems during that 1957-1962 period, yet we tried hard to implement our five-point national policy program which is still in place today. I feel strongly about this debate because our Government is trying just as hard to honour that fundamental agricultural policy that we put in place between 1957 and 1962.

When I was in opposition many years ago, I was very much concerned about the Farm Credit Corporation drifting from its original purpose. However, no one listened to me because I was in opposition. The Farm Credit Corporation is now paying a

heavy price as a result of the decisions by the bureaucrats who make the policy here in Ottawa.

In 1963, the Pearson administration established an agricultural task force whose members included the brightest agricultural and economic people of this country. That task force examined the past and considered the future, and reported in 1968-69. It predicted that there would only be a need for one-third of the farmers in Canada since we would only be selling three hundred million bushels a year by 1980. It recommended that young people be discouraged from farming and the acreage of farm land be cut in half in the west in three years. This was known in part of the west as the LIFT Program, lower inventory for tomorrow. However, the program turned out to be "lower income for tomorrow".

Although 87 per cent of the farmers were opposed to that program, they had to become involved because they did not have the reserves to survive through the year. Those memories will die hard in the west, and to this day they will hold to account those who supported that program.

I must give credit to the NDP that it was smart enough to dissociate itself from the LIFT Program and work for the farmers in opposing it. In the debate that took place between 1968 and 1972, the program was reversed so that I believe every seat in Saskatchewan became Conservative as a result of that debate.

My request of Hon. Members tonight is not to be so eager to shine in the House by reading these headlines in the paper about prices going down 18 per cent when only the advance payment has gone down.

I am saddened by the negative attitude from all Parties in the House toward the problems facing Canada. Therefore, I want to finish my remarks with a positive suggestion.

Let us consider, leaving the interest rate problem aside for the moment, how we can increase the price. When the Americans dropped their loan price last year, the natural response in Canada was to drop it as well. Furthermore, the Wheat Board sets its price as a result of a knee-jerk response to what is taking place in Kansas City and Chicago. But how do our customers react?

While the Americans dropped their price of grain and compensated their farmers at the same time, our customers did not take the bait of lower prices to buy American grain. Not only did the Russians and the Chinese refuse to buy from the Americans, they are asking us for more grain and pleading with us not to go out of production.

Economists tell us that the greater production of grains in the world is being equalled or surpassed by the number of people eating more bread grain than rice. This phenomenon has spread to Asia and North Africa so that no matter how much more the Chinese increase their production, they do not provide the type of wheat that their people want. They want fresh Canadian grain, and fortunately, there are innovative Canadians using Canadian know-how to increase the production of grain. It is Canadian expertise that has sold our grain around the world, and that is why our customers still want us as a steady supplier.

In closing I wish to say that while there is an impression that there is a surplus of grain in the world, there is no surplus of good Canadian grain. The fact is that we are moving as much grain as the railroads can carry. We have to improve the railroads and bring them to top efficiency. There is hope for the future. A positive suggestion would be to take a look at a bonus payment on wheat which does not cost the Government of Canada a cent. Let us follow the American custom on protein bonuses. I think that is 6 per cent, and for everything above that the farmer gets 70 cents to 90 cents. Let us adopt a practical solution. Let us ask the advisory board of the Wheat Board. We cannot give advice because that would be interfering. We do occasionally, but we are not supposed to do so. Let us ask the advisory board, which is elected, give it all the facts as to how we can set up a system where there is a ceiling of 5 per cent and 10 cents for every percentage point above that. Therefore, if the farmer grows 14 per cent protein, he receives 90 cents a bushel extra, and our customers will buy that because they are accepting that principle from the United States.

• (2210)

They want us to stay in production so they have to help us to keep us there. Conservatives will buy that, I believe. I think we should start to talk to members of the advisory board publicly and ask them to make this proposal to the Wheat Board. They have the right as elected representatives of the people of the west to advise the Wheat Board. Let them advise the Wheat Board. They should not shy away from their responsibilities because they are responsible to the people.

In conclusion, I believe all Canadians should unite on a positive approach to remedying this problem in all agricultural sectors, but at the particular moment it is needed in the grain and oil seeds sector.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, over the past three or four months there have been in this House three or four opposition days dealing with the problems of western Canada. There have been two or three emergency debates. The purpose of each debate was to try to draw attention in the forum of this country to the growing and accelerating difficulties being faced by farm communities in the west. Each time the answer from the government benches has been the same. It is not a problem. Do not take it seriously. They bob, they weave, they duck, they hide. They dig back into the vaults of history to try to find someone else to blame. The clear answer is that they do not want to govern. They do not know how to govern and, in fact, the people do not want them to govern any more, as we can clearly see from the polls. They are afraid to face up to their responsibilities. They are afraid to come to grips with contemporary issues and answers.

What do they do instead? They do as did the Hon. Member for Wetaskiwin (Mr. Schellenberger) who digs back in the old files when he was a member of the Opposition and pulls out the old arguments and the old hoary tales of wrongdoing. It has never dawned on that poor soul that he is a member of the Government, that he is going into a caucus tomorrow where he has Ministers in front of him who are derelict in their responsibilities in dealing with the farm issue. He is much happier looking back in his old files and digging out the old arguments because it has never dawned on him that one of the clear responsibilities of a Member of Parliament on the government side is to try to persuade his own Government to accept the responsibility and requirement to take action on real problems.

Like a lot of Canadians I was a little intrigued and somewhat curious when I read the story about the Prime Minister (Mr. Mulroney), having to build a large closet for his 84 pairs of shoes. I wondered what someone could possibly need all those shoes for. Well, we discovered the answer tonight. I think every Conservative Member of Parliament must have a huge closet full of shoes because they are all up on their tippytoes dancing around the issues so hard that they wear out their shoes quickly. We do not have a Government, we have a ballet company. What all Members of the Government are doing is jumping around on their tippytoes trying to evade the questions. They pirouette, turn, and do all the kinds of gymnastics they can possibly do in order to evade coming to grips with an issue that goes to the very deep and fundamental roots of the western Canadian economy and western Canadian society. That is what this emergency debate is all about.

I find it exceedingly interesting that the message finally seems to be getting through. A report on the *National News* tonight is that the Tories are in disarray, that they are in mass confusion. So what is their answer? They are going to send the Prime Minister out west. I will tell you, Mr. Speaker, that the westerners will say: "don't send the PM, send cash instead". That is what they want. They do not want any more of the Prime Minister's blarney. They do not want him dancing around. They do not want an extra plane so he can carry his famous shoe collection with him. They simply want some assistance. All they want from the Government is some small sign that it understands what is going on.

Members of the Government love to get up and say: "We are farmers. We really know what is going on". Some of them may be good farmers but they are a lousy Government. They are lousy policy makers and lousy administrators when it comes to finding the kind of answers that will cut into the heart of the problem. My colleague, the Hon. Member for Algoma (Mr. Foster), quite correctly pointed out that for 19 months we had a moratorium on FCC loans. Surely one would think that in that 19 month period someone over there might have had the wit to come up with some answer to deal with debt restructuring. Farm organizations have done it.

The Hon. Member for Wetaskiwin asks where the policies are. There are many of them out there. We put some forward which the Hon. Member for Algoma presented. There was the world stability program put forward by the Wheat Pool. The policies are there, but the government Members must be incapable of reading, comprehending or responding because there has been no attempt during the 19-month period to find an answer that will allow the responsibilities to be shared between the farmers, the banks and the Government, the Government representing society and the banks carrying the private loans and the farmers themselves. We are saying that everyone must take a fair share of responsibility. They must come together. However, the Government has not even brought the major players to the game to the table to find an answer. It has not even had the capacity as a Government to bring together the major participants in this issue, the federal and provincial Governments, the farm organizations and the banks.

When we asked today in the House of Commons if it would not be important to bring together the banks to talk about this issue because they carry 60 per cent of the debt, the Minister asked: "Why would we do that? Why would we talk to the banks?" We know why the Government should talk to the banks. It is because every banker tonight is looking at the statement issued on Monday by the Minister of Agriculture (Mr. Wise) and is saying: "Well, if the Government can foreclose, so can we". They will begin to look at all their outstanding loans.

When farmers begin walking in and asking for their production loans, looking for the credit for the forthcoming crop year, Mr. Speaker, how do you think those banks will respond when the Government of Canada, in a disgraceful and despicable way, has said: "We are cancelling the moratorium. Instead we are going to let the grinding machinery of the FCC churn farm communities into bits and pieces"?

It is an open invitation to the banks and other credit operations to do exactly the same thing. What stops them now? What possible compunction would they have when the federal Government, which is presumably there to defend the farmer's interests—because it is a public interest organization, or at least it used to be—is acting in the crassest and most vulgar way possible? Yet the Minister responsible for the Wheat Board asks: "Why would I talk to the banks?" Is this something that does not involve them? Are they such generous, open-minded and charitable organizations?

The naivety and simplicity of thought which has been brought to this problem is mind-boggling. It would almost be laughable if the situation were not so serious. That is perhaps the worst condemnation that can be made. We have some jokes at the expense of all those Conservative Members who will not be here the next time around because, in western Canada, they have dropped 20 per cent to 25 per cent in the polls. They should ask themselves why. The reason is that the very people who elected them in 1984 no longer trust them, believe in them or have confidence in them.

• (2220)

One of their members had some courage. I refer to the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) who stood

up and publicly said that the Government does not understand western Canada, is not responding to its needs and does not know how to cope with the problems. What did that Hon. Member receive as a reward for his honesty? He was chopped. He was sent off the team. The Prime Minister (Mr. Mulroney), who has suffered incredible types of transgressions, could not abide 24 hours of honesty from a member of his own caucus. It was a matter of shooting the messenger because he did not like the message.

If Members opposite will not even listen to one of their own members who are prepared to say those things, and they will not listen to the people of western Canada who are saying those things, then to whom will they listen? At what point in time do we simply say: "For God's sake, go. We have had enough. You no longer understand what is going on. You have been blinded by your own sense of omnipotence that was passed to you in 1984, but it is no longer possible for you to come to grips with real issues in a real way"?

I wish to speak to the Hon. Member for Wetaskiwin because he was so happy to say that he would read the promises that came from other Members. What I found particularly amusing was that the Hon. Member decided he would use the *Winnipeg Free Press* editorial page, not the news page but the editorial page, as his source of wisdom. That shows the bankruptcy of the Conservative benches. Conservative Members now rely upon the editorial page of the *Winnipeg Free Press* as their source of wisdom. Let us just follow that Hon. Member's logic through for a moment. He begged the indulgence of the House to listen to him. I would like to quote from the April 23 editorial of the *Winnipeg Free Press* which states:

> Prime Minister Brian Mulroney is inviting the smaller Canadian provinces to Meech Lake next week to enshrine their powerlessness in the Constitution.

It goes on to state:

> —the effect of his proposals will be to entrench even further the powers of Central Canada and to block any hopes of achieving the reforms sought by other regions.

Considering that the Hon. Member for Wetaskiwin has placed such great faith in the editorials of the *Winnipeg Free Press* I ask him if he agrees with this editorial which states that his Government is now engaged in a process that will denude even further the powers of the western provinces and ignore the types of claims for reform coming from the Premier of his own province. If the editorial from the *Winnipeg Free Press* is so convincing to the Hon. Member for Wetaskiwin maybe he will get up in his caucus tomorrow morning and read this editorial to his Prime Minister and tell him that perhaps he is making a mistake in his approach to constitutional reform. I give this advice to the Hon. Member: Do not necessarily rely upon the editorials of the *Winnipeg Free Press*. Listen to the people. What they are saying is that the Government does not know what it is doing.

Let us talk about all the wonderful promises that the Tories made. My goodness, Mr. Speaker, how proud they were at the great Prince Albert meeting when they launched their promises. They promised to allow the Farm Credit Corporation to offer agri-bonds. Do you see an agri-bond around, Mr. Speaker? I am looking under my desk and I do not see an agri-bond there. Are there any agri-bonds in Canada? No. I ask the Hon. Member for Wetaskiwin to show me his agri-bonds. I ask him to show me his solution to that problem. I guess that is a promise that the Government has not got around to fulfilling yet.

Here is another interesting promise. Catch this one, Mr. Speaker. The Conservatives promised that they would expand agricultural research and development by providing greater assistance to agricultural colleges. In 1985 agricultural research had a budget of $263 million. In the Estimates for 1987 the figure stands at $221 million. I know that Tory mathematics have a curious way of flip-flopping. But I think that even the Hon. Member for Wetaskiwin, even that Member who reads *Winnipeg Free Press* editorials and believes them, might be able to figure out that that is a reduction in agricultural research and development, not greater assistance. He might be able to figure out as well that when we are trying to meet toughened international competition, when we need to develop new crop strains and new products and value-added, where we will find this is in the type of research being done in the agricultural colleges. I ask the Hon. Member to explain to me and to western Canadians why his great Government that cares about agriculture so much has cut $50 million from agricultural research and development. I ask the Hon. Member for Wetaskiwin to explain that small inconsistency in the promises.

I could go on and talk about a great many of the other great promises that have not been developed by this great defender of the Government.

Mr. Schellenberger: Go on!

Mr. Axworthy: The fact of the matter is that what the Government is carrying out is a camouflage operation. Let us talk for a moment about what the Minister of State for the Canadian Wheat Board (Mr. Mayer) says with great frequency and in great seriousness. He says that his Government is doing all it can on the international front. He says that they are working diligently to bring to the attention of the world agricultural problems. Let us look at that proposition for a moment. Let us look at the proposition as to why the Government of Canada as yet has not put forward as yet its proposals on agricultural negotiation, even though it has had an invitation for over two months from GATT to do so.

A decision was made in Uruguay last fall and the GATT organization issued an invitation as late as last February for participating countries to put forward what their negotiating positions should be, what their priorities would be in agriculture and what they are prepared to deal with in terms of bargaining. If the Government of Canada is so active to show leadership and if it is so prepared to try to give direction, why has it yet been unable to find the wit or ability to put together

its proposals to show where we want to go in order to give a message to the rest of the world?

We met with members of the Congressional Agricultural Committee yesterday. We read in the U.S. press that those great friends of the Prime Minister, Mr. Reagan and all the rest of them with whom he has jaw-boned time and time again, the very week we are debating this resolution are putting proposals forward to the U.S. Congress to expand substantially the Export Enhancement Act to apply to all countries and to change the U.S. Farm Bill and the U.S. Trade Bill to give even further powers on agriculture to force us out of the market. If that is the result of the Prime Minister's jaw-boning, then God help us in all of the other negotiations that he is carrying out. I say that because we are getting the reverse of what we want. That is the end result of his great efforts. It is a failure to provide specific proposals and an encouragement to his allies, the Reagan administration in the United States, to include in the new Trade Bill incredibly damaging measures dealing with agriculture and the expansion of the Export Enhancement Act. After all those discussions and negotiations what does our friend, the U.S. President, want to do? He wants to drive it even harder into Canadian agriculture.

One has to ask oneself from time to time what the Government is trying to do. We recognize full well that the drop in international price is a decision being taken in Washington and other places. One of the reasons why this resolution says that we need an immediate announcement for a regular form of income support, a deficiency payment, for western agriculture is that until we get that kind of clear signal we will not let our farmers be pushed out of business by the Americans or the Europeans. Until we get that signal, we will keep on pushing.

• (2230)

While it is essential to provide the necessary cash support to keep our farmers in business, it is also essential that we provide a clear signal to the international marauders and pirates in agricultural trade that we will not be cowed and intimidated by them.

We need an immediate announcement now so that our farmers will be able to obtain whatever credit is necessary in order to continue operating over the next crop year. In order to get the necessary moneys, the lending institutions need this kind of guarantee. As well, it will provide a strong and uncertain message to the Americans and the Europeans that we are not about to be backed off.

The Minister of State for Canadian Wheat Board has said that he wants to have a strong international bargaining position, and the best way for him to achieve that is to rise in this House and announce a support system for the western grain producers for the next year, the year after that, and for however long prices are continued to be ratcheted down.

We have to send a strong signal to our competitors in the world markets that we are not going to be put out of business.

Such an announcement by the Minister would go a long way toward convincing these international pirates that it is time they backed off from this craziness and insanity in which they are engaging.

An Hon. Member: What is your policy?

Mr. Axworthy: The Hon. Member wants to know what our policy is. I have just outlined what our policy is. What I have outlined is an important policy to adopt. A second policy direction to take is to embark on the kind of debt restructuring that we have talked about. Our farmers need that kind of major assistance.

The Minister rose in his place and said: "Well, we are only going to crunch 50 people a month". It will be a game of Russian roulette. No one will know which 50 will be chosen. I suppose they will put all of the names in the hat and pull out 50. We will have 6,000 farmers who are more than two years in arrears all living in terror. They will not know from month to month whose name will be chosen from the hat. What a peculiar way of twisting the knife in the backs of these farmers!

An Hon. Member: It will be a knock on the door.

Mr. Axworthy: The fact of the matter is, that particular system has nothing whatever to do with the problem. The problem, as my colleague, the Hon. Member for Algoma, has said, is the incredible uncertainty which these farmers face. They are living in a state of never knowing exactly what is going to happen, or to whom.

What we have here is a failure of public policy. What we have here is a failure to put in place a farm policy that is relevant to the conditions we face.

All of the attempts by the Progressive Conservative Members in pulling out the old files and rehashing the old arguments will do nothing to assist in the crisis that our farmers are now facing.

If the members of this Government wish to redeem themselves in the eyes of westerners, they had better not send the Prime Minister out to do another song and dance number in those ballet slippers of his; rather, they need to show that they are prepared to come to grips with the conditions as they exist now, to deal with the problem as it is now.

If they do that, western farmers may have their faith restored in what we in this House of Commons can do, and what this Government can do.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Hon. Deputy Prime Minister (Mr. Mazankowski).

Mr. Foster: Here is the apologist.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have listened,

with interest, to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), and all I can say at the outset is that his remarks do provide a fairly accurate reflection of what the Liberal Party is and what it stands for.

An Hon. Member: Nothing.

Mr. Mazankowski: The Hon. Member chastised the Member for Wetaskiwin (Mr. Schellenberger) for quoting the *Winnipeg Free Press*, and he went on to complain about its "bankruptcy of ideas". So perhaps I will quote the *Edmonton Journal*, which also has something to say about the Liberal Party.

In the April 14 edition, we have the following statement:

> The Grits have a solid policy, Turner said recently. It's just that they haven't "correlated, co-ordinated, communicated, repeated and honed the message."

Well, of course, that is absolutely accurate, because they have nothing to correlate, they have nothing to co-ordinate, they have nothing to communicate. And we have heard nothing further from the Hon. Member for Winnipeg—Fort Garry this evening. It is the same old rhetoric that we hear every time he gets up to speak.

The Hon. Member for Winnipeg—Fort Garry talked about debt restructuring. Where was he in 1981 when the Cabinet of the day, that august Cabinet that was so deeply concerned with the issues and affairs of western Canada, allowed interest rates to rise to such high levels?

The prime rate in 1981 stood at 22.75 per cent. Today, Mr. Speaker, it is 9.25 per cent—a difference of 13.5 percentage points.

An Hon. Member: Right on.

Mr. Althouse: You voted with him on that. You voted with him.

Mr. Mazankowski: I thought the Member for Humboldt—Lake Centre (Mr. Althouse) had already spoken. I can recall listening to him, and I wish he would give me the courtesy of listening to me. He did not have a heck of a lot to say. If he wants to speak from his seat, perhaps we can, by unanimous consent, give him the opportunity to speak once more.

Some Hon. Members: Agreed.

Mr. Althouse: You participated in the interest rate process by voting for the Bank Act. You supported it.

Mr. Mazankowski: The Hon. Member speaks best from his seat, Mr. Speaker.

In 1987, the rate on farm improvement loans stands at 10.25 per cent; in 1981, the rate was 23.75 per cent.

We now have a Senator travelling around western Canada in his air-conditioned Suburban, pulling a trailer. He is travelling the highways and byways, saying how terrible the conditions are in the agricultural sector.

I can tell you about the disasters that were inflicted upon agriculture when the Liberals formed the Government. This particular individual was the Minister of State for Canadian Wheat Board in the last Liberal Government, and he did nothing. Now we have "blazing" Hazen Argue going around the countryside trying to drum up political support on the backs of the farmers. He is trying to use the farmers, who are in serious trouble, as a means by which to drum up political support. In my opinion, Mr. Speaker, he is not gaining much support, and he certainly is not gaining any credibility for the Liberal Party.

Here we have a communique headed: "Western Liberal Caucus Releases Report on Western Economy". This is the official policy, Mr. Speaker, that was issued by the western Liberal caucus on the western economy, not the policies that are put forth during these emergency debates. And what are they going to do? Well, they propose that a federal-provincial conference on economic union "be convened as the first step in developing an economic blueprint for the West." The communique goes on to say:

> The conference would establish policy priorities for each of the major regions and sectors of the economy including education and research and development; . . .

That is what the Hon. Member for Wetaskiwin was referring to, Mr. Speaker, when he quoted the *Winnipeg Free Press* in respect of this hollow, shallow, empty document, a document that was not even concurred in by the Leader of the Liberal Party.

Mr. Axworthy: Let's see what you will produce. Are you going to reopen the Science Centre?

Mr. Mazankowski: And what else do they propose? This is really a dandy. They are also going to consider efforts—

Mr. Foster: Don't let the polls go to your head.

Mr. Mazankowski: What was that?

Mr. Foster: Don't let the polls go to your head.

Mr. Mazankowski: Polls go up and polls go down. As Mr. Diefenbaker once said, only dogs know what to do with polls.

What else do they propose to do, Mr. Speaker? Another of their proposals is that, by "considering efforts to rationalize the many federal and provincial programs, the federal Government maximizes the use of scarce resources and sends a clear message to both Canadian farmers and to the farmers and agricultural industries of other countries that Canada is committed to remaining in the business of farming".

Well, I can tell you that we have no difficulty with that.

Mr. Axworthy: Then, do it. Do it.

Mr. Mazankowski: Mr. Speaker, very clearly, never in the history of this country—

Mr. Axworthy: Announce it right now.

An Hon. Member: Let's hear it. Come on. Let's hear it.

Mr. Mazankowski: —never in the history of this country has so much support been given to the agricultural community. Never before in the history of this country has so much support been given to the agricultural community, both in terms of policy and support, direct and indirect.

Mr. Axworthy: Let's hear it.

Mr. Mazankowski: My hon. friend says "Let's hear it". My hon. friends opposite were huffing and puffing last October about a deficiency payment. They said it would not happen; that it was going to be a loan. And then it was going to bear interest; and then it was going to be an interest-free loan; and then it was going to be shared with the provinces; and then it was going to be this, and then it was going to be that.

They were the most disappointed people in Canada when we said that we were going to pay $1 billion to our farmers, and they still are—and that is what is bothering my hon. friends opposite, Mr. Speaker. That is exactly what is bothering them.

Mr. Foster: So tell us about this crop year.

Mr. Mazankowski: I do not know what my friends opposite know about farming. I know the Minister responsible for the Canadian Wheat Board gave them a lesson today. Our farmers are getting their money now, when they need it to put the 1987 crop in. That is what is happening now.

Mr. Axworthy: He is going to have to go back to farming very soon.

Mr. Mazankowski: At least he has something to go back to—which is more than you can say.

Mr. Riis: Not for long. Another year and the farms won't exist.

An Hon. Member: Are you going to go back to selling cars?

Mr. Mazankowski: Certainly—and I am proud of it. It is an honest living.

Mr. Foster: Except no one can afford to buy cars any longer.

• (2240)

Mr. Mazankowski: Well, Mr. Speaker, the NDP—

Mr. Axworthy: You are getting hot under the collar, Don.

Mr. Mazankowski: No, not at all. I have lots of time, Mr. Speaker. I hope you are knocking off the interruptions.

Mr. Prud'homme: We will give you consent, if you want it.

Mr. Thacker: They could not make speeches when they were standing up; now they want to make them when they are sitting down.

Mr. Mazankowski: It is quite clear that the NDP motion was more of a show than something of substance; a couple or three have stuck around for the debate. However, there is very little in terms—

Mr. Riis: Mr. Speaker, I rise on a point of order. There has been some reference made to those who are here or not here in the House of Commons.

I guess I just want to point out that fewer than 10 per cent of the entire Tory caucus are present in the House this evening.

Mr. Deputy Speaker: I do not think the Deputy Prime Minister (Mr. Mazankowski) referred specifically to the absence or presence of a Member. On debate, the Deputy Prime Minister.

Mr. Mazankowski: I think the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton) put this issue into perspective when he talked about the NDP wanting to maintain artificially high prices established by the Canadian Wheat Board. Of course that is not really supported by the farm community. Most of the things that have been advanced by the NDP are not supported by the farm community.

Mr. Riis: You guys promised agri-bonds.

Mr. Mazankowski: For example, to quote Mr. Wayne Easter—

Mr. Riis: What about Section 31? I remember you guys campaigned for three years on that before the election.

Mr. Deputy Speaker: Could we listen to the speech of the Hon. Deputy Prime Minister, please.

Mr. Mazankowski: As the Hon. Member for Qu'Appelle—Moose Mountain pointed out, in effect the New Democrats have really been deliberately or unwittingly attacking the Wheat Board. The Wheat Board makes the recommendation for the establishment of the prices. To do otherwise would be certainly in violation of the spirit, if not the intent, of the Canadian Wheat Board Act.

They are asking for a further $1 billion pay-out. However, I should like to refer to the January 8, 1987 edition of *The Ottawa Citizen* which quoted the NFU president as follows:

> I know the Government believes it's proceeding in the right direction with its $1 billion grain program, but we need a program that actually deals with the real problems we're having, not one that throws x amount of dollars at us.

These people across the way are asking for more money without really looking at the root causes. I will get to the root causes very shortly.

I should like to make another point by referring to the October 30, 1986 edition of *The Ottawa Citizen*, which reads as follows:

> A past-president of the Canadian Grains Council . . . told delegates that the federal $46.6 million Rural Transition Assistance Program designed to help

farmers forced off the land is an example of government policy that honestly looks at the problem of debt-burdened farmers.

Those are the kinds of things that clearly reflect that the policies of the Government are on the right track. There is no question about that.

The Opposition is now charging that thousands of farmers will be put off the land as a result of the actions which the Minister of Agriculture (Mr. Wise) announced on April 27. That is absolutely false. It is malicious and it is misleading. If Hon. Members had had the courtesy of at least reading the news release and listening to the Minister of State for Canadian Wheat Board (Mr. Mayer), they would have a clear idea of why this action has been taken.

The moratorium was really beginning to create two classes of farmers in financial difficulty—the FCC farmers who were not facing foreclosure and therefore not applying for assistance through the debt review process, and the non-FCC borrowers who through the debt review process have access to an impartial review of their financial situation.

When the moratorium was put in place, it was put in place until such time as other programs such as the Rural Transition Assistance Program, farm debt review boards, commodity based loans, and shared risk loans, were put in place.

As has been indicated, every farmer who is in difficulty with farm credit will be dealt with on a personal basis, and arrangements will be worked out in a satisfactory manner. This action is not to force farmers off the land. This action is to help keep farmers on the land and to help establish a viable farm unit. That is the point which has been clearly lost, deliberately or perhaps unwittingly; I am not sure.

Our record in agriculture as a Government is clear. The Prime Minister (Mr. Mulroney) has not, is not, and will not abandon or ignore the farmers of Canada. We recognize, as do all Members, I am sure, that there are some very serious problems particularly in the grains and oil seeds industry. There are difficulties caused by actions beyond our control, but we have responded on several fronts.

The Hon. Member for Winnipeg—Fort Garry talked about the international front. A year ago, before the Prime Minister left for the Tokyo Summit, he met with the agricultural community and was successful, with the support of the Secretary of State for External Affairs (Mr. Clark), in bringing agriculture to the top of the agenda at that summit.

Since then there were multilateral trade meetings in Uruguay. The Minister for International Trade (Miss Carney) met with the Fair Traders group in New Zealand where she outlined five basic principles. Perhaps I should put them on record. They read:

Agriculture policies should be designed so as not to adversely affect international trade.

To this end progressively over time:

(1) agriculture policies must become more price responsive;

(2) support should be provided for farmers not farming;

(3) countries should freeze and seek to reduce governmental assistance measures that artificially distort world prices;

(4) countries should not introduce new import barriers not mandated by existing legislation;

(5) these basic principles must be implemented collectively.

Essentially those principles were accepted. Out of that meeting has been arranged a further meeting of the Cairns group which will take place here in Ottawa between May 21 and May 23.

At the present time the Minister for International Trade is in Japan furthering this campaign. I am pleased to report that momentum is building to deal with the crisis in agricultural trade caused by huge export subsidies. It is the only long-term realistic solution, and I think progress is clearly being made.

I should like to refer to the Sunday, April 26 edition of *The Edmonton Journal* which reads:

Canada, strongly supported by Australia, has championed the cause of countries that have seen their agricultural trade suffer largely due to a farm subsidy battle between the United States and the European Community.

I think that is pretty clear evidence that we are on the right track, and we are making progress.

That is what Mr. Lang believes in. That is what Mr. Turner of the Saskatchewan Wheat Pool believes in. That is what Mr. Simpson or the editorial staff of *The Globe and Mail* believe in. That is what Darryl Kraft, the head of the University of Manitoba believes in. Perhaps the Hon. Member for Winnipeg—Fort Garry knows him. However, he has suggested that that is the right long-term course of action. That will provide the long-term solution.

What do we do in the meantime? We have addressed the input cost question. I just referred to the massive reduction in interest rates, which has been the result of good financial management by the Government. Every time the interest rate goes down by one percentage point, the farmers of Canada save between $130 million and $140 million. If we look at it, it has dropped at least 5.5 percentage points since we assumed office. That is a savings on an annualized basis of something between $600 million and $700 million.

Interest rates are the lowest in 14 years. FCC rates are the lowest in eight years. We removed all fuel taxes, 33.75 cents per gallon.

Those people over there did nothing. They put on fuel taxes. Farm fuel is now nine cents to ten cents per litre in Alberta, that is, 40 cents per gallon.

Do Hon. Members know what it was in February, 1984? Farm fuel was $1.45 per gallon or over a dollar per gallon more than it is today. There were 60 cents worth of taxes on that fuel thanks to the NEP. There were taxes on ammonia of something like $70 per tonne. Freight rates have been reduced.

Mr. Foster: Freight rates are going up by 50 per cent.

Mr. Mazankowski: I said that freight rates have been reduced. They were $7.70 when we came into office. It is about $6 now, and we will see what happens.

Mr. Foster: They are going up.

Mr. Mazankowski: We have to comply with the legislation which the Liberal Party brought in.

Mr. Axworthy: You are the Government. Change it. Act like the Government.

Mr. Mazankowski: We rolled back the freight rates for a period of two years, as we said we would. We are encouraging diversification and broadening the economic base. We are also encouraging new opportunities in agriculture, research and development, demonstration projects, minimum tillage, soil conservation, and new techniques in soil management. Those are all things that are very much a part of our efforts to stabilize, broaden and diversify the western economic base, particularly the agricultural base.

• (2250)

In terms of direct support, Mr. Speaker, something in the order of $3.5 billion will be flowing into the agricultural industry, primarily to the western Canadian economy this year. That is an increase of 58 per cent over last year. When you look at last year's 1986 realized net farm income, it was up 20 per cent over 1985. The 1987 projections are that it will be about the same with the support. As a matter of fact, the Alberta Wheat Pool budget says that 1986 total realized net farm income in Alberta was $788 billion, a remarkable 45 per cent over the 1985 level. In 1987, Statistics Canada projects that the Saskatchewan farm income will be up by 34 per cent over last year. The Alberta farm income, as I said, is about the same. This graph, which was included in the Canadian special grains program, clearly demonstrates that with the $1 billion special pay-out the 1987 farm receipts will be roughly the same as 1986.

Mr. Mayer: That is right.

Mr. Mazankowski: Perhaps that is not something to crow about but at least it does not reflect the kind of dismal situation that some people across the way would suggest.

What else are we doing? The Minister of Agriculture is working very closely with farm groups, and will continue to do so. I noted again that the Hon. Member across the way suggests that unilaterally we should do this, this and this without any consultation with the farmers. We believe that consultation with farmers is very much a part of the success of salvaging this industry and working with it.

I could go on. I just got a letter today from the Canadian Cattlemen's Association to the effect that it will be saving roughly $100 million annually as a result of the action we took to reduce the imports of subsidized beef from the EEC.

Mr. Foster: You backed down on that.

Mr. Mazankowski: There are a number of things that have been done.

We must put this into perspective. This Government inherited a legacy of crippling interest rates, high unemployment, burdensome debt, a huge deficit and a crippled economy.

Mr. Blackburn (Brant): That is not washing any more, Don.

Mr. Mazankowski: In 1983 farm income was the lowest in 45 years since 1938, down 48 per cent from 1981. Let us look at the rise in bankruptcies. In 1979—that is when we were in office for a short period of time—there were 125 bankruptcies. In 1983 there were 488 bankruptcies, and in 1984 there were 551 bankruptcies, but since September, 1984, bankruptcies have declined—

Mr. Foster: You had a moratorium on.

Mr. Mazankowski: —by 8 per cent to 508 and to 440. They laugh on the other side.

Mr. Axworthy: You are a joke.

Mr. Mazankowski: Because we have addressed the fundamental problems. Members in the Opposition find that a joke.

Mr. Axworthy: There were 837 applications this month alone.

Mr. Mazankowski: We will continue to price and sell aggressively, maintain and increase our market share. We will support our farmers on the international front. We will continue to work with them in reducing input costs. We will continue to work with them in diversifying and broadening the economic base. We will continue to give them direct support, something the opposition Members across the way would not do. The ultimate objective is to restore order and sanity on the international scene. We will continue to work at the international level under the leadership of the Prime Minister, supported by the Secretary of State for External Affairs, the Minister responsible for the Wheat Board, the Minister for International Trade and the Minister of Agriculture.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I think it is useful to note that the only time when we discuss agriculture in Canada is when members of the Opposition ask for emergency and special debates on agriculture.

Mr. Mayer: What a bunch of rubbish.

Mr. Riis: We wait month after month, year after year to spend some time debating some new policy, some new Bills to help farmers, to help those food producers. I cannot remember when we have taken two or three days in this House to debate a Bill on agriculture. The only debate, as tonight, is when the Opposition asks the Speaker whether or not he believes that the farm community is in crisis, that there is an emergency situation requiring a special debate.

The Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis) said earlier that there is no problem in the farm community, there is no reason for a special debate tonight, there is no emergency. I would ask him to go out west and visit any prairie province. He should go out through Ontario, Quebec, Atlantic Canada and British Columbia and ask the food producers whether there is a problem in the farm community today. He would have to look long and hard to find a single farmer who would say no, that everything was fine.

That betrays the insensitivity of this Government. It has lost touch with reality. What we have found today, as a result of the last few announcements, is that the Government has abandoned the family farm. This Government has said that the family farm is finished; it is agribusiness and corporate agriculture. The family ranch and the family farm is no longer a viable operation that we are prepared to support.

Mr. Gustafson: That will not sell.

Mr. Riis: That is what he said, Mr. Speaker. That is what they are saying. The Minister responsible for the Wheat Board (Mr. Mayer) said, "I was out here last year and said that the price farmers will get for wheat will go down 20 per cent", and then a week ago he said, "This year it will go down another 18 per cent". In the prairie economy men and women can no longer raise grain profitably. They no longer have prices to cover their costs. I speak about this from a personal perspective. My grandfather drove out to the western plains in an oxcart and a car with his family with him mile after mile, hundreds of miles on to the bald Prairie, with prairie wool that deep, Mr. Speaker. The Conservatives laugh at my grandfather who settled the west—

Mr. Mazankowski: They are laughing at you.

Mr. Riis: They are laughing, and the Deputy Prime Minister (Mr. Mazankowski) is now laughing and saying that this is a joke. Let me finish my story.

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. I would never want to laugh at the parents or grandparents of anyone. It is the Hon. Member who is a joke.

Mr. Mayer: He is an embarrassment.

Mr. Riis: Let me expand on what the Deputy Prime Minister calls a joke and what the Minister responsible for the Wheat Board calls a joke. My grandfather settled in southern Saskatchewan. His sons and daughters built and expanded that farm. Their sons and daughters built and expanded that farm. Today they are uncertain whether they will be able to continue because of the inaction, in part of this Government. They feel this Government has turned its back on them. The Government has said, "We are no longer interested in a family farm that for three generations has struggled on the plains of southern Saskatchewan".

Let me tell you something else. This past month I have toured my constituency and I have attended three auction sales, all ranches that have been forced out of business. They can no longer continue. On one ranch, the Bar P Ranch, the rancher's health has broken. He had run the ranch for two generations. He has a stress-related health problem because he simply cannot continue with this impossible 200 head cow operation. He can no longer continue and he is selling out. That was one auction sale, Mr. Speaker. I saw men who have worked 20 hours a day for their entire life, rough, tough cow men, standing there with their eyes bleary because they know that it is not the Cartwright family or the Brown family who own the ranch lands but the Bank of Montreal, the Royal Bank of Canada, the Canadian Imperial Bank of Commerce. The banks are taking over the country. The banks are taking over the ranch lands of central British Columbia. Today when the questions were put—listen, is the Minister now prepared to meet with the bankers to see what kind of a situation we can arrange? The Minister said he was not prepared to do that and was not even interested. It is time we had a Government in place that put farmers rather than bankers first. That is not what we are experiencing at the moment.

• (2300)

One might ask why the Minister would say that. I remember when the Hon. Member for Lethbridge (Mr. Thacker) was on this side of the House. For two or three years before the last election, he kept rising to say that when his Party governed, there would be agri-bonds, agri-bonds would save the day and enable the farmers to continue. As a matter of fact, I said that I thought that the idea of agri-bonds was a good one. The then Prime Minister who was running for re-election also said that he would put agri-bonds in place if his Party was in power. Do you see any agri-bonds here today, Mr. Speaker?

Mr. Holtmann: No, you don't.

Mr. Riis: We do not see any agri-bonds today because the Conservatives have betrayed the people of Canada. They have gone back on the promises they made in western Canada while the Prime Minister (Mr. Mulroney) was touring the food-producing areas of western Canada.

Then there was another idea, an idea for a farm creditors' arrangements Act, an Act introduced during the 1930s and 1940s to stave off the banks from foreclosing on quarter-sections containing homesteads. I vividly remember Members opposite saying when they were in Opposition that they would bring in a new version of the farm creditors' arrangements Act when they were elected so that they could keep the bank away from the doors of farmers and ranchers. Where is it? There has been not a word, not a murmur, not a phrase. They have abandoned it. Instead, they brought in a toothless Debt Review Board that quite frankly is a joke in the agricultural community.

The Conservatives did take a step in the right direction when they placed a moratorium on Farm Credit Corporation foreclosures. At that time, 673 farms that were on the brink of bankruptcy were saved. However, rather than developing

programs to assist those hard-pressed food producers, 19 months later when the situation is worse than ever, what has the Minister of Agriculture (Mr. Wise) announced? He has announced that he is lifting the moratorium, throwing these people to the wolves, opening them up to the banks. What would you do, Mr. Speaker, if you were a banker and there were all of these farmers who were overdrawn on their accounts?

When representatives of the Farm Credit Corporation appeared before the Agriculture Committee just a few weeks ago, they said that within their jurisdiction, there were 13,680 farms that they considered to be insolvent. There were a further 53,010 farms with serious, major, critical cash flow problems. There were 6,000 borrowers who were more than two years in arrears and more than 15,000 borrowers with serious arrears problems. Those are only Farm Credit Corporation borrowers. That is a small part of the agricultural community. We are talking about hundreds and hundreds of farms that are bankrupt and have now been abandoned by the Farm Credit Corporation. On top of that, there are thousands and thousands of farmers across Canada who will go bankrupt unless some action is taken but the Government says that there is nothing it will do now, it will back away from all of this.

I will continue to describe my visits to the various auctions. I attended a second auction only two weeks ago. I feel quite choked up when I vividly recall that evening. A family that had been on the land for three generations had experienced severe economic difficulties through no fault of its own. This family experienced difficulty because of high fuel costs, high fertilizer costs, high barbed wire costs, high costs right across the board. Farm credit rates were very high—

Mr. Holtmann: Barbed wire?

Mr. Riis: Oh, they laugh. The Conservatives sit here and laugh.

Mr. Holtmann: Do you know what barbed wire is? Barbed wire. You're a haywire farmer.

Mr. Riis: The Conservatives sit here and laugh at these stories. I want the people of Canada to know—

Mr. Holtmann: Haywire is what you're talking about.

Mr. Riis: Mr. Speaker, I apologize for calling something barbed wire.

Mr. Blaikie: Ranchers use barbed wire, Felix.

Mr. Holtmann: They don't use barbed wire but Bill Blaikie wouldn't know that if his life depended on it.

Mr. Orlikow: Ignore him because he won't be here after the next election.

Mr. Riis: As my friend from Winnipeg says, I can ignore my hon. friend because his life here is very, very short.

Mr. Holtmann: It's not barbed wire. I'm a farmer, buddy.

Mr. Riis: Ranchers use barbed wire. Forget it, Mr. Speaker. It is irrelevant.

Mr. Holtmann: Pack it in with the barbed wire. You're a haywire outfit.

Mr. Riis: I do not want to get angry tonight.

Mr. Benjamin: Go ahead, get angry.

Mr. Riis: As they are laughing, I want to continue because the gentleman to whom I was referring, a cattleman, had lost his ranch after three generations. He lost his family. His wife and three children had left because of the severe economic problems. He was standing there while all of his household equipment went out. Even his personal guitar was sold for $25 or $30.

Mr. Thacker: Are you opposed to the transition program?

Mr. Riis: The Hon. Member for Lethbridge is talking about the big program the Conservatives brought in, the one program that is designed to help farmers get out of farming. Rather than have programs designed to assist farmers to get out of the business, we say it is time we started to see programs introduced in the House of Commons designed to put people back into farming. Put them back on the land.

Mr. Blackburn (Brant): You've got no will over there, that's your problem. You haven't thought it out. You've got no programs.

Mr. Riis: Ten days ago, I attended another auction. At that auction, I met a family whose youngest son had committed suicide as a result of severe difficulties in the family and financial problems.

Then I had a chat with the auctioneer at that auction. I told him that this was one of the worst months I had experienced, visiting the various ranch and farm communities in my constituency. I told him that these people had been forced off their land. He told me that he is an auctioneer but his father was a cattleman and he was born on a ranch. He said that his ranch went bankrupt and now he is an auctioneer but he would rather be a cowboy. That is the situation in parts of western Canada. That is what is happening to my own family in southern Saskatchewan. They are being forced off the land.

We say that there is an emergency here. The Hon. Member for Prince Albert (Mr. Hovdebo), who introduced the motion asking for a special debate, reminded us of the various problems farmers are facing. He told us that the Ontario Government did a study in 1985 and found that 38 per cent of all farm fatalities occurred as a result of suicide. That does not happen in any other sector of the economy.

The Ontario Federation of Agriculture did a study and released its results a few months ago. It found that 80 per cent of farmers suffer from stress and stress-related illnesses.

We are sitting here waiting week after week. We ask the Minister of Agriculture (Mr. Wise) and the Minister responsible for the Wheat Board where the programs are. We ask them where the initiatives are. Where is the leadership to do something for our food producers? We do not get new programs. We do not see Bills brought into the House. We hear announcements like the one taking the moratorium off Farm Credit Corporation foreclosures. We hear the announcement that the price received by grain producers will be 18 per cent lower than it was last year. That is an abandonment of the family farm.

Other countries consider the family farm to be paramount. They believe that the family farm is a productive unit that must be kept in place and retained as a viable operation. My friend and colleague from Yorkton—Melville brought in a Bill for parity pricing so that food producers would be able to receive prices for what they raise on their farms and ranches that would at least meet the bare cost of running their operations. Did the Government support that? No, it did not.

Then we called for agri-bonds. There is no support for that. We called for a Debt Review Board with some teeth but got no support from the Government. We now call for a support package for the western grain producers and we hear no comment. How can a grain producer plan in the spring of the year for his future, for the months and years ahead, when the Government refuses to say whether or not it will bring in a package of support that will enable him to continue on as a farmer in western Canada? It is impossible.

Farmers in western Canada sit in coffee shops and over the kitchen table discussing whether or not they should plant this year and if they do what they should plant because there is no security, no indication what the Government plans to do, no indication of any kind of support. Then they read the newspaper that same day and find that the Prime Minister has dipped into the Progressive Conservative re-election fund to the tune of $308,000 to build in part special cupboards for his 85 pairs of shoes and 100 or so pairs of shoes for his wife. People wonder if this individual understands the problems in western Canada. Can he begin for a moment to understand the incredible duress and stress that western producers are experiencing these days? No, he cannot.

• (2310)

We will probably see tomorrow that the Bill introduced for discussion will deal with the abolition of Canagrex. The Government is still trying to get rid of Canagrex, a corporation that was out opening up new markets and new opportunities for Canadian farmers.

Mr. Holtmann: What did it do?

Mr. Riis: I will tell the Hon. Member what it did. With a very limited budget it was finding all kinds of new market opportunities.

Some Hon. Members: Oh, oh!

Mr. Holtmann: It did not find anything.

Mr. Riis: It was going around the world identifying export opportunities for our farmers.

Mr. Holtmann: Don't give me garbage like that.

Mr. Riis: We have respect for our farmers. We believe in them. We believe in the family farm. It is time the Hon. Member believed in the family farm and family ranch and got away from supporting corporate agriculture. What is wrong with the family farm or the family ranch? We in the NDP support them. Yet the Bills we debate on agriculture deal with how to get out of marketing our products.

Times must change. As the evening wears on my colleagues are going to be laying out a whole set of proposals and solutions. I suggested agri-bonds because you promised agri-bonds and you reneged on that promise. I referred to a Debt Review Board with teeth which you promised and you reneged on it. I referred to the Farmers' Creditors Arrangement Act, or a version thereof, which you promised and which you have reneged on.

Mr. Clark (Brandon—Souris): We never promised that.

Mr. Riis: What on earth have you delivered on?

To allow the debate to continue to the fullest extent so that all Hon. Members who have positive, creative solutions to the problems faced by Canadian food producers, and pursuant to Standing Order 9(4)(*a*), I move, seconded by the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie):

> That this House continue to sit past twelve o'clock for the purpose of continuing debate on this very important matter.

Mr. Deputy Speaker: I find the motion in order.

Will those Members who object to the motion please rise in their places?

No one having risen, pursuant to Standing Order 9(4)(*b*), the motion is deemed to have been adopted.

Resuming debate.

Mr. Sid Fraleigh (Lambton—Middlesex): Mr. Speaker, I wish that as a Member from Ontario I could say I was pleased to participate in this debate tonight. Unfortunately I cannot express that sentiment. I have listened with great chagrin to the theatre across the floor, particularly from the last speaker for the NDP, and it makes me sad to think that we have people in this House who can make fun of so serious a problem.

Agriculture is perhaps facing its most serious time since the 1930s. It is perhaps even more serious than that. What really bothers me is the absolute lack of knowledge on the part of some Members opposite concerning what is actually happening in agricultural communities. In my area the crops are going in. They are going in under great difficulty, but they are going in. Crops will go in across western Canada; under great difficulty

but they will go in. Farmers are a resilient group, always have been and will continue to be in the future.

Members from downtown Brantford and downtown Sault Ste. Marie who understand so much about basic agriculture have all these wonderful plans for agriculture. We just heard the Hon. Member for Kamloops—Shuswap (Mr. Riis) talk about Canagrex, that great institution put in place by the former Liberal Government, supported by the NDP. It is supposed to have sold millions of dollars worth of commodities. It did not sell one thing. Not one thing.

Then we have the NDP proposing that we move to parity pricing. To do that would require that 50 per cent of the farmers now on the land go out of business. I want to ask Members opposite which of them are going to be prepared to leave the land? I have not heard from any volunteers.

Mr. Althouse: How do you figure that?

Mr. Fraleigh: Because of the simple fact that the only way you can implement parity pricing is to have production controls. What are you going to do with 90 per cent of the wheat produced across the Prairies? Feed it to the sparrows?

The Government will support our agricultural industry as it has in the past and will in the future. We are hearing all of this doom and gloom and how they want the Government to make an announcement right now about what financial support it will give to agriculture in the coming year. I think the farm community is convinced that the Government has shown it has some sympathy for the plight of the agricultural community. We are unfortunately having to place government funds in the hands of farmers to allow them to put their crop in this year.

There has been a great deal of debate tonight on the lifting of the FCC moratorium, and all kinds of allegations have been made about the great flood of foreclosures which will occur. I suggest that there will not be a great flood of foreclosures. If anyone would like to debate that point I would be more than pleased to do so.

The NDP and Liberals have asked what this Government has done for agriculture. They singled out one item from the Prince Albert statement which the Government has not delivered on so far. I want to take a minute and expand on some of the reasons for not delivering on that proposal. The Government formed a joint committee of the Standing Committee on Agriculture and the Standing Committee on Finance and Economic Affairs to review the three financial problems encompassed in the 16 points made in Prince Albert.

Contrary to what the Liberals or the NDP might have done, we went out and consulted with the farm community. The farm community told us that they did not want Section 31 to be monkeyed with at the present time and we listened. A joint committee went to the United States to review their agri-bond program and we came back with all-Party agreement that there was too much slippage in such a program, that the benefits were going to the banks and investors rather than to the farm community.

• (2320)

The Opposition has asked what the Government has done.

Mr. Foster: No, what it's going to do.

Mr. Fraleigh: I will tell you some of the things that we have done, are doing, and will continue to do. After much dillying and dallying by the Minister of Agriculture under the Liberal Government the present Minister of Agriculture (Mr. Wise) announced a long-range five-year dairy program for which the industry had been asking for six years. After a great deal of negotiation with the egg-hatching industry, we implemented a national agency for that group. In consultation with the farmers we implemented a program which the farm community wanted.

Since it was brought up by the Opposition, I will take a minute to review the 16-point agricultural policy which was announced at Prince Albert. I want to point out for their edification some of the things which were promised and carried out. We said we would remove the capital gains tax for farmers and we did. We gave the farm community a $500,000 capital gains exemption effective immediately. We said we would remove the sales tax on farm fuels and we did it.

Mr. Foster: But you put it back on.

Mr. Fraleigh: We did not put it back on at all.

Mr. Foster: Yes, you did. In September, 1985, you put it back on.

Mr. Fraleigh: The Member wanted to know what we are doing now and I am telling him what we are doing now. There is no federal tax on farm fuels. We said we would change the Western Grain Stabilization Act and we did. We said we would change the Western Grain Transportation Act to remove the volume cap and freeze the rate. We did.

We promised to increase sales and expand our markets for grain. In the past year, in perhaps the most depressed period for grain that the world has seen since the 1930s, Canada increased its share of the world market. I fully understand that we did it at a loss, but we did maintain those markets and they will be there when grain markets turn around. We said we would allow dual labelling with both metric and Imperial on chemicals and we did it. We said we would bring forth a new red meat stabilization program and we did.

I would like to stop for a minute, Mr. Speaker, and expand on that particular program. There has been a tremendous take-up in both the cattle and hog industries of the tripartite stabilization program. We have gone through a reasonably buoyant time in both of those sectors. A kitty is being built for those farmers to draw on in times of depressed prices.

We promised to reduce the flow of EEC beef and we did it. We said we would establish farm debt review boards and we did that. We said we would impose a moratorium on branch

line abandonment until all options and alternatives could be considered and we did that too.

I suggest to you, Mr. Speaker, that of 16 major policy initiatives promised by the Government, 14 have already been delivered upon and serious consideration is being given to methods to address the other two. That is not a bad record. It has been suggested by members of the opposition Parties, particularly the Liberals, that our agricultural policy has no substance.

I am not going to repeat all of the remarks that were made a couple of months ago after the introduction of the Liberal policy for western Canada. I am sure most Members in this House have read them all. However, the major response from western Canada was that there was absolutely no substance to any of those recommendations. It is a sad day for agriculture when it must depend upon the Government for hand-outs, but that is the reality of life. The Government has committed itself to support the agriculture community in the future and we intend to live up to those commitments.

Mr. Derek Blackburn (Brant): Mr. Speaker, the evening is now getting late and there are still several Members who wish to speak on this emergency debate on the subject of the crisis on the farm front today which was forced on the House by the New Democratic Party. This crisis has not developed only in the last few weeks or months. Over the last several years we have seen the financial position of the farmers of Canada deteriorating, at first slowly and, in more recent times, rather quickly.

I should begin this evening by stating that in this debate I will speak primarily about farmers in my constituency in central Canada. However, farmers right across the country are suffering today as a result of poorly thought out government programs, world market forces, and the inability of successive Governments to respond to those world market forces.

I recall talking, not long ago, to a Conservative Member of Parliament from Westminster who was visiting Ottawa. I asked him why the British farmer today is doing quite well relative to the situation which had obtained in the United Kingdom prior to its entry into the EEC. He said that the British farmer is better off today than it was at that time because the Government made a conscious philosophical decision to preserve British farms. It was a Government's conscious, philosophical decision rather than an economic one. It was a commitment that farms in the United Kingdom were worth preserving.

After hearing him say that, I could not help but think that the major problem in this country is that we do not have a Government in Ottawa, nor did we have one prior to 1984, which was consciously prepared to make the philosophical decision that the family farm was worth preserving. Unless and until we have a national farm policy, the basic premise of which is that the family farm is a viable, worthwhile economic union and that the rural way of life must be preserved, we will not be able to tackle the day-to-day financial and economic problems which plague that sector of the economy. Once the basic philosophic decision is made, the solutions will begin to flow from that basic decision. The fact that we have not yet arrived at that point is what is so deplorable about the reason behind this debate tonight.

• (2330)

I am convinced that if we had a rational national farm policy in this country to preserve the family farm, the Minister of Agriculture (Mr. Wise) would not have announced the lifting of the moratorium on Farm Credit Corporation loan repayments a few days ago. It would have been logically contrary to a national farm policy because he would have realized that lifting that moratorium would injure perhaps anywhere from 50 farms a month to 600 or 6,000 farms a year.

Mr. Fraleigh: What would you have done?

Mr. Blackburn (Brant): It would not have been government policy and he would not have made that statement. He would have convened the best minds in the farm community to try to work out other alternatives. I am certain that if the will was there and the philosophical national farm policy existed, in principle, the financial solutions would have been forthcoming.

This evening we are not just debating a financial crisis on the farm front. We may very well be debating the end of the family farm as an institution in this country. I am not suggesting that farmers will go into bankruptcy in the near future. I am saying that this might very well be a watershed week in the history of family farming in this country.

From now on, an increasing number of farmers will be of the belief that Ottawa does not care and is casting them adrift at the darkest moment of their economic crisis. They will believe that Ottawa is telling them that they must pay up or go out of business.

This will first have a ripple effect that I predict will become somewhat of a tidal wave in Canada, under which people will finally give up. How much longer can we in Ottawa expect the resilience, to use the words that were mentioned by the Member opposite, the faith and determination of our farming communities—

An Hon. Member: Don't worry about us, we will manage all right.

Mr. Blackburn (Brant): —to keep the family farm alive? I do not think we can expect that to continue much longer.

The European Economic Community knows how to look after its farmers. I am not talking about subsidies but about breaking into new markets and selling their surplus products as well as subsidizing the farmers. The EEC has a commitment to maintain the family farm as well as farm and food production in western Europe.

Let us consider the United States, that bastion of free enterprise that philosophically does not believe in interfering in the market-place yet chastises us every time we do so. The

Americans introduced their American Farm Bill, which is contrary to their philosophy, in order to protect their farmers against the EEC.

What is the federal Government doing? I believe it is in the process of providing $1.3 billion or $1.4 billion. While I am not arguing against that or suggesting that the Government is doing nothing, I am saying that in the global sense of the financial crisis facing farmers it is only a stop-gap solution. It is not a long-term solution or policy.

Mr. Fraleigh: What is a long-term solution?

Mr. Blackburn (Brant): The farming problem in this country—

Mr. Gottselig: Tell us about it. Give us your answer.

Mr. Blackburn (Brant): Stop-gap solutions are discouraging to farmers. They do not know whether they will have a reasonable income in order to continue. They go from seeding to harvest, and back to seeding without knowing what will happen in six months or a year.

Is it any wonder that farmers who are interviewed on television almost every night are saying that they will not seed 50, 100 or 200 acres this year because it will not pay them to do so? They ask: "Why should I go out to work on the field when I know that I will come up a net loser on it"?

Mr. Gustafson: You find that farmer and let us know.

An Hon. Member: Only the socialists are saying that.

Mr. Gustafson: You find that farmer and let us know.

Mr. Blackburn (Brant): I have been in the House many years and know that at this particular time of the night it is very easy to heckle. I do it from this side and Members do it on the government side.

As I look around the House, most of the Members in the House right now represent ridings in which there are many grain growers. I am not so certain that they are taking this debate all that seriously, and they should be. They should be telling the two Ministers responsible for agriculture in this country what they believe the solutions are for their farmers in their constituencies. I have yet to hear anything in a speech tonight that would indicate that they have any solutions or answers to the farm problems.

Mr. Gottselig: Let's hear yours.

Mr. Blackburn (Brant): A couple of months ago I convened a farm forum in my constituency. We invited various farm producer groups to make representations in the morning, and 13 different producer groups came to present their briefs. In the afternoon the meeting was open to individual farmers. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse) and the Member for Prince Albert (Mr. Hovdebo), who are farmers, were also in attendance. I am not a farmer, but I helped to provide the forum for the farmers in my constituency to come and be heard.

Mr. Mayer: Why did you not ask me? I am a farmer. Why did you not ask me?

Mr. Blackburn (Brant): You are welcome any time, Charlie, to come to Brant and tell the farmers what wonderful things you are doing for them. I will not be responsible for your safety when you leave.

Mr. Mayer: I will be happy to come.

Mr. Blackburn (Brant): But I do not want to be responsible for what may happen to you. Consider it an open invitation to come to Brant any time you want, but don't say that I personally invited you because I do not want to be part of something rather unsavoury that might happen.

Mr. Mayer: You are not going to invite me?

Mr. Blackburn (Brant): Contrary to what you guys think over there, you are not quite as popular as you think on the farm front today. I know what is causing you to be nervous. I know what is causing you to be upset. However, nothing is coming from it. Farmers are going bankrupt day in and day out and all we hear are speeches from the Ministers. All we see are stop-gap measures.

The Hon. Minister was not in the House when I opened my remarks.

Mr. Mayer: I heard what you said.

Mr. Blackburn (Brant): The problem is that you have not established a *raison d'être*, a philosophical reason for maintaining the family farm. If you can devise a national policy you will probably find the answers.

Mr. Mayer: You did not listen to my speech.

Mr. Blackburn (Brant): Our meeting was a success in terms of receiving much input from very concerned farmers. I want to stress that this meeting was totally non-partisan and not made up of members of any political party.

Mr. Mayer: Why did you not invite me if it was non-partisan?

Mr. Blackburn (Brant): I want to tell the Minister about some of their major concerns. I am not only talking about the lifting of a moratorium on debt, which is a major critical issue at this time, but there are many very difficult, complex problems facing the farm community today not just in southern Ontario or my riding of Brant, but right across the country. In that list we have, for example—and this will come as no surprise to the Minister responsible for the Wheat Board—low commodity prices, high production costs, debt, land values, depreciation or erosion, short term aid, long term solutions and the lack of them, marketing, free trade and political will.

• (2340)

Mr. Mayer: Cost of machinery.

Mr. Blackburn (Brant): The farmers could pay for Massey Ferguson combines when farmers were making a decent living. They could afford those combines. They cannot afford them today because they are not making any money. That is one problem.

With respect to low commodity prices, and virtually everyone tonight has mentioned this as a major problem, obviously there has to be some kind of guaranteed assistance in the short term. The American Farm Bill is helping its farmers. The EEC is subsidizing its farmers. Are we going to sit back and let our farmers go out of business because the Conservative Government is opposed to some kind of subsidization which is guaranteed to farmers for, say, two, three or four years, not just every six months or from seeding to harvest?

We should be telling the farmers that we are going to guarantee them a reasonable return on their investment and hard work for the next five years, if need be, in order to give them a breathing space so that they can plan ahead instead of thinking: "Well, this may help me this growing year, but God knows where I will be next year".

With respect to high production costs, farmers in my riding today are receiving less today for a bushel of corn than they were in, I believe, 1975 or 1977. Yet their production costs go up every year. I may be wrong but I think they are something like seven-fold higher than they were in 1975. That is a lot. It may be five-fold, but the point is that production costs have gone up immensely and prices have gone down. I would like to know what small city industrialist who employs perhaps 15 or 20 people would stay in business under those conditions. But a business in the city can perhaps get out of one line and move into another line which is more productive. What can a farmer do? Can he give up the rural life, give up his traditions?

I talked to young farmers in my constituency and they feel embarrassed. I am sure that is true across the country. Our farmers are among the best trained farmers in the world. We have a sign on a farm gate in my constituency which says "Century farm". It was a project, I believe, of one of the young farm organizations in Ontario. Young farmers feel personally ashamed that they are getting deeper and deeper into debt and can see nothing but bankruptcy at the end, when their grandfather, greatgrandfather, and in some cases their great greatgrandfather, going back to the 1840s and 1850s, first started farming on that parcel of land. It is easy for us to say that they should not feel personally guilty but they do. That is what young farmers are like.

It would be different if the situation were as it was in the late 1950s when a lot of farmers refused to modernize, to study and to improve their ability to farm. But today some of the best farmers are going bankrupt. Is it true in city industry that the best industries are going under? I do not think so. I think the industries which are going under in our cities today, certainly in southern Ontario where the urban economy is basically booming in the so-called "golden horseshoe", are seen as very poor businessmen, incompetent in many cases. But in farming it is the best farmers who are going deeper into debt and are staring bankruptcy in the face.

The other problem, of course, is debt, and that is what this debate is all about. I would like to ask the Minister, who is here, why, in God's name, did the Government decide at the end of last week to lift the moratorium? Why now? Was it pressure from the banks so that they could then go into lockstep right behind? Was it to give them further justification to pull the rug out from under their debtors?

Mr. Mayer: What has that got to do with the banks? It has nothing to do with the banks.

Mr. Blackburn (Brant): The farmers are beginning to wonder whether or not the Government was pressured by the banks into making this move.

Mr. Mayer: It has nothing to do with the banks whatsoever.

Mr. Blackburn (Brant): Well, many farmers are beginning to doubt that. Many farmers are saying that perhaps the Government knuckled under to the banks and made the first move. The Prime Minister (Mr. Mulroney) is saying he is not getting his message across. The Deputy Prime Minister (Mr. Mazankowski) is saying that one of the reasons the Government is doing so poorly in the polls is that it is not selling its programs to the people. It is not informing the people. Perhaps the Government had better start doing that because the farmers in my constituency, generally speaking, are saying to me it is the banks which are probably pushing the Government into lifting the moratorium. If the banks are not, the Minister had better go down there and tell those farmers the true story.

I find it depressingly agonizing to participate in this kind of debate. I have been involved in debates like this before in this House, in my constituency and in other parts of Canada. We are dealing with some of the best farmers in the world. I am not exaggerating when I say that the suicide rate is 12 times the national rate by occupation. Something is obviously wrong. The incidence of nervous breakdowns, mental illness and emotional stress is highest amongst farmers, farmers' wives and their children. Something has to be done and it has to be done soon.

Let me end by simply saying that the solution to preserving the family farm in this country is not to fund its demise. It is not to pass on money to farmers so that they can get out of farming. My God, how hypocritical can a policy be? It is argued on the one hand that we want to preserve the family farm and on the other hand the Government is prepared to give them money to get out of farming. That is the national disgrace which we are debating tonight.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I see that Hon. Member for Brandon—Souris (Mr. Clark), the Hon. Member for Moose Jaw (Mr. Gottselig) and the Hon.

Member for Lambton—Middlesex (Mr. Fraleigh) seem to be surprised to see a Montreal Member of Parliament participating in the debate. Even my esteemed colleague who just spoke, the Hon. Member for Brant (Mr. Blackburn), said: "You, Marcel, are not going to participate in this debate?" Well, yes, I am, and very briefly. It may surprise a lot of people but it is for the Canadians who are watching us from across Canada. It is 10 minutes to 12 o'clock at night in Ottawa and in Vancouver it is 10 minutes to 9 o'clock.

I will try very briefly, if I could get your attention, Mr. Speaker, and that of my friend and esteemed colleague, the Hon. Member for Assiniboia (Mr. Gustafson), to explain to Canadians what is going on and I will do that a little in French so I can talk especially to those who understand French and try to get their sympathy and understanding for the plight of people in Canada who at the moment are going through tough times.

I am not going to be partisan because I am not familiar enough with the subject of the western economy. My colleague would be right in correcting me if I were to be wrong in my facts and figures.

[*Translation*]

But when I see, Mr. Speaker, that the price of grain was and—

• (2350)

[*English*]

I do not mind being corrected by my colleague if I happen to make an error. If I do make an error I will admit it right away. What I want to say will still make sense. But if I make a mistake I ask my colleagues, especially Members opposite from Brandon—Souris, Moose Jaw and Lambton—Middlesex, and my esteemed colleague the Parliamentary Secretary to the Prime Minister (Mr. Gustafson), a long-time friend if I may say so, to correct my figures. What I do see is that if it is true that in—

[*Translation*]

—in 1984, the price of wheat was about $170, in 1985, it was around $160, and in 1986, it was around $130, and in 1987, we have just heard it will be around $110, it doesn't take an expert to realize that we have a major problem here, and that there are Canadians in one part of this country who are suffering the tragic effects of an economic was being fought by the United States and the Common Market. Canadians have been caught in the middle.

I just want to ask the people of Quebec to stop and consider the tremendous problems facing Canadians in western Canada.

I make no apology for speaking here tonight because Quebecers, even if many of us have now become urbanized, do not have to go back very far in their history to discover a past that is firmly rooted in the rural communities of their province.

[*English*]

I for one could claim to be a Montrealer, that is true. However, my grandfather and all of my uncles and cousins in Two Mountains are all farmers. As I was saying, we do not need to go far back in Quebec society to find very strong attachments to the rural life. It should be understood by Quebecers especially that there is an immense problem in western Canada at the moment. I imagine that it is not easy for the Government to cope with it. It is for that reason I want to have my remarks on the record, even if they are brief.

I made some notes while one of my colleagues was speaking. I wish to request in the strongest possible terms that the Government give a commitment now to save the family farm and the entire rural life of the country.

The lifting of the moratorium on loan repayments announced by the Government and the fact that it will now start foreclosing on thousands of farm loans causes great distress. There is no doubt about that. We have to understand the family concept. We have to understand what it means for someone who, suddenly, because of outside forces, finds himself in an immense difficulty. I do not necessarily blame the Government for this. I think it is the duty of all Canadians to follow closely the events that are taking place.

As a Canadian I do not apologize for taking the floor at this time. As I said in French, I am not an expert on the western grain economy. However, I want to have the same version in both languages. It is too easy to go from one to the other and not to say exactly the same thing.

People will probably say that here I go again on my Canadian trip. However, to me, that is the price that we pay when we are Canadians. Sometimes it is the Maritimes that suffer. When that happens western Canadians have to show generosity. Sometimes it is central Canada that is freezing. It is not good for Canada to hear people from western Canada say: "Let them freeze in the East". When the West is suffering it is not in the good interests of Canada to say: "I am from Quebec and $1 billion last year is too much and maybe another billion this year is too much". That limits the scope of what Canada should be for all of us.

We are all in this boat as one, supporting each other. That is the strength of Canada. That is why many of my colleagues and I said during the famous debate that took place some years ago in the Province of Quebec when some Quebecers wanted to pursue their future in another way, probably by moving out of Canada and having their own country, that the beauty of Canada, with a small population of 25 million, is in helping each other. We must understand that when there is a rough time in one part of Canada we should all be interested in the good of each other. It is late, I realize that, and when it gets to be this time my English leaves me, but

[*Translation*]

—in French, I would like to state that we must understand there is now a tremendous tragedy in western Canada. And I know Quebecers ask that question often enough. I see my

esteemed colleague, the new Member, and he knows there is often a tendency to say in Quebec: The Canadian Government always looks after western farmers, which always find themselves in a tight spot, and it always gives them a lot of money. But it must be added that the money that comes back to Canada brings a lot to Canadians from coast-to-coast. And this is why I believe we should unite in these difficult moments.

[*English*]

We have in these difficult times to get together and sacrifice. Some people in one part of Canada have to sacrifice so that other people in the rest of Canada can survive. Of course it will be an immense tragedy for someone like me who is still very attached to the rural farming area.

I do not know if I said it in French or English but it is well known in Quebec that my family comes from rural places in Quebec. I am very proud of that. I do not see why people should not repeat such a thing in public. I have learned a lot about the attachment to the earth and the values that one sometimes finds more in rural communities than in urban communities. For that reason, and for that reason alone, I want to say to the Government that I am positive that it will have the entire support of our Party in the decision, as difficult as it may be, that it must take in the future.

Of course the Government will have to find the money to carry out its decision. In finding the money it will help our rural communities to survive. It will keep what is so precious in Canada. I do not see that because I am from Montreal I should remain silent. I do not see why I should not show to the rest of Canada my attachment to rural communities and to the fact that it is a duty of all Canadians to support each other.

Mr. Côté (Lac-Saint-Jean): Shame, shame! What have you done for them?

Mr. Prud'homme: Is the Hon. Member for Lac-Saint-Jean (Mr. Côté) saying "Shame"? Perhaps he would like to stand up. If he says that what I say is shameful I do not know on whom. Is it shame on him or on whom?

Mr. Côté (Lac-Saint-Jean): What did you do for westerners?

Mr. Prud'homme: Perhaps the Hon. Member will make his own speech in a minute—

[*Translation*]

Let me say it in French: I certainly have no wish to allow myself to be let by the Hon. Member, because the tone would then be different. He knows it very well. I am simply trying . . . I have been provoked by a Conservative Member, a newcomer. If I wanted to be—

• (0000)

[*English*]

I do not wish to be unkind. Perhaps I should not attach too much importance to what he has said. It is not my habit to be unkind. However, if necessary, I shall indeed be so.

It is midnight now in Ottawa, and I would ask my hon. friend opposite to remain calm. I am merely trying to be helpful. If you do not wish me to be helpful, I can become viciously partisan—in which event I would be unhappy, because I do not think I would have contributed in any way to solving a very difficult situation across Canada.

I shall conclude my remarks in the French language to ensure that my explanation is accurately on the record.

If the Government provides $1 billion in aid for the grain farmers of western Canada, that is something that will have to be explained in other parts of Canada. Such an aid package might lead to further requests for assistance. The shoe and textile industries in the Province of Quebec are in need of assistance and protection.

One of the strengths of Canada is that we do help each other. Without that kind of understanding, Canada would have no *raison d'être*.

Therefore, I once again make a plea—

An Hon. Member: Oh, oh!

[*Translation*]

Mr. Prud'homme: I must admit that you are really unpleasant. If we want to have a serious debate and the Hon. Member continues to be that unpleasant, that is not the tone I like to use in this House. But each time the Hon. Member seems incapable of holding back, and I am referring to a Conservative Member I would prefer not to name, to make it less difficult for him to get re-elected in his area. But I find him really unpleasant, I must say, for someone who is still in this House until midnight. Anyway, Mr. Speaker, maybe with the passage of time he will learn that on occasion we can hold non-partisan debates.

For this reason, Mr. Speaker, I feel you are showing a lot of courage to remain with us at such a late hour, and I feel you are being very patient. But you recognize, as I do, the significance of this debate, for you and I have deep roots in Quebec, a Quebec on the move and which remembers. In Quebec, our motto is: I remember.

Well, I should like people from western Canada to continue to remember that they exist and that if we do not come to their rescue and help them through these very difficult times, Canada as a whole will suffer. It is necessary to explain that to Quebecers. All Canadians will suffer if we do not help our fellow citizens from western Canada who are having a very hard time. I hope the Hon. Member who has now decided to keep quiet will understand that this is the right tone to use in this debate, which is being held under very difficult conditions.

I thank you for listening to me and I urge again the Government to do everything humanly possible to help these farmers who are experiencing extreme difficulties; the Official Opposition and the New Democratic Party will do their duty be supporting any action which the Government may announce, but we hope that such action will be announced very shortly.

[*English*]

I believe my young friend opposite is the Member for Chicoutimi (Mr. Harvey). I think that is the case. I do not wish to accuse wrongly someone who is absent.

An Hon. Member: He is the Member for Lac-Saint-Jean (Mr. Côté).

[*Translation*]

Mr. Prud'homme: —the Hon. Member for Lac-Saint-Jean (Mr. Côté) understands that that is what makes Canada beautiful. Yes, we are asking you to co-operate with us. Tomorrow morning, you will hold a caucus meeting just as we shall. Well, join our efforts. We want to tell you to go ahead, that we will not fight you. But go ahead, tomorrow morning, stand up in your caucus and say: We are Canadians from a different region.

[*English*]

I will say it in the French language. Were I to make these remarks in the English language, the French language Members would have difficulty following the debate.

[*Translation*]

I do it in French. Stand up tomorrow morning and tell my friend and colleague the Hon. Member for Assiniboia (Mr. Gustafson):

[*English*]

On this issue, I am going to stand up for you, and when the time comes that we need your support, I shall expect you to give it. I hope you can see where I am going. When we ask for your support on a matter that is important to us, be it on the question of the Constitution or other important matter, we will be asking for your support.

At the meeting to take place on Thursday next, my province will be requesting certain changes to the Constitution. I purposely do not use the word "demand".

While those changes may not be too popular in the rest of Canada, we will ask you to try to understand our feelings on it and provide us with your support.

While issues involving the Constitution and the need for aid to western grain farmers may not on their face appear to be related, they are in fact related in the sense of the give and take that Canada is all about.

You can count on my support in respect of any action you take on this issue. While it may not be popular in my province, I shall go about my province explaining to its citizens the importance of helping each other out.

Some Hon. Members: Hear, hear!

• (0010)

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, obviously I am very surprised that my honourable colleague from Saint-Denis, a city dweller from Montreal, has come out this evening to speak on the subject of agriculture on behalf of the Liberal Party. Judging from what we have seen this evening, particularly from the NDP and from certain Liberals, it seems that just about anyone can stand up and say just about anything regarding agriculture. You know, Mr. Speaker, when I heard my colleague from Saint-Denis speak about the national scope of this issue and use well-known expressions such as mosaïc and from coast-to-coast and speak about the importance of Canadian unity, I began to wonder why our predecessors, Mr. Trudeau and Mr. Turner, did not appoint him Parliamentary Secretary to the Minister of Agriculture. Had he in fact been appointed Parliamentary Secretary to the Minister of Agriculture, we would certainly not, in my opinion, knowing the Member for Saint-Denis as well as I do, have encountered some of the problems we have had with agriculture in recent years.

Mr. Speaker, when my colleague, the Hon. Member for Saint-Denis (Mr. Prud'homme), began his speech, he quoted approximate figures, from 100 to 160, in describing a real problem faced by farmers, particularly by grain producers. However, he is going a little too far by claiming in a round-about way that these problems are due to the Progressive Conservative government's failure to take action.

Mr. Prud'homme: I never claimed any such thing!

Mr. Champagne (Champlain): Because, Mr. Speaker, if we look at this whole issue objectively, to use the words of my colleague from Saint-Denis, whom I would like to congratulate in being the only opposition Member in attendance, he is the only Member from Quebec to have spoken out on this matter. Perhaps he will be joined by his colleagues later.

Mr. Prud'homme: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Chair recognizes the Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, I realize that the Hon. Member has a speech to make and I will stay to hear it. However, he knows very well that it is not a parliamentary custom to reveal who is or is not in the House and who has or has not participated in a debate. Indeed, this is a useless point to debate since I could say that there is not one single Minister seated in the front row benches. Then you would say that there is no one seated in the front row of the Opposition benches. Mr. Speaker, I would simply like you to remind the Hon. Member, for whom I have a high regard, that we do have an issue to discuss. I am interested in hearing what he has to say, but if he resorts to partisan politics, I believe I can find more important things to do at this hour of the night! I do want to listen to him, but I see no point in his noting either the absence or presence of members. It is not customary and it adds nothing whatsoever to the debate.

Mr. Champagne (Champlain): Mr. Speaker, I think that it does indeed add a very important element to the debate because, setting aside all partisanship, many federal Liberals are at the present time travelling throughout Quebec, Ontario and the Maritime provinces saying that the Progressive Conservative government is doing nothing for Canadian agriculture. I am not the one saying this, Mr. Speaker. The Liberals are. Is this partisanship or an objective debate? I cannot believe, Mr. Speaker, that the Member for Saint-Denis would say such things. If we want to talk about statistics, we could talk objectively about interest rates. In 1984, when we came to power, interest rates were in the 16 to 22 percent range. Today, they stand at 10 per cent. Yet Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) accused the Government a while ago of failing to take concrete action. Mr. Speaker, interest rates have fallen from 16.75 per cent to 10 per cent, from 22 per cent to 10 per cent! The interest rate on loans is now 6 per cent! These are concrete actions on the part of the Prograssive Conservative government since coming to power in 1984. Mr. Speaker, to maintain that the Liberals and New Democrats will support the government motion in favour of agriculture—when in fact the Liberals and New Democrats opposed the introduction of the capital gains exemption. They claimed that it would only help the rich. They said that it would not help Canadian farmers. That's funny, because I represent a rural riding. I have travelled throughout my riding and I have met with farmers. They have told me that the elimination of the capital gains tax has allowed the family farms to survive to this day, because parents are not forced to sell at two, three or four times the price because of the tax. Now they get a capital gains exemption. Mr. Speaker, this is one concrete step we have taken to help agriculture. We have indeed taken action since 1984.

I could also speak objectively about our electoral platform. Some opposition Members will say that we have not kept any of our promises. Fine. But I remember the commitments we made in 1984. I'm sure the Liberals and New Democrats have them written down in their little books. We spoke of doing away with the capital gains tax. We have followed through on this. We also spoke of formulating a long-term dairy policy. This has also become a reality!

During the 1984 election campaign in Quebec, Mr. Speaker, I remember that the interest rates charged by the Farm Credit Corporation were 16.75 per cent. Farmers were saying to me: "You know, Mr. Champagne, if interest rates were in the 10 per cent range, that would be reasonable. Then we might be able to see the light at the end of the tunnel." In 1984, when the Farm Credit Corporation was charging 16.75 per cent in interest, the provincial *Office du crédit agricole* was charging only 8.5 per cent. There was a difference of 8 per cent between the two agencies. This means that in 1984, the chances of survival for a young farmer wishing to take up the challenge, to take his rightful place on the Canadian agricultural scene and to assume the social role of economic "developer", worker and taxpayer, were slimmer if he turned to the Farm Credit Corporation for assistance instead of to the *Office du crédit agricole*. Why was that? Because at the time, there was no mechanism in place to provide for competitive interest rates between the two farm credit agencies. Therefore if two farmers borrowed the same amount, one from the provincial corporation and the other from the FCC, the one borrowing from the province had a better chance of coming out ahead. All the farmer who borrowed from the federal agency had to show for his efforts, in many cases, was a moratorium.

Mr. Speaker, we were not overjoyed about introducing the moratorium. The fact is we realized that there was a debt problem. The problem existed because to a certain extent farmers had not been dealt with in a responsible manner.

When our Government says that it represents fairly effectively the entire agricultural population, it means that it has Members involved in agriculture in almost every province. Although I have a great deal of respect for my colleague from Saint-Denis, he cannot say the same about the former Government which had no more than one or two sitting Members west of Ontario.

Mr. Speaker, what kind of treatment did western farmers receive over the last 10 or 15 years? It is normal for them to get what they rightfuly deserve now. It is normal for us to want to help out our western farmers and grain producers in their time of need. How did we in fact help them, Mr. Speaker? First of all, by instituting payment stabilization mechanisms. The former Government did not feel that such mechanisms were really needed, but we put them in place. We agreed, coast-to-coast, to use a well known expression, that it was important to agriculture to implement such mechanisms. We allocated one billion dollars in aid and we succeeded, Mr. Speaker—as for the New Democrats and the Liberals, I believe I see the Hon. Member for Algoma (Mr. Foster) laughing about the situation. I think that this is shameful indeed since when his Party was in power, he did nothing at all for agriculture. It was our government, Mr. Speaker, that distributed $1 billion equitably between the farmers from the west, the east and the Maritimes. We did this for a reason. We realized that Canadian farmers needed the government's support. During our 1984 election campaign, we gave our firm commitment that we would take action in this area.

Of course the opposition Parties claim that we are not doing enough. But you can never do enough. Mr. Speaker, we have to look at what was done in the past and what is being done today. Some of the expectations of Canadian farmers have been met through the introduction of the 6 per cent loan program, the signing of a long-term dairy policy for farmers in general and the one billion in aid. When the Opposition accuses us of not having done anything—and I am speaking here of those who want to raise this debate beyond the realm of partisanship—it should take a good hard look at what's happening across Canada. However, it should not view the situation across the country from the comfort of an air-conditioned limousine. It should travel to the rural ridings and look at what's happening with farmers. If it is truly objective, it will see that the Progressive Conservative Government has fulfilled about 80 or 90 per cent of its 1984 election promises.

I heard members of the New Democratic Party speak of agri-bonds and of the fact that our Government had not introduced any agri-bonds. However, I would like one opposition Member to rise just once and say: "Mr. Speaker, the Progressive Conservative Government, through the Farm Credit Corporation, has made it possible for farmers to take out loans at 10 per cent interest, rather than 16.75 per cent". Of course no Opposition member has ever once done this. No, the opposition Members have only risen to protest the lifting of the moratorium. Mr. Speaker, what is even more scandalous is the fact that the New Democrats supported the Liberals in their failure to take steps to formulate a clear, concrete agricultural policy.

It's true, Mr. Speaker. When have we ever seen the New Democrats rise and say to the Liberals: "When your Party was in power, interest rates were too high".

Some Hon. Members: They kept them in office!

Mr. Champagne (Champlain): That's quite true, Mr. Speaker. I can see that some of the New Democratic Members are amused by this statement, but that's what really happened. Yes, indeed.

As my colleague from Saint-Denis pointed out, when one wants to work for the sake of unity—and I'm excluding my colleague from Saint-Denis here because he is the exception that confirms the rule in many cases—when one wants to establish farm programs and work in a positive way, this does not mean that one must put obstacles in the government's way. It means that one must look at the positive achievements and work to improve, rather than criticize, the situation.

All that we keep hearing in the agriculture committees and in reports everywhere and in the statements by the Opposition on the subject of agriculture, is that the Government has failed to keep its promises.

Our electoral platform, Mr. Speaker, was very simple. It contained 12 promises, more or less, to quote the Hon. Member for Saint-Denis: to provide financial aid to farmers, to renew their confidence, to establish the marketing boards of their choice, to sign a long-term dairy policy, to reduce the rates charged by the Farm Credit Corporation, to introduce a capital gains exemption, to have grain stabilization payments more in tune with reality and to deal equitably with the agricultural community as a whole. We have fulfilled our promises, Mr. Speaker. Why then does the Opposition continue to criticize us, why did it insist on holding an emergency debate to discuss the plight of farmers and why is it trying to make the Government out to be the villain?

Mr. Speaker, the opposition Parties must be very well aware of the fact that the current problem is the result of a trade war between the European Economic Community and the United States.

Canada, despite its efforts and the funds allocated to agriculture, does not have the power to control the United States and the European Economic Community or to demand that they act as it would like. I feel, Mr. Speaker, that we are being unfair in telling Canadians that the Government is irresponsible. When has any government, with the exception of ours, taken such a radical stand and provided one billion in aid to grain farmers? The Government took such action because it realized full well that farmers were experiencing difficulty on international markets.

The Government was acting in a responsible, moral manner toward farmers. In providing this aid, the Government was acknowledging its economic responsibility and its economic priorities and was admitting that Canadian agriculture, not simply agriculture in Ontario, Quebec or the Maritime Provinces, is the cornerstone of healthy, future growth and development. It was acknowledging the expectations of Canadians wishing to make farming their livelihood.

Never once did the Government claim to have resolved all of the country's agricultural problems.

We are continuing to work in this area. For the first time ever, Mr. Speaker, the Minister of Agriculture (Mr. Wise) met with his 10 provincial counterparts to negotiate a national agricultural policy. They continue to meet regularly and are scheduled to get together this summer in Quebec City. Together, they have given a new thrust and impetus to farming in Canada. They are trying to avoid what happened in the past when the federal Government disregarded the wishes and demands of the provinces.

Thanks to our innate knowledge, we believe we are doing what is right for agriculture in Canada. We have seen, Mr. Speaker, the effects of a $200 billion deficit in the agricultural sector and what happens with interest payments when this deficit must be reimbursed. Funds cannot be used effectively for agriculture.

Mr. Speaker, when the Liberal Government completely disregarded the demands of the provinces and sought only to create a climate of confrontation within a federalist context that clearly made no sense, it caused serious harm to agriculture. The impact of this confrontation will be felt by future generations.

Do the New Democrats and the Liberals object to our adopting a conciliatory approach with the provinces? Do the New Democrats and the Liberals object to our consulting with our provincial counterparts to ensure that agriculture remains the cornerstone of economic development? That's what I've been hearing all evening from the Opposition, nothing more than recriminations based 90 per cent of the time on partisan feelings. The 10 per cent exclusion is for my colleague from Saint-Denis.

Mr. Speaker, it is highly unusual that I have not heard one opposition Member say this evening that the government has done at least something good. I can say one thing, Mr. Speaker.

As a responsible Member and as the Parliamentary Secretary to the Minister of Agriculture, I can say that since 1984, our Government has worked to rebuild the agricultural sector. This task cannot be accomplished alone. It will require the concerted efforts of many parties. This means that meetings will be held and concessions will be made. Policy discussions concerning agriculture will take place with each province. Our Government will not indulge in navel gazing, as most of my Opposition colleagues who feel they are very knowledgeable about this issue are prone to doing. Mr. Speaker, we have seen what innate knowledge can accomplish. If the Opposition accuses us of not keeping our election promises, we can find a great deal to say about the broken promises of the former Government. And we could also say the same about certain provincial NDP Governments.

If we want to raise the level of this debate beyond the realm of partisanship, we must recognize, firstly, that Canadian farmers are in trouble, and secondly, that the Government has taken steps and will continue to take steps to turn the situation economic problems by instituting certain structures and mechanisms.

In all honesty, Mr. Speaker, when I see the Opposition criticize our Government for giving $1 billion to Canadian farmers to help them out, when I see the Opposition criticize our Government for providing a 6 per cent loan system—something which has never been seen before—when I see the Opposition protest shared-cost interest rates, when I see the Opposition criticize the drop in interest rates, the introduction of the capital gains exemption and efforts to formulate national agricultural policies with our provincial colleagues, I ask myself, Mr. Speaker, who is acting in the most responsible fashion, the Opposition or the Government. The Opposition only indulges in negativism. The Government, n the other hand, is showing its willingness to implement a policy that will save our agricultural industry, not in the short term but in the long term.

• (0020)

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to join in the emergency debate at this early morning hour, at least it is in Ottawa, which has been requested by the Hon. Member for Prince Albert (Mr. Hovdebo). There is obviously no doubt that agriculture, particularly western agriculture, is facing a crisis in many ways similar to that faced in the time of the Great Depression. There are similar as well as different aspects to the crisis that confronts agriculture today, and I agree that there are no simple, easy solutions. It is a very complex age with new developments occurring on the political front, on the economic front and on the technological front which increase the uncertainty in agriculture today.

As I said, there are no simple, easy solutions. We have to deal with the economic problem that exists in the trade war between the European countries and the U.S.A. where billions of dollars from the public treasuries of Europe and the United States are being used to support their respective farmers. This has been explained by Members on all sides of the House. The Canadian farmer, in essence, is out there alone. He is suffering because he does not have the type of protection given to the European and the American farmer. There is talk about the uncertainty being brought about by technological changes, changes in genetic engineering and hydroponics which can change the face of agriculture in a very short period of time. These are some of the long-term uncertainties that farmers, particularly western Canadian farmers, face.

It is true that this Government has spent more on agriculture than any previous Government. There is no doubt of that. Given the magnitude of the crisis it would not really have mattered whether we had a Liberal Government, a New Democratic Party Government or a Conservative Government, because any responsible federal Government today would have had to have spent the amount of money that has been spent supporting the grain producers of Canada. Not to have done so would have created such a crisis that we would have had a worse situation made so much worse. No responsible elected Government could have withstood the political uproar that that would have created.

• (0030)

I agree that this Government has spent more than any previous Government on support for agriculture. However, we must ask if it has been adequate. Given the support the European and American farmers face, have we provided enough protection for our farmers to ensure that they will survive at least on a minimal level? To that question, the answer must be a resounding no. The policies have not been adequate. They have not provided the support that is necessary to enable the family farm to continue to be a viable economic operation.

Let us look at some of the figures dealing with farm bankruptcies. The evidence before the Agriculture Committee on March 24 dealt with farms with sales of over $20,000. We learned that 8 per cent of those farms are basically insolvent. That amounts to roughly 13,680 farms. Evidence also showed that 23 per cent had major cash flow problems. That amounts to around 53,000 farms across Canada.

Thousands of farms on the verge of bankruptcy are ready to go down the tubes. The policies of the Government have not been adequate. They have not prevented that crisis. They have not provided the security that would assure those farmers that they will not go into receivership. That is the simple truth of the matter.

A sense of betrayal is felt in many rural areas across Canada and I would say particularly in western Canada. For many, many years, western Canadian farmers have very consistently voted Conservative. They have continued to return Conservative Members of Parliament to Ottawa year after year. Of the 14 Members of Parliament who come from my home province, there are only five New Democrats. There is a sense of anger and betrayal in western Canada. Because western Canadians have voted Conservative in so many elections, they had the sense that a Conservative Government in Ottawa would at least be sympathetic to and would understand the needs and problems they face.

When I return to the rural parts of my constituency, the message I get is one of anger and disappointment. They are angry and disappointed because the Government has not been adequately addressing their needs and concerns. They feel that they are on the edge of going bankrupt and they have no confidence that the Government is aware of their situation or, more important, has any coherent plan in mind to prevent them from going into bankruptcy.

We in the House of Commons have asked time and time again for the Government to make a public statement as to its intentions. Farming in and of itself is a very risky business. There are a great many uncertainties including the weather, the market, costs and the grasshoppers. A farmer runs a gambit of gambles. One of the other gambles is what the government policy will be. Farmers are making business decisions about what to plant and how much to plant and they recognize it is a gamble because they do not know what the government policy will be. They do have the sense that in the end, the Government will have to provide some program of deficiency-type payments but they do not know upon what basis it will be provided. They want to act in an economically rational and sane way but they cannot because there is this other uncertainty, the uncertainty about the programs.

We in the House of Commons have been rising day after day trying to get from the Government some indication of its thinking. Does it have a coherent policy in mind? I have a terrible suspicion, and I pray that I am wrong, that the Government really does not have a coherent policy in mind. This is inexcusable because everyone knew that the trade war between the Europeans and the Americans would occur. When the U.S. Farm Bill was before the American legislators and when it was passed, we knew what the results would be. There was a lot of lead time that could be used to begin to get some sense of the problem for Canadian farmers and to begin to devise some mechanism that would afford some protection for Canadian farmers.

The first time we got to hear about a program was, I believe, a day or two after the Speech from the Throne was read in the fall of last year. In the speech itself, there was no mention of a specific program. In fact, there was very little mention of agriculture. When this was raised in the House, the Government tried to justify it by saying that this was the first time agriculture was mentioned on the first page of a Throne Speech. Well, big deal. Obviously that would not wash on the Prairies.

At that time, there was an election occurring in Saskatchewan. When the Speech from the Throne was brought down, the Deputy Premier of Saskatchewan was in Ottawa trying to ensure that there would be something there for Canadian farmers because Mr. Devine's Conservative Government was in serious trouble back in Saskatchewan. Well, there was nothing in the speech so the Deputy Premier of Saskatchewan, the Premier of Saskatchewan and a fair number of Saskatchewan cabinet Ministers started phoning. They phoned senior cabinet Ministers from Saskatchewan and I am sure they phoned the Prime Minister (Mr. Mulroney) and the Minister of Agriculture (Mr. Wise). They did get something. When the Prime Minister spoke, inserted in his speech was the promise of $1 billion.

Then we in the House tried to get some idea of what this $1 billion was all about. Day in and day out, we asked if this was new money and what the thinking behind it was. It became apparent that the announcement of the $1 billion did not reflect something that had been thought through, something that had required some intelligence to determine how the Government would tackle the problem. It became obvious that it was a political response, not a response to the crisis facing farmers today, not a response to the wars between the Europeans and the Americans—

[*Translation*]

Mr. Gérin: On a point of order, Mr. Speaker!

Mr. Deputy Speaker: The Chair recognizes the Honourable Member for Mégantic—Compton—Stanstead (Mr. Gérin) on a point of order.

Mr. Gérin: Mr. Speaker, I see that it is now 1.40 a.m. I have listened closely to the NDP Member because it was the NDP who called this emergency debate. I have listened to the debates in this House for the past six and a half hours and I have failed to note any emergency. What's more, I can see that there are only three NDP Members here tonight. Yet, they claim that there is an emergency. If there is in fact an emergency, I think that the NDP should prove it. From everything I have heard today, I can detect no emergency as such.

I am prepared, Mr. Speaker, to do my duty as an MP, attend the debate, intervene and listen to the speaker, provided that the Opposition can prove the urgency of the problem or that the Government is failing to do its duty. I believe, Mr. Speaker, and I'm sure you will agree with me, that Canadian farmers feel that we have done our duty.

Mr. Deputy Speaker: This is not a true point of order.

• (0040)

[*English*]

Mr. de Jong: First, Mr. Speaker, you are being challenged with this point of order. Second, had the Hon. Member been listening to my remarks when I quoted the number of farms and farm families on the verge of bankruptcy, he would not come into this House and say there is no crisis. Third, I was trying to explain to the Hon. Member why there are many farmers in my constituency who are wondering what to seed and how much to seed. They are wondering right now, tonight, and it is an emergency for them.

It may not be an emergency for the Hon. Member of the government Party. That is his problem, but if he wants to understand the emergency nature of the crisis, I invite him to come to Fort Qu'Appelle, Qu'Appelle, Edenwold or Balgonie and talk to some of the rural members of those communities. In that way he will get some appreciation of the crisis which exists for some of the people whom I represent.

While giving credit to the Government for bringing in its $1 billion support program, I was trying to point out that this program was not a result of planning, thinking, anticipating and intelligence, but was a response to a political problem which existed for the Conservative Party in Saskatchewan. This became typified when a reporter from the *Star Phoenix* overheard the Premier of Saskatchewan, in the middle of the campaign in a small motel room in the wee hours of the morning, phoning senior cabinet Ministers in Ottawa and saying there was going to be hell to pay unless the feds came through with some package.

That is the story behind the so-called billion-dollar deal. The Government is trying to stretch that out as far as possible. It is trying to get maximum political results from minimum public involvement, effort and assistance. That is what it is all about. It is the barest of minimum and is not enough to cover our farmers who are totally exposed. That is the message we are trying to send to the Government. It is a message the Government is determined not to hear.

We have heard government Members in the House tonight dancing around the basic issues. They listed all the sins of the Liberals and the Liberals have many sins. It is all summed up in my mind and, I think, in the minds of most western Canadian farmers, in that one simple statement by former Prime Minister Trudeau: "Why should I sell your wheat?" The arrogance and the lack of understanding of what the country is all about is exhibited in that one quote. It says volumes. That one sentence will condemn the Liberal Party in western Canada for years and years to come.

The people of western Canada expected better from this Government and they did not get it. That is the cause of the sadness, frustration and anger which exists in western Canada today. That is why there are political movements beginning in western Canada which are thinking in terms of separation. They believe that the people they supported year in and year out in election after election have forsaken them now that they are in Government. Significant numbers of western Canadians are now talking in terms of western separation.

Our frustration in the west is due to the fact that when times were good we paid our share. When the Liberals were in Government they made resource grabs. They tried to grab the potash in Saskatchewan. To set the record straight, we never supported the National Energy Program. The Conservatives continued to tell that lie. If they would go back to the voting record they would see that it is Goebbels propaganda of repeating a lie to insist that we supported the National Energy Program.

The National Energy Program took about $25 billion out of the west. We in the West say that the $1 billion that the Government has spent on farm assistance is the first billion dollars and there are $24 billion more to go. That is the position of the west and I have a lot of sympathy for that.

The economy and well-being of hundreds of thousands of farmers in Saskatchewan, Alberta and Manitoba is at stake. From a federal Government we expect responsibility and the assurance that it will stand by us to see us through these difficult times and will not sell us down the river. Unfortunately, the Government has not yet given that message.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I had the good fortune to leave the city this morning and fly to the great Province of British Columbia and meet with a number of leaders of farm organizations. I participated in the opening ceremonies of a world-class research centre which was designed, sponsored and built by Agriculture Canada. I refer, of course, to the opening of the Summerland Station. I am happy that I arrived back here tonight in time to have an opportunity to listen to some of the debate in the House. I welcome this opportunity to participate in the debate regardless of the hour.

Mr. Speaker, I have been in this House for 15 years and I believe I have participated, almost without exception, in all of the opposition days in this House. I have never heard so many false statements coming from the other side; I have never heard so much untruth coming from the other side; I have never heard so many extreme statements coming from the other side and, indeed, so much hypocrisy, as I have heard within the last hour or hour and a half that I have been back in the House.

To stand up and say that the Government has done absolutely nothing for Canadian agriculture is absolutely false. It is untrue.

Mr. Orlikow: Nobody said that.

Mr. Wise: Although I was not here, many of my colleagues were who are knowledgeable on agriculture and understand and have a full appreciation of the situation. Many of them are farmers, which makes a big difference. I do not see too many farmers on the other side, particularly on the Official Opposition benches. In fact, Mr. Speaker, I do not see anyone sitting on the benches of the Official Opposition. To be accurate, I do

now see the Hon. Member for Algoma (Mr. Foster) in his seat, but I do not believe the Hon. Member is a farmer.

I do want to give some credit to the NDP Members, particularly the last speaker. I must admit that many of his comments were very sensible and I listened to the Hon. Member very closely.

However, I have notes on certain comments which were made. It was said that the Government has done absolutely nothing for Canadian agriculture and that is not true. We made 16 campaign commitments to which I guess I will have to refer again. I am sure previous speakers, particularly those on this side of the House, have utilized this opportunity to set the record straight. We have to keep doing it over and over again. The fact of the matter is that we campaigned across this country and made some 16 commitments. To date we have fulfilled 14 of those commitments and we are going to fulfil all of them. We are going to deliver on all of our promises, certainly well before the end of our mandate.

• (0050)

In addition to that we have to date taken some 414 agricultural initiatives. That is more than one initiative every other working day since we were sworn into office. We have delivered more than $6 billion, most of which went into the hands of Canadian farmers.

I can remember being the Opposition dairy critic and then the Opposition agricultural critic and I remember many farm organizations coming to the capital and saying that if we have the opportunity of getting into Government, and they certainly hoped we would, if you have one thing to do for us would you do something about capital gains. Shortly after we were sworn in, in fact in the first Budget, the Minister of Finance (Mr. Wilson) delivered on that campaign commitment.

I can recall a number of people meeting with us and asking us to do something about farm input costs. Would we give some serious consideration to a rebate of the excise taxes on farm fuels. Obviously because of the priority we place on agriculture we responded to that request. In doing so we effectively eliminated all federal sales and excise taxes on farm fuels. That represents a saving to Canadian farmers of about $200 million.

On a subject which is fairly close to my own heart, that of the dairy industry, I can remember dairy farmers coming to Ottawa year after year since about 1970 asking the federal Government to deliver a long-term dairy policy. We responded, made the campaign commitment, and in January of last year this Government provided a long-term dairy policy. We made a long-term commitment of five years and $1.5 billion. Another request made of us was to amend the Advance Payments for Crops legislation. We did that and doubled the payments. We were requested to amend the Western Grain Stabilization Act. We responded and did so, and I am going to say something more about that. I am sure my colleague, the Minister of State for the Canadian Wheat Board (Mr. Mayer) had something to say about that earlier.

For over a decade the provinces and meat producers in this country have been working together to try and put together a tripartite stabilization program for red meat. The previous Government was never able to negotiate successfully with the provinces or the producers. Indeed, it was unable to amend the Act and provide the legislative framework for tripartite stabilization. We were able to negotiate with the provinces and the producers, amend the Act, and deliver on another campaign commitment.

The list goes on. I am not going to use all my time to list all of the campaign commitments, but I thought it was appropriate to read into the record some of the major requests made to us by farm organizations and I think it was appropriate to remind people that this Government has responded. I am sure that with the help of the Parliamentary Library the record would show that the Government has delivered on more campaign commitments than any other Government in the history of the country. I am sure that if you look at our record, not only legislatively but also on delivery of badly needed financial support, it will show that this Government has responded to a greater extent than any other Government in the history of Canada.

When this Government was sworn into office, the budget to operate Agriculture Canada and pay for support programs required about $1.2 billion. Now here we are not even half way through this year and the commitments we have made amount to over $4 billion. In addition, we continue to work with farm leaders. We met them on March 5 and we will meet them again in the first week of June. We will continue to work with them to work out some new support program. I have heard some Members say that we should make some commitment about the kind of program we will have. We should make some commitment as to the extent we will be able to finance that program. What will be the distribution formula?

I would just remind Members of the fact that in our meeting of March 5 with 55 farm leaders, representing 35 farm organizations, we issued a joint press statement to the effect that farmers should make the decision themselves. Farmers must read market signals and I know their difficulty. However, they are in a far better position than you and I or all of the bureaucrats in Ottawa and in all the provinces, as well as all the politicians, to read the signals of the market-place.

We could put all these so-called great minds together but invariably we would not be in a position to read market signals with the accuracy that farmers and farm organizations can for themselves. That was precisely why we came out of that meeting with a press release. I do not have it with me, but I have read it into the record a couple of times and I would remind Hon. Members, particularly those across the way, that this was not a press release written by the Minister of Agriculture or his bureaucrats. This was not a press release by the Minister of State for the Canadian Wheat Board.

Mr. Foster: It was written by your guys.

Mr. Wise: The Hon. Member for Algoma was not there. He speaks with the same uninformed voice on this issue as he does on most occasions in the House. No question about it.

Mr. Foster: Most of them felt used so I would not bring up that argument, John.

Mr. Wise: There is no question about the fact that there is a very clear message that we should not be making statements of this kind at this time.

• (0100)

I have complimented the Member who spoke previously but he made a few comments that were not quite correct. He indicated that when the Government made the commitment to support Canadian farmers we arrived at a billion-dollar figure. He gave some political reason for why we arrived at that figure. Of course, he is wrong.

I cannot say when the Saskatchewan election took place, but I can say that we were meeting with farm leaders at the Prime Minister's (Mr. Mulroney) initiative and as a result of his leadership. It was at his request that the Minister of State for the Canadian Wheat Board (Mr. Mayer) and myself, as well as the Parliamentary Secretary, the Member for Assiniboia (Mr. Gustafson), convened a meeting of farm leaders in Vancouver before he left for the Tokyo summit. The Hon. Member for Algoma speaks from his seat, but he was not there.

Mr. Foster: You were not here when I spoke.

Mr. Wise: Perhaps that is a good thing. The fact is that we were meeting with farm leaders throughout the late spring and early summer and were working with farm leaders throughout the season. Indeed, we had come to the conclusion that it would require at least a billion dollars and we then continued working with them to devise some fair and equitable form of distributing that $1 billion.

We should not be critical of farm leaders but should compliment them. When we met in Ottawa at the Sir John Carling Building, many people thought that it would be impossible for 25 or 30 farm leaders to sit down with us to work out some type of program that would be fair and equitable, with a fair and equitable distribution formula. That can only be achieved by working together, and as a result of the leadership of the farm leaders involved in those meetings we were able to form the program. We were able to develop a formula that was fair and equitable.

If we look at that formula and consider a typical grain farm in Saskatchewan with the cropping pattern that the individual uses, and put that through the Special Canadian Grains Program formula, we will find that it triggers out about $9,300. If we look at southwestern Ontario and consider a typical farmer and his farm's cropping pattern, we will see that it will trigger almost identical to what the typical farm could receive in western Canada.

Let me indicate that we are basically in the same position this year as we were last year. It is not appropriate for us, at this time, to indicate the degree of support that will be required. It is not possible to indicate at this time our financial ability as a Government to respond.

However, the commitment was made in the Speech from the Throne that the Government will spare no effort. Furthermore, the Minister of Finance (Mr. Wilson), in his February 18 Budget, extended a mandate to the Minister of State for the Canadian Wheat Board and myself to reconvene those meetings. We reconvened the meetings and held the first one on March 5.

I have made reference to the statement that was issued and there may be some question about it. However, I will stand by that statement and I am sure, if you want to check with the farmers who participated at that meeting, the vast majority of them stand by that statement. I have talked with many of them since then and, indeed, they still stand by that statement. We will be meeting with them in June and will continue to work with them to develop some type of program.

There has been a fair amount of time and comment, perhaps quite properly, on why the Government made a decision to lift the moratorium. I remind the House that there is no question that the phase-out is very much controlled.

While I placed that moratorium on farm foreclosures, I must remind the House that the foreclosures only applied to FCC clients. The Minister of Agriculture has no authority to place that moratorium on clients other than FCC clients.

Mr. Benjamin: Yes, you have the authority.

Mr. Wise: The Hon. Member says that I do. I do not. I took that initiative at the time for good reason. If I had the opportunity to do it again I am sure I would introduce it. I indicated when I placed this moratorium in September, 1985, that there were a number of things that we as a Government wanted to do. The first was to respond to the interest rate conversion program. We did that with an $80 million commitment, bringing down the 5,600 FCC clients from 16.75 per cent to 12.75 per cent.

I said that I wanted to introduce the shared risk mortgage. We introduced that.

I indicated that we wanted to introduce the commodity-based loan. We have introduced the commodity-based loan.

I indicated that we wanted to bring forward the Farm Debt Review legislation which, indeed, we put into place. I said that we wanted to establish Farm Debt Review Boards in all the provinces. They have been established in all the provinces.

I indicated that we wanted to let these review boards have an opportunity for some experience in order that they could be established and functioning. That has happened and they have been doing an excellent job. While some people are critical of

the legislation, there is no question in my mind as I continue to consult with the rank and file of the farm population that that legislation is right.

I am also satisfied that the farm debt review process is proper and that they are doing an excellent job, considering the very difficult cases that the Farm Debt Review Board must deal with.

I see that you are giving me a signal, Mr. Speaker. I have not really begun.

Mr. Deputy Speaker: Is there unanimous consent to allow the Minister to continue?

Some Hon. Members: Agreed.

Mr. Wise: I thank Hon. Members for the courtesy. I will try not to take too long.

I also indicated that we wanted to develop the Canadian rural transition program.

The Government has been forced to break new ground on just about every occasion in the last year and one-half. Any Government can enlarge, enrich or expand existing programs with very little difficulty, providing the financial resources are available. Although we have had the financial resources, the challenge is writing new legislation, developing new programs and new schemes. While this can be done, we must have the will of the Government and the co-operation of the Canadian farm population. We have had that will and that co-operation as well.

I suspect that those who are critical of the performance of the Farm Debt Review Boards have not taken the time to research and consider these questions on a case-by-case basis. I invite them to do so.

I also ask them to consider the question of the moratorium. I will always have to live with the question of whether it was the right decision for me to place that moratorium on FCC foreclosures in September, 1985. Has it been helpful or harmful to those people who have been held in that moratorium net? I can say that in some cases of which I am aware we might have been better off not to have placed that moratorium initially, or, perhaps certain people would have been better off financially if we had removed the moratorium earlier. I am sure that reasoning will make sense to Members if they consider that for some time.

• (0110)

If we look at the people who are in serious financial trouble we would probably find there is some exaggeration in these numbers. I think people have a tendency to make extreme statements.

The FCC does have a higher percentage of high risk cases. How did that come about? It came about very simply because the previous Government did not make sufficient funds available to the Farm Credit Corporation.

Second, the previous Government directed the Farm Credit Corporation, quite contrary to its mandate, to become a lender of last resort. When that direction is given, then the corporation has to assume, not by choice but rather by necessity, a far larger percentage and number of high risk cases. That is why the traditional lending institutions have a figure of probably 4 per cent, 5 per cent, 6 per cent or seven per cent in very serious trouble, and if we look at the Farm Credit Corporation we find these figures much much higher.

Hon. Members opposite are critical of the performance of the Farm Debt Review Boards which, incidentally, have about a 55 per cent success rate across the country, about a 66 per cent success rate in the Province of Ontario and about a 65 per cent success rate in the Province of Alberta. If we look at those individuals who are in trouble on an almost case by case basis, we find almost without exception they go back to the mid 1970s. What happened in the mid 1970s? The so-called experts around the world looked into the late 1970s, the 1980s and beyond, and sent out signals. The signals were very dangerous, very inaccurate and wrong. They have caused a great deal of difficulty to many people who are in the farming business today.

The experts indicated that farmers should expand their operations. They should not bother renovating a barn, they should bulldoze it down and build a new one. They advised not to borrow $25,000 to renovate something, but just tear it down and they would be happy to lend the farmer $100,000 or a quarter of a million dollars.

Farmers were told to buy more land, that they were not going to have any difficulty at all because interest rates were going to remain stable. Well, the experts were wrong. They said the inflation rate was going to remain stable. They were wrong. They said farm input costs were going to remain stable, but they were wrong. They said that we would be going through a time right now of record high commodity prices and they were dead wrong there. They said as well that we would be going through a time of world shortages in commodities and we have gone through a period of world surpluses.

We have heard the predictions and encouragement of the previous Government. I can go back into *Hansard* and dig out speeches of my predecessor who travelled the country sending messages to young Canadian farmers to go out and produce to beat the band because the future was theirs and would be secure. Of course, we have now found out that all of those things have turned out to be wrong.

Upon examination we find there was another factor. One of those conditions which the experts said would not happen, which did happen, was probably the major contributing factor to the farmers' downfall and to their difficulty, and that was the interest rate increases. A lot of people really could be in a much better position today had they had not been caught up in the interest rate increases which occurred in 1981 and 1982. During that period of time interest rates increased from 9 per cent and 10 per cent up to 25 per cent, 26 per cent and 27 per cent. Anyone who operates a farm or business will

automatically and immediately recognize the damaging effects interest rate increases of that kind have.

Members of the Official Opposition in particular are indicating to us that we have not done enough for agriculture, yet we have increased our Budget from $1 billion to $2 billion to $3 billion to $4 billion. I do not know what more will be required, but because of the priority the Government places on agriculture, we have been with Canadian farmers in the past and we are going to be with them in the future.

We have seen tonight the hypocrisy of the Liberal Members of Parliament who have made critical comment about the Special Canadian Grains Program. That $1 billion was the single largest payment to Canadian farmers by any Government in the history of the country. A billion dollars is a tremendous amount of money.

What was the added input costs to Canadian farmers because of interest rates increasing from 9 per cent to 24 per cent or 25 per cent? The fact is that an added input cost of about $2 billion was extended by the previous Government in allowing interest rates to run from 9 per cent to 24 per cent and doing almost nothing about it. There was one measure, the Special Farm Assistance Program, which assisted about 1,900 people. The interesting fact about that was the added cost of that program was carried on the backs of other Canadian farmers. There is an input cost which exceeds by quite a lot the harmful effect on Canadian grain prices as a result of the U.S. Farm Bill, the Export Enhancement Program and the trade war between the United States and the EEC.

I would like to conclude by setting the record straight with respect to the lifting of the moratorium. I made some earlier comments about it and I could still talk for quite a while and give a number of experiences with respect to it. However, I am not going to take the time of the House to do so. Some people, again the uninformed—the uninterested I suppose—have indicated that the Farm Credit Corporation will be going in and seizing farms left, right and centre. All Hon. Members, if they want to be honest with themselves, know full well that I have always been complimentary and will continue to be complimentary to the Farm Credit Corporation. It has served Canadian farmers extremely well over the last 55, 56 and 57 years. I was complimentary of the Farm Credit Corporation when I sat across the House and I will continue to be supportive of that corporation.

Canadian farmers know that the Farm Credit Corporation is more understanding, and more sympathetic in dealing with their cases than any other lending institution in the country, and it is going to continue to be that way. The Farm Credit Corporation, by lifting the moratorium, will not be going out seizing farms and putting farmers off their land. That is not its task. That is not what it wants to do. Its philosophy is the same as the Government's philosophy. We are going to do everything possible to keep farmers on the land and in the business of producing food. There is no question about that. So let us put aside that inaccuracy.

The Canadian farming population have enough difficulty as it is. They do not need to read statements to the effect that the Farm Credit Corporation is going to go out and seize farms and put massive numbers of farmers off the land. They do not need that. It is not going to happen. The corporation does not want to put large acreages of land onto the market-place for very obvious reasons. Everything that can be done to reach agreements will be done.

• (0120)

The Farm Credit Corporation will be going out and sitting down on a one-to-one basis with every individual who has been affected and held by the moratorium. Again, every effort will be made to reach an agreement, to reach a settlement. We will look at the utilization of longer term leases than we have been able to sign up to this point in time. We believe that under the Act we can sign a lease for five years. That is not bad, but it is not long enough, and for very obvious reasons. We know that.

We know as well that it might be possible for us to extend the five-year lease to perhaps seven or 10 years. We believe that we can do that through the Order in Council process. If we can use the Order in Council process to provide a longer term lease, then we will do it. Do Hon. Members know why? Because we want to keep people on the land. We do not want to put them off it. We will be looking at every opportunity, at utilizing everything that we have—

Mr. Benjamin: How come they're still going off the land?

Mr. Wise: The Hon. Member raises a legitimate question. He asks why some are still going off the land. It is very obvious that it is the same with the speculative number that is used as far as those people who are held by the moratorium are concerned. When we start to negotiate with them we know already that during that period of time a large number of clients have come forward on a voluntary basis. In some cases settlements have been reached. We know that some of them will come forward on a voluntary basis to indicate to us that they have had an opportunity to assess their situations, that they have had an opportunity to look at their futures and they have determined that it would be better for them to go. In fact, some of them have told me that they might have been better off had they gone earlier on their own. That is why I raise the question with respect to whether or not the moratorium has been helpful or harmful.

Mr. Benjamin: They had no choice.

Mr. Wise: But that process will only allow the corporation to deal with upwards to 50 cases—I say upwards, Mr. Speaker, to 50 cases per month on a national basis. That is not 50 cases in Alberta or 50 cases in Ontario. It is 50 cases on a national basis per month. They will then have communication on a regular basis, whether it be weekly or monthly, with the farm debt review boards in each province.

There will be some cases in which the corporation will recognize that a settlement can be reached if these people are

referred to the farm debt review boards. Thus they will be referred to the farm debt review boards. Other settlements will be more difficult to reach. Then, there will be others which, obviously, will have to be referred to the review boards by the Farm Credit Corporation. The Farm Credit Corporation is the same as any other lending institution.

Mr. Benjamin: That's the problem.

Mr. Wise: It is bound by the Act. It is bound by the farm debt review legislation. Therefore it will not be seizing lands. There will not be a large number of farmers losing their farms.

Mr. Benjamin: The banks will do it.

Mr. Wise: The other important thing to remember about this is the fact that when a farm debt review board in a province believes it has an adequate number of cases with which to deal it will then signal the Farm Credit Corporation that no further action be taken until such time as it has adequate time to deal with the cases with which it has to deal.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I am sorry to interrupt the Hon. Minister. I appreciate all the matters he is going into. Will he permit a question?

Mr. Wise: Absolutely.

Mr. Benjamin: Mr. Speaker, may I ask the hon. gentleman this. Is it not correct that it is not the FCC that seizes the land, it is the lender of first resort, the banks, through which the FCC guarantees loans and it is the banks that end up as the holders of the land and not the FCC?

Mr. Wise: Mr. Speaker, the Hon. Member has asked a legitimate question. The danger is in generalizing. If I were to give the Hon. Member a general answer it would be no. However, it would carry with it some inaccuracy because in some cases the action of the farm debt review board is not the decision of the FCC. It holds a secondary position, shall I say, and the primary client or creditor is the bank. So of course the bank would be the one that would petition it. Regardless of whether it is the bank petitioning or if it is the FCC petitioning there is still that process.

I could go on for quite some time, Mr. Speaker, but I know that there are a large number of Members on this side of the House in particular who wish to participate in the debate.

Some Hon. Members: Hear, hear!

Mr. Blaikie: We want to hear them.

Mr. Wise: I thought that it would be advisable to concentrate on some of the larger measures we have taken. This Government has done more for Canadian agriculture than has any other Government in the history of the country. I wanted to point to some of the reasons why we have some very serious financial positions in the farm community today. I wanted to give some clarification as far as the moratorium is concerned.

I could take a considerable amount of time to indicate where the real problem lies and where the Government has really concentrated its efforts. I could indicate where the Government and, in particular, the Prime Minister have played a leading role in the international forum with respect to bringing this problem to the attention of world leaders. I could also mention the new round of multilateral trade negotiations. The Prime Minister has been successful in placing agriculture on the agenda and some real progress has been made in terms of bringing about an earlier resolution.

I ask Members opposite to examine the record. I ask them to look at the make-up and the composition of the caucus which speaks for itself. I ask Hon. Members opposite to look at the composition of Cabinet and the statements that have been made. If Hon. Members were to check the record they would find that this is the first time in the history of the country in which the Prime Minister has referred to the plight of the Canadian farmer and the subject of agriculture more frequently than any other Prime Minister in our history. There is no question about that.

Some Hon. Members: Hear, hear!

Mr. Wise: We have been supportive of Canadian agriculture in the past. Our mandate is clear. Our schedule is clear, as is our timetable. We will continue to work with farm leaders. At the appropriate time we will make announcements. But it is inappropriate at this point in time to indicate exactly what the financial support will be. It is certainly inappropriate at this time to indicate what type of repayment or formula of distribution will be required.

As I talk to Canadian farmers they are quite appreciative of what we have done. They recognize that the Government recognizes the industry. They know that the Government places a priority on their industry. We have been helpful in the past and we are with them today. We will have to be with them tomorrow and into the future particularly when we consider some of the grain and oil seed sectors. Those problems will not go away tomorrow. They will be there tomorrow and for quite some time. Because of the priorities we have we will continue to hold them in the same priority as we have held them in the past. We will be there with them in the future.

Some Hon. Members: Hear, hear!

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am very pleased to be able to follow at 1.30 in the morning the Minister of Agriculture (Mr. Wise) and to see the tremendous support that agriculture has here in the House of Commons. While this debate may have its downside at 1.30 in the morning, I want to assure the constituents of Assiniboia, all the western Canadian farmers and all farmers across Canada that there has never been stronger representation in the House of Commons for farmers than what we have witnessed here today.

Some Hon. Members: Hear, hear!

Mr. Gustafson: The leadership that has been given by the Prime Minister of Canada (Mr. Mulroney), by the Minister of Agriculture and by the Minister of State for the Canadian Wheat Board (Mr. Mayer) has never been equalled before in this country.

Some Hon. Members: Hear, hear!

• (0130)

Mr. Benjamin: Is that the Anvil chorus or the Greek chorus?

An Hon. Member: That is the truth.

Mr. Gustafson: That was just a warming up exercise.

Mr. Foster: It is the Hallelujah chorus.

Mr. Gustafson: I should like to speak for a moment about the questions put forward by the Opposition this evening. There is a major problem in the way in which the NDP and the Liberals have put forward this debate.

An Hon. Member: There is a major problem with the NDP!

Mr. Gustafson: In bringing forward the debate in the way they have, the Liberals and the NDP are challenging the Canadian Wheat Board and the decision made and supported by farm groups, thus undermining the Canadian Wheat Board.

Some Hon. Members: Shame!

Mr. Gustafson: I wish to read to the House some of the things that the farm groups have said. The Minister of Agriculture (Mr. Wise), just a few minutes ago, reiterated the support that the Government has had from various farm groups across the country.

I quote from the *Winnipeg Free Press*, as follows:

> Canada cannot possibly match the power of the treasuries of either the U.S. or the EEC. The government would have made a bad choice had it announced initial grain prices that were unrealistic and had dealt with the resultant deficit after the fact.

Neither the NDP nor the Liberals recognize where the problem comes from.

Mr. Benjamin: Sure we do.

Mr. Gustafson: The problem stems from the U.S. and EEC agricultural subsidies.

Mr. Benjamin: And what are you doing to protect our agricultural sector?

Mr. Gustafson: In introducing these subsidies, neither the EEC nor the U.S. has looked into the future. Well, we have a Government in Canada that is looking into the future. In so doing, we have come to the conclusion that the answer rests in an international solution.

Mr. Benjamin: That takes three to five years, if we are lucky. What are you going to do tomorrow?

Mr. Gustafson: It is obvious to me that the Opposition, in wanting to intervene on the initial prices of grain as set by the Canadian Wheat Board, is not looking for a long-term solution to the problems in the market-place.

For the benefit of the Opposition, I want to read—

An Hon. Member: Why don't you tell us what SaskPool is saying.

Mr. Gustafson: If the Opposition would just listen for a moment, I can tell them what the Saskatchewan Wheat Pool has to say. I quote Garf Stevenson, President of the Saskatchewan Wheat Pool, as reported in the *Western Producer* of April 23, 1987:

> —the Pool agrees with the government's decision to set initial prices to reflect world prices.

That is what SaskPool is saying. That is one of the largest, if not the largest, farm groups in western Canada.

Next, let me tell you what the Alberta Wheat Pool is saying. I quote:

> —the Wheat Pool is all in favour of the Wheat Board setting an initial price that reflects real market conditions.

That is the Alberta Wheat Pool. Next, let me quote what the Cattlemen's Association is saying. Again, I quote from the *Western Producer* of April 23, 1987:

> Chris Mills, policy adviser to the Canadian Cattlemen's Association, said the CCA agrees with the grain groups that initial prices should be set realistically to provide "one clear signal" what world prices are and to avoid distorting domestic feed grain prices.

Mr. Benjamin: A tough cookie!

Mr. Gustafson: I could go on and on. We have the Western Canadian Wheat Growers Association saying the same thing: They support it.

Mr. Benjamin: An arm of the Tory Party.

Mr. Gustafson: In fact, I have not been able to find a farm group that does not support this policy. We have heard all night that the farm groups do not support the position the Prime Minister (Mr. Mulroney) is putting forward, the position that the Minister of Agriculture is putting forward, the position the Minister of State for Canadian Wheat Board (Mr. Mayer) is putting forward on this subject, both in Question Period and over the last week.

Mr. Foster: Mr. Speaker, on a point of order. I am wondering whether the Hon. Member will permit a question.

Mr. Gustafson: Certainly.

Mr. Foster: Mr. Speaker, the Hon. Member has quoted Garf Stevenson, the President of SaskPool. Does he agree with the request in Mr. Stevenson's letter that the Government

provide, on an urgent basis, substantial deficiency payments for the 1987-88 crop year?

Since he is quoting Mr. Stevenson with regard to the setting of initial prices, perhaps he can tell us whether or not he agrees with the request in this letter from Mr. Stevenson to the Prime Minister.

Mr. Gustafson: Certainly, we have no problem with that kind of request. The Minister of Agriculture has made that very clear. He has said that he was at a meeting less than a month ago at which Mr. Garf Stevenson was in attendance—and indeed, I was at that meeting. At that meeting, it was indicated, very clearly, that the Government had already set in motion a request to the farm groups for advice along these lines.

An Hon. Member: This is a letter dated April 28, 1987.

Mr. Foster: Are you agreeing with the request set out in this letter?

Mr. Gustafson: Mr. Speaker, I think the Hon. Member must understand that it is a process of seeding and harvesting. We are dealing with a crop year now that will not end until July 31, 1988. The farmers will receive, this week, a payment from the Western Grain Stabilization Fund, amounting, in the case of the average farm of two sections in Saskatchewan, or Manitoba, or Alberta, to something in the order of $14,000. In less than a month from now, the farmers will receive, by way of a deficiency payment, up to $25,000, and that payment will be relative to the crop year ending July 31, 1987.

I think there has to be a clear understanding as to what it is we are talking about. It is clear that the farm groups understand it. And so, yes, a letter from Mr. Stevenson looking forward to the future is quite proper. But for the Opposition to make the accusation in this House that this Government has not been dealing with the situation is uncalled for.

An Hon. Member: It is outrageous.

Mr. Gustafson: It is totally uncalled for. I am sure the farmers recognize this. Farmers are very knowledgeable when it comes to agricultural issues. They realize the importance of the situation and appreciate the problems they face.

Mr. Foster: Mr. Stevenson's request is set out in this letter.

Mr. Gustafson: No one here would deny that the agricultural sector is facing problems, and will continue to face problems; but we, as a Government, are dealing with those problems, and we have a record of dealing with them.

As we look to the future, the agricultural community can have confidence in the direction that this Government will take on its behalf.

I wish to get back to the point I was making about the setting of the initial prices for grain. This Government has taken the position that we will support the farmer in place of supporting the commodity—something which can only distort the international market-place. I think that is very clear.

The Minister of State for Canadian Wheat Board has provided leadership in this area internationally, as has the Prime Minister.

The Minister of Agriculture spoke about the meeting held in Vancouver attended by some 30-odd members of the agricultural community, a meeting was held before the Prime Minister attended the Tokyo Conference.

An Hon. Member: That was after the smoke and mirror show here in Ottawa.

Mr. Gustafson: I was at that meeting personally, and it was very interesting to see both the interest of the Prime Minister and the response of the farm groups to the Prime Minister in terms of what could be done internationally.

There has been a great deal of co-operation on the part of the farm groups, on the part of the Prime Minister, on behalf of the Minister of State for the Canadian Wheat Board, and on behalf of the Minister of Agriculture and the Government in general, and that kind of co-operation has resulted in Canada providing leadership in the international arena toward finding a solution to these problems.

If anyone has a quick formula to solve these problems, we would certainly be open to hearing it. Canada will be providing leadership in this area. No other country is in a better position than Canada to provide the necessary leadership.

• (0140)

Canada recognizes that one of its great building blocks has been and will continue to be agriculture. The Government sees the importance of that building block. We intend to build upon it.

There is no question that we face difficult times. The initial price certainly was a disappointment. We on this side of the House do not like the word "subsidy". We are not particularly elated by the fact that we have to bring in subsidies, but at this point in time there is no other choice but to subsidize farmers.

What about the Farm Credit Corporation? I should like to refer to my own riding. Many farmers facing difficulties have been in my own livingroom. It is to the credit of the FCC that I have seen more flexibility on the part of that corporation in the last few months—and I see several Hon. Members nodding their heads—than I have ever seen before.

The Minister of Agriculture just made statements in the House about the fact that the review process is a move to help farmers. A number of us met with the committee chairmen who attended before the standing committee. They put forward the difficult situations faced by farmers in all provinces. A past Member of the House of Commons, Doug Neil, is serving the committee from the Province of Saskatchewan very well. He gave an excellent presentation to the standing committee on the work being done in Saskatchewan

which faces one of the more difficult situations in terms of bankruptcies. The flexibility on the part of the FCC is a credit to that organization.

What was the cause of the problem? I should like to deal with it. The basic cause of farm bankruptcies goes back to one thing—high interest rates. I am talking about interest rates of 22 per cent, 23 per cent, and 24 per cent. We had those kinds of interest rates three years running. If we take 20 per cent interest rates and multiply them over three years, we find 60 per cent of the principal debt of the farmers involved. Farmer after farmer has said to me as a Member of Parliament—and I am sure others have experienced it in their ridings—that his problems began with 20 per cent interest rates. They ask why the then Government of Canada did not do something about them.

I can recall the situation after we were elected in 1984. Day after day we heard the following cry: "Get interest rates down". Do Hon. Members know that they are down by 10 per cent to 12 per cent? I do not hear Hon. Members opposite giving any credit to the Government in this regard. There is a lack of vision on the part of the Opposition. It does not seek a solution.

The Liberals failed farmers drastically. That is one basic reason farmers in western Canada have very little confidence in the Liberal Party.

Let us look at the record of the Government. It was a difficult time to represent the Government as chairman of the task force on drought in western Canada. In my riding, especially in the Bengough and Swift Current areas, that drought went on for about three years. However, it was not until the Conservative Government was elected in 1984 that something was done. The Prime Minister, the Minister of Agriculture, and the Minister of State for Canadian Wheat Board said that something had to be done. The Government set up a committee. We went to Bengough, Saskatchewan where there were 1,500 farmers. Hon. Members probably remember seeing it on television. One farmer was going to kick us all the way to Ottawa and back. They wanted an instant solution. We were saying that we wanted to hear from farm groups and from farmers. We were asking for just a few days.

The Government responded to the drought. Certainly some farmers were not satisfied. There was an odd problem here and an odd problem there. Few things in life are perfect. For the most part farmers in southern Saskatchewan, southern Alberta, southern Manitoba, the Peace River area, and wherever else there was drought were satisfied with the way in which the Government treated them.

There is a parallel situation now with the deficiency payments. The Opposition is asking us to do something quickly. It is asking us to respond momentarily, before we have had a chance to hear from farm groups or to move in a seasonal way.

I am going to close off now because I have covered the ground. I could tell the House about our record again and again. We will put our record up against the record of the other Parties in the House. We are proud of what we have done. We have not done enough. More must be done. Agriculture is important. However, when it is done, it will be this Government that will do it.

Some Hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I represent an urban constituency, but I do not hesitate to participate in the debate because many of the people I represent are railway workers, farm machinery industry workers, oil workers, truck drivers, and dairy workers. They know from experience that their welfare depends upon a prosperous agricultural industry.

When farmers suffer, they suffer. If there is a drought or a flood, there are no crops. If the price farmers receive for their crops is not enough for them to make a living, then my constituents suffer.

What is happening to farmers? They are efficient producers. They are as efficient as any in the world. We must ask ourselves why they are in trouble. It is not because they have failed. They are in trouble because of the tremendous subsidies which the United States Government pays to its farmers and which the Governments of countries belonging to the European Economic Community pay to their farmers.

The Government is on the right track when it tries to persuade the American Government and the Governments of the countries belonging to the European Economic Community to stop the insane levels of subsidy. However, the Government is kidding itself—and it is certainly kidding farmers—if it thinks that the subsidies paid by these Governments will be reduced very much in the next short while.

• (0150)

The farmers of this country are in trouble, Mr. Speaker. No member of the New Democratic Party who has spoken in the debate today has said that the Conservative Government has done nothing to help the grain farmers of western Canada. We know, and the farmers know, that the Government produced a deficiency payment of $1 billion. I do not have time today to debate why the Government produced that payment or whether it was pure coincidence that the Government did that in the midst of a Saskatchewan election, but the Government did produce it. What we say and what the farmers are saying is that that one shot payment is just not enough.

What is the situation of our farmers, Mr. Speaker? Let me quote from the *Winnipeg Free Press* of a week ago, April 21, dealing with the decision of the Minister responsible for the Wheat Board (Mr. Mayer) to reduce the initial payment by 18 per cent. The paper reported that decision as follows: "Prairie grain farmers will receive a record $705 million payment to offset an 18 per cent drop in initial prices, Wheat Board Charlie Mayer announced yesterday. It is the second straight year prices for wheat, oats and barley sold by the Board have

dropped. The University of Manitoba agricultural economist Darryl Croft said increased funding will not offset the low prices set by the Board. He said that prices in government funding, while realistic, are disappointing to all farmers who rely on grain sales for their income". I could quote further. Then the Minister of Agriculture (Mr. Wise) announced that he would terminate the moratorium on farm credit foreclosures. The following is the way *The Globe and Mail* reported that in yesterday's newspaper. I want to quote from part of the *The Globe and Mail's* report because of the claims of the Minister of Agriculture and of the Hon. Member for Assiniboia (Mr. Gustafson) that farmers were satisfied, were happy, with the Government's decision with regard to the reduction in the initial price and with regard to the finishing off of the foreclosure program. Here is what *The Globe and Mail* reports in yesterday's issue "Garfield Stevenson, President of the Saskatchewan Wheat Pool, said that the termination of the moratorium will cause a further decline in the market value of farm land. It is completely irresponsible and just not acceptable. I thought the Minister had more on the ball than this". I see the Hon. Member for Brandon—Souris (Mr. Clark) here. Then *The Globe and Mail* also quotes the President of Keystone Agricultural Producers, an organization which represents all the farm producers in Manitoba. This is what The Globe said: "Jack Penner, President of the Manitoba Keystone Agricultural Producers said termination of the farm credit moratorium will make it more difficult for farmers to get loans from banks and other lenders. At this time of year many farmers are trying to borrow money to purchase fuel, seed, fertilizer and chemicals for the coming crop season. A farmer needs a lot more cash at this time of the year than at any other time of the year. This is an extremely unfortunate time".

Maybe Members will say that the two newspapers misquoted or took out of context what the farm leaders said. Let me put on the record part of a letter sent yesterday which was addressed to the Prime Minister (Mr. Mulroney) by the President of the Saskatchewan Wheat Pool, Mr. Stevenson. "The Saskatchewan Wheat Pool believes that the rural way of life and related service industries are in jeopardy. We specifically recommend (1) that programs be immediately developed through federal and provincial co-operation to keep families on their farms in productive capacities. (2) that early consideration be given to the acute need for a substantial deficiency payment for the 1987-88 crop year. (3) that the Government continue its efforts to restore sanity in the international grain market".

Let me go back for a second to what farmers are saying about deficiency payments. They say that they want early consideration. They want a substantial deficiency payment not for last year's crop year but for the 1987-88 crop year.

Last week the President of Keystone Agricultural Producers, Mr. Jack Penner, a good friend of the Minister in charge of the Wheat Board, wrote to the Prime Minister. Here is part of what he wrote: "On behalf of grain producers in Manitoba, we call on your Government to announce as soon as possible an intention to introduce a similar program for the 1987-88 crop year with support levels at least equivalent to those under the 1986 program. We feel strongly that any such additional program should be based simply on acreages to keep the production neutral. The farm financial crisis is so serious that we feel action must be taken prior to the end of April to assure grain farmers in the business community that the federal Government is supportive".

He goes on to say, "A second important step should be a bold new initiative through the Farm Credit Corporation to save thousands of commercial farms from insolvency. In addition to new loan funds at affordable rates, the FCC should become a full service lender to the farm community. This we feel will provide the assurances required now by the farm community in times when other lending institutions are threatening to withdraw services".

I find it very strange that when Members on this side of the House raise these kinds of questions and make these kinds of suggestions we are told that we are being alarmist and that we are making the situation worse. We are told that farmers are satisfied, that they are quite happy with the Government. I happen to believe that when the President of the Saskatchewan Wheat Pool speaks, when the head of Keystone Agricultural Producers speaks, they know what their farmers need. Obviously we can see just by reading from those two letters that they are far from satisfied with what this Government has done. We are always accused of being wild-eyed radicals and the things that we say are said for partisan advantage.

I found some very interesting information in a January issue of the *Western Report*.

Mr. Benjamin: Another socialist magazine.

Mr. Orlikow: I do not know of a more right wing free enterprise publication that is printed in Canada. Let me read a couple of paragraphs from this issue. Here is the situation of an Alberta farmer, from a province which has been represented for so many years by nothing but Conservative Members of Parliament.

Mr. Benjamin: And what did it get them?

Mr. Orlikow: Yes, what did it get them? Let me illustrate what it got them from this issue of the *Western Report*. In 1970, Marvin Dahl, 47, he joined his father, Clifford, on the 50-year old family farm 12 miles south of the ranch. The younger Dahl is now trying to pay off half of a $600,000 debt by selling 640 acres. He would like to sell to his son Richard, a hired hand until the faltering economy forced his lay-off.

• (0200)

Richard's yearly loan payments on such a purchase would be about $27,000 and, with annual operating costs of at least $35,000, he could not make ends meet. Marvin says it would take 15 uninterrupted years of profitable farming to turn the

Dahl operation around. He is not hopeful. Neither is his 85-year old still-working daddy who absolutely loves farming. I think it is very painful for him to sell off a piece of land.

Mr. Côté (Lac-Saint-Jean): Are you ashamed to read such a thing?

Mr. Orlikow: Is it a shame to read such a thing?

Mr. Côté (Lac-Saint-Jean): Are you ashamed?

Mr. Orlikow: I think it is a tragedy that that kind of thing happens in Canada.

Mr. Côté (Lac-Saint-Jean): And you make this happen.

Mr. Orlikow: Mr. Speaker, the Hon. Member says that I made this happen. This Party to which I belong has never been in federal Government in this country. It was the Conservative Party which promised the farmers of Canada that if elected, it would bring in programs which would help solve the problems of the farmers. In fact, the problems are worse than they have ever been.

We heard from Conservative Members and from the Minister that we are exaggerating the difficulties. The same article indicates that the Alberta Agricultural Development Corporation estimates that from 770 to 850 Alberta farmers exited their operations in 1986, including almost 400 who went into either receivership or bankruptcy. That is the same number as was recorded in all of Canada during the 1960s and the 1970s.

An agricultural economist from Lethbridge has said that about 5 per cent of some 7,000 farmers in his area are leaving every year and he predicts that if the economic climate does not improve, the region could lose up to 30 per cent of its farmers over the next two years. Those would be the ones he considered to be in serious financial difficulty, mostly young men.

That is the situation which is facing farmers, particularly in western Canada. What goes along with those economic difficulties are tremendous psychological and emotional problems. Studies done by two professors of Brandon University have revealed that stress symptoms such as headaches, marital problems and irritability were three or four times more prevalent in the average farmer than in an RCMP officer three days after being involved in a shooting. It is not surprising to hear of these kinds of reports when we know the difficulties farmers are experiencing all across Canada.

Mr. Holtmann: That's Charlie Mayer right there, *Maclean's* magazine, you want to see it, as a farmer.

Some Hon. Members: Order.

Mr. Benjamin: You should have that crutch for your brains.

Mr. Orlikow: I know it's late and I suppose the Hon. Member for Selkirk—Interlake (Mr. Holtmann) is getting tired, but I would suggest that he observe the rules of the House and stay in his own seat.

Mr. Holtmann: I can't walk by here, seriously? Yes, I can.

Mr. Orlikow: We are calling for at the very least an immediate government commitment to provide Canadian grain farmers with the guarantee that total incomes received for crops being planted now, the 1987-88 crop year, will equal those of last year. It would cost between $1.5 and $2 billion. We also ask that such assistance be available and known to farmers, not just for one year but for the next three or four years so that farmers will know the problems they face.

We know that the Government is working on the international front to bring peace to world grain markets. We hope it succeeds. However, even with luck, we know that this will take a few years. There will be no quick fix because the Americans and Europeans are not ready for it.

I have already said that the Government has provided assistance to the farm sector in this last year. The Government says it has consulted with farm organizations but if I understood what the letters from the President of the Saskatchewan Pool Elevators and the President of Keystone Agricultural Producers were saying, the Government may have consulted with them but it certainly did not listen to them.

We say that government assistance, though significant, has simply been inadequate. Even while the Government provides assistance with one hand, it takes it away with the other. The Conservative Government has increased taxes, service fees, freight rates and a host of other direct and indirect costs to farmers. The Government should not—

Mr. Holtmann: Here's a couple more for you.

Mr. Deputy Speaker: That should not be done in the House.

Mr. Benjamin: Mr. Speaker, could you have the Sergeant-at-Arms remove this idiot?

Mr. Deputy Speaker: The Hon. Member for Winnipeg North (Mr. Orlikow) has the floor.

Mr. Benjamin: Get out of here.

Mr. Holtmann: Try and get me out of here.

Mr. Orlikow: The Government should announce a deficiency program for the coming crop year now. It should not have lifted the moratorium as it did and it should not have done so until it had addressed the broad question of farm debt, which now amounts to about $25 billion across Canada. Much of it is still held at the high interest rates with which farmers had to deal during the Liberal regime.

The Government has said that it cannot afford to do more for farmers. We remember that the Government was able to find $1 billion to save a bank. We remember that the Government recently allocated $350 million to help small oil companies. We do not object to that. We know that the Government

permitted a $500 million tax break for the purchasers of Gulf Canada. We know that the purchasers of Dome will probably get $2 billion in tax credits. We know that the banks were permitted to loan several billions of dollars to keep Massey-Ferguson going. We know that the Government has been able to find hundreds of millions of dollars to help modernize a paper plant in eastern Canada. We do not object to all of this but we say that if the Government was able to find that kind of money for those things, the Government can and must do much more than it has done for farmers. After all, they are the backbone of western Canada and there have been limits to what the Government has been willing to do. We say that has not been good enough.

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I am pleased to be able to join in this debate which focuses on a very important problem facing our economy at this time. I would be remiss if I did not compliment the Hon. Member who just spoke, the Hon. Member for Winnipeg North (Mr. Orlikow), for a very reasonable and responsible contribution to the debate.

I think it is important that Canadians be reminded again of the crisis that is facing Canadian grain producers. It is important also that Canadians understand that the mover of the motion which brought about this debate and his Party do not have a monopoly on concern for the farm community or for Canadian agriculture. The fact is that this Government, in spite of the legacy of past debt which hampers it, has made an unprecedented response to agriculture and particularly to the hard-pressed grains sector.

I believe prairie grain farmers understand very well that the problems they face are caused by factors that lie beyond our borders. The disastrous grain trade war that is going on between the European Economic Community and the United States, both economic superpowers which are determined to retain and enhance their share of the world grain export market no matter the cost, is such a factor.

• (0210)

Both the common market and the Americans are subsidizing their farmers considerably on wheat production and then dumping that production on the world market at virtually any price through export enhancement programs. In the result, Canada, which is heavily export dependent, in fact exporting 80 per cent of its wheat production, and with a population of 25 million, is facing unfair competition from the EEC which has a population base of 330 million and exports perhaps 20 per cent of its production. Of course, the Americans have a population base of some 250 million and an enormously larger treasury. Obviously it is extremely difficult for Canada to match the treasuries of western Europe and the U.S.

Canadian farmers know this. I believe the great majority of them feel the response of this Government has been fair and reasonable. However, I have a fear that there may be some misunderstanding in some of the urban areas of Canada. I hear rumblings of disquiet over what some urban dwellers appear to perceive as very handsome payments being made to the farm community. There are stories in the press that the average amount of government payments to farmers is in the area of $25,000 to $30,000 in cash each year. One hears mutterings of discontent about this from those in urban areas who do not understand the importance of the agricultural sector to this country.

I think it is extremely important that in this debate we outline again the seriousness of the plight facing grain farmers. As a Member from Saskatchewan I would like to give some figures. They will relate solely to the Province of Saskatchewan. This information has been given to me by the Saskatchewan Wheat Pool and Statistics Canada.

Total farm receipts in the 1986 calendar year, crop, livestock and other, was in the area of $4.1 billion. Operating expenses were $2.8 billion, depreciation $674 million, leaving a net realized farm income of some $636 million, down 9 per cent from 1985. At first blush, $636 million in net income might sound pretty good, but the fact is that this is divided up among approximately 66,000 farmers in Saskatchewan. The average net income in 1986 per farm was in the area of $9,600, representing a return on capital and a payment for labour. Out of that sum obviously the farm family must not only meet its everyday living expenses such as food, clothing, heat, utilities and so on, but also pay the principal on loan payments. By way of comparison, the minimum wage in Saskatchewan at $4.50 an hour, based on a 40-hour week, returned some $960, obviously without the kind of intensive capital investment that the average farmer has made.

I should point out that these revenue figures include contributions from the federal Government of considerable magnitude. In 1986 there was crop drought assistance of $71 million, under federal-provincial crop insurance some $120 million, the federal farm fuel tax rebates accounted for another $43 million, and the western grain stabilization accounted for $450 million.

The fact is that without these federal programs farm income in Saskatchewan for 1986 would have been a negative figure. Projections for 1987 point to gross farm receipts of $4.2 billion, operating expenses of $2.7 billion, depreciation of $678 million, leaving net realized income of $849 million or around $12,500 per farm. That is up 33 per cent from 1986. Federal government payments contributing to this gross farm income in Saskatchewan for 1987 include $415 million under the special grains program, roughly $50 million in fuel rebates, and $382 million being Saskatchewan's share of the interim western grain stabilization payment, and those cheques are now in the mail with more to come. By June the federal contribution to the Saskatchewan grain sector will be in excess of $850 million. That equals the entire projected net income in farming in Saskatchewan for 1987.

While this is going on the equity position is eroding. In 1984 the average capital investment was some $460 an acre. The average farm size in Saskatchewan is around 1,000 acres. There is an average capital investment of $460,000 in land,

machinery and equipment. I know that some may find these figures rather tiresome but I think it is important at some stage in this rather lengthy debate that up-to-date figures go into the record in order to try and illustrate the impact of government assistance in turning around, indeed in keeping afloat the farm sector in Canada at this time.

The latest figures for 1985 indicate an erosion of equity as capital investment dropped to $420 an acre as a result of falling land prices. Undoubtedly the 1986 figures, when they are available, will indicate a further diminution of land values and a further erosion of equity. That represents a brief summary of farm income and equity positions in Saskatchewan. It is an indication of the importance of the federal response.

The mover of this debate cited lower grain prices, the lifting of the FCC moratorium, and the matter of deficiency payments for the next crop year as reasons for the debate. We all know that the initial price for No. 1 wheat in 1985-86 was $4.35 a bushel. It fell in the current year to $3.54 a bushel, and for the next crop year, 1987-88, it will drop to $2.99 a bushel. Canadian farmers also know, as do opposition Members, that this disastrous decline was caused by the subsidy war originating beyond our borders.

In order for Canada to retain its traditional share of the world export market it is necessary that the Canadian Wheat Board lower its prices in order to meet world competition. That is the reality. The Canadian Wheat Board has its sensors in the market-place and recommends to the federal Government what the initial payment should be. Farmers know that quite clearly and I think opposition Members should understand it as well. One would hope they are not questioning the integrity of the Canadian Wheat Board in that regard.

Opposition Members lament the lifting of the FCC moratorium which has been in place for some 19 months. The fact is that the employees of the Farm Credit Corporation, and I am not talking about head office people in Ottawa but the people who work in the field and deal every day with farmers in Saskatchewan, tell me that of the farmers who are experiencing difficulty in making their payments, the good operators come in ahead of time. If they are having difficulty making payments, they come in and talk to their counsellors and discuss the problems and find ways to overcome the difficulties. The FCC counsellors also say, unfortunately, that there is a small minority of borrowers in difficulty who tend not to co-operate, who tend to avoid the situation. They have to be called in or badgered and some suggest they hide behind the moratorium.

What the FCC people tell me is that the moratorium might as well be lifted because it is not going to make any difference at all insofar as a responsible and co-operative farmer is concerned. There are ways of assisting those people and they are being used at the present time and will continue to be used. The Minister of Agriculture (Mr. Wise) indicated earlier in this debate the possibility of some further initiatives and alternatives.

The FCC field people do make the suggestion that perhaps the commodity-based loan criteria of equity might be changed somewhat in order that existing FCC clients whose equity has eroded might still be able to qualify for a commodity-based loan. I think it is a sensible suggestion and I urge the Minister of Agriculture to seriously consider the proposal.

• (0220)

The Opposition is asking for assurance of a deficiency payment for the next crop year which begins August 1, 1987, and ends July 31, 1988. We are 15 months away from the end of that crop year. One might ask whether they do this in order to gain some political points, whether they would expect the Government to do this without knowing all of the factors; the size and quality of the crop, world prices in the future, and conditions in other countries.

They ask this with the full knowledge that $705 million in interim payments under the Western Grain Stabilization Act is already in the mail and the fact that there will be another $700 million paid to Canadian grain and oilseed producers in the next month under the final instalment of the Special Grains Assistance Program. They know, too, that last fall the Prime Minister (Mr. Mulroney) made a commitment in the Throne Speech that the Government would spare no efforts in protecting the interests of Canadian farmers and that that commitment was followed up with a $1 billion Canada Grains Assistance Program.

Actions speak louder than words. I believe that most western farmers know that the Government is solidly behind them, not with the empty rhetoric which characterized the previous Government, but with action, programs and cash.

I would be less than honest if I did not indicate that I was somewhat disgusted by the antics of some members of the Liberal Party earlier this evening. I find repugnant their smug response that somehow it is the fault of the Government that world grain prices have dropped and their temerity in suggesting that the Government is insensitive to the Canadian grain sector.

This comes from a Liberal Party which brought capital gains to western agriculture in 1971 and initiated the infamous LIFT program which brought 23 per cent floating interest rates to Canadian agriculture in the early 1980s which amounted to a time capsule, a delayed reaction which is being released even at this time. Interest rates were the root cause of the debt problems of many Canadian farmers.

The Leader of that Liberal Government said, "Why should I sell your wheat?" During the good years in this country that Party not only failed to balance the books but in fact went head over heels in debt for magnificent and outstanding programs such as Katimavik. In the good times the Liberal Party saddled the nation with a debt of such magnitude that the interest charges on it now consume virtually one-third of federal Government revenue.

This massive debt servicing requirement makes it extremely difficult for the Government to be able to respond to the urgent needs of Canadian agriculture without running up the deficit further, increasing inflationary pressures, and putting upward pressure on interest rates which can only harm the farm community. That, I think, represents the Liberal legacy. What do they offer today? A 17-page report, *Directions for the West*, which the Winnipeg *Free Press* quite properly describes as "pathetic and empty".

I want to touch briefly on some of the initiatives which the Government has taken with regard to Canadian agriculture, some large and some small, which I believe indicate that the Government has paid attention to prairie grain farmers, initiatives which contradict in a very real and concrete way the allegations put forward by the mover of this debate.

For all practical purposes the Government got rid of capital gains immediately upon taking office, the fulfillment of a campaign commitment made when land prices were higher. The Government instituted a program of farm fuel tax rebates which, in effect, has eliminated federal taxes on farm fuels. It changed federal-provincial crop insurance to increase coverage without premium increase.

It amended the Prairie Grain Advance Payments Act to tidy it up and eliminate the need for the landlord's signature to be obtained in order that a tenant can secure cash advances. It amended the Western Grain Stabilization Act to provide for timely interim payments each spring in time for seeding. These were sizeable payments; $580 million in 1986 and $705 million this spring.

The Minister responsible for the Canadian Wheat Board (Mr. Mayer) today, or I guess I should say yesterday, in Question Period noted that the Western Grain Stabilization Fund is presently in deficit. It has been exhausted and in view of the fact that the accumulated past contributions by both the Government and producers have run out, the fund will have to be replenished with new money. This may well be the time to open up the Act to enable the approximately 17 per cent of western producers who are not part of that program to enter. I believe the Minister indicated that he is certainly prepared to examine that situation.

There is the situation of the No. 5 Durum which a number of producers on the Prairies have and, unfortunately, cannot get rid of other than by mixing with hay for animal feed. In the circumstances they have a crop and therefore cannot secure crop insurance. They cannot contribute to western grain stabilization because they have not sold the product. I wonder, as do producers, whether there is some mechanism by which contributions to the Western Grain Stabilization Program might be made in such circumstances. That is the type of problem which all Members in this House, regardless of their partisan stripe, ought to try to address themselves to for the benefit of agriculture generally.

The Government supported Canadian cattlemen in their successful countervail application against European Economic Community beef. It instituted Debt Review Boards which I believe are generally working well. It instituted the commodity-based loan program, an innovative and experimental approach to existing Farm Credit Corporation mortgage clients. As I mentioned earlier, I think there may be room there to ask for consideration of changing the equity requirements.

I should compliment the Minister of National Revenue (Mr. MacKay) who noted an ill-conceived heavy equipment over-allowance special audit being performed by the bureaucrats, a program which threatened the farm community with the spectre of field auditors from Revenue Canada examining every single machine deal which has taken place in the last four or five years and trying to substitute their idea of the fair market value of that piece of equipment for that fairly arrived at in the market-place between the dealer and the farmer.

After reviewing that situation in detail and noting that farmers are already subject to the same kind of audit procedures as is every other taxpayer, the Minister believed that there was indeed no need for a special over-allowance program targeted at the farm community. As a result, he has responded to the representations of Members on all sides of this House and cancelled the program.

For years we witnessed the almost annual shutdown in the flow of grain from the farm gate to the ports through stoppages at Vancouver and Thunder Bay. There is presently a Private Member's Bill, Bill C-244, coming before this House, the intent of which is to substitute a process of binding conciliation for the strike or lock-out mechanism. I urge Members of this House to support that Bill.

The Western Canadian Wheat Growers and United Grain Growers have already indicated support. Perhaps the Saskatchewan Wheat Pool which is, quite properly, quick to ask for assistance for farmers, might consider publicly getting behind such a Bill which would help to maintain Canada's reputation as a dependable supplier of quality wheat and would also enable farmers to avoid those inevitable demurrage charges which result from these stoppages. Certainly many pool members individually want this legislation and I suggest that if the NDP are genuine about wanting to help the farm community they will get behind an initiative of this nature.

In closing, Mr. Speaker, I want to point out that interest rates generally are down 4 per cent as a result of the prudent approach of the Minister of Finance (Mr. Wilson), as a result of downsizing of Government which, incidentally, has been battled every step of the way by the Opposition in this House, in spite of low world oil, grain, potash and uranium prices owing to factors beyond our borders, and in spite of the monumental deficit build-up of the past.

Against all odds the Minister of Finance has been able to find ways to service that awful debt, to help out the agriculture and energy sectors, and still reduce the growth in the deficit. The result of that is 700,000 new jobs and 500,000 people in the workforce.

• (0230)

Clearly, the answer to the problems here is $6 wheat and the solution lies internationally, beyond our borders. In the meantime, producers can rest assured that the commitment in last year's Throne Speech that the Government will spare no effort to assist the farm community during these difficult times will be met. There is no question that western farmers and all Canadian farmers will know, in terms of actual cash received, and action rather than words, that the Government will live up to its commitment.

Mr. Les Benjamin (Regina West): Mr. Speaker, I listened carefully to the debate tonight. I was impressed with some speeches, amused with some, and disgusted by others.

I say to the Hon. Member for Algoma (Mr. Foster) with the greatest respect, that if there is anyone who is in no position to complain about what is happening in agriculture today it is the Liberal Party.

Mr. Thacker: Don't wake him up.

Mr. Benjamin: That is all right, they were like that then.

There are not many of us left here, but I am one of those who had to suffer through operation LIFT at the hands of the Liberal Party and Otto Lang. I saw the abandonment of 3,000 miles of railway track in the prairie provinces at the hands of Otto Lang and the Liberals.

When they introduced the Grain Stabilization Bill, I can modestly say that I helped four farmers take the Liberal Government to court where we won the case and $100 million. The ultimate irony is when we consider who led the fight and introduced the Bill to get rid of the statutory grain rates. It was the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), who had the unmitigated gall to get up and cry about the high cost of production for farmers. If he had at least the courtesy to blush, I would have accepted his conversion on the road to his own Damascus. However, he did not have the courtesy to do so.

As well, there is a Senator travelling around southern Saskatchewan on a mission called "Journey for Justice". In October, 1983, we had a reception here to deal with retaining the Crow's Nest Pass rate for grain producers. Three hundred farmers from Saskatchewan, Alberta, and Manitoba gathered in the Railway Committee Room and asked the Hon. Senator if he would resign from the Senate if the Bill to eliminate the statutory grain rate was passed. The Senator left the meeting. I do not believe we need to hear any more from Liberals because they are the ones who are responsible for this dilemma.

I want to deal with the Party that is perpetuating the sins of omission and commission. Since Confederation, grain producers have only wanted what they believe is rightfully theirs, which is a price for their product which provides a return for their cost of production and their cost of living. They have never asked for more than that.

Grain producers have never been able to set their own price for their production yet a union member can bargain for his wages in an attempt to meet his cost of living. If he is not satisfied he can go on strike.

Professionals can set their fees to recover their costs and maintain their standard of living, as can Members of Parliament. However, as soon as a farmer asks for a return that meets his cost of production and provides a half decent living the Government decides to lift the moratorium on his mortgage. The concern is not that the Government will seize the land of one farmer or 500 farmers, but that it is prepared to lift a moratorium on their mortgages at the FCC. It means that the Government does not give a damn.

Mr. Clark (Brandon—Souris): That is not true.

Mr. Benjamin: It means that it is not prepared to provide the same standard of living for agricultural producers as it is prepared to provide for every other sector of our economy that can set its price and recover its cost or shut down.

Agriculture is so fundamental to our country that it cannot shut down.

There has been much said in the press about the fact that Mexico, Poland and Brazil owe the banks of Europe and North America tens of billions of dollars. There is a consortium of eight banks—six American and two Canadian—which are owed $6 billion by Poland, Mexico and other countries. Furthermore, a consortium of six airlines in North America owe those banks $6 billion.

One does not often read amusing stories in the financial pages of *The Globe and Mail*, but I was amused to read the interview with the vice-president of the Chase Manhattan Bank, the spokesman for this consortium of banks. When asked if he was worried about the money owed to the banks by Mexico, Brazil and Poland, he said: "I know that six months from now Poland will still be there. However, I am not so sure about those six airlines".

When we apply this reasoning to the Farm Credit Corporation, we see that the land stays, the bank stays, but the farmers must leave. There is something fundamentally wrong in a system that allows us to bail out other countries, airlines, railroads, automobile companies by writing down their debts and writing off interest charges but when it comes to farmers—

Mr. Shields: And we can pay the Crow's Nest Pass rate to the railroads under the direction of the NDP.

• (0240)

Mr. Benjamin: My hon. friend should either sit down or fall down.

I find that double standard unsupportable and I think my hon. friends opposite will agree that there is a double standard. The land stays there, the banks stay there, and the farmers have to leave. Every civilization going back to the Babylonian

destroyed itself when it destroyed its agricultural community, and that is what we are in the process of doing.

The Government talks about lifting a moratorium and tells us it will not review more than 50 farmers a month. Is that not nice of the Government? It could review 100 farmers a month or 500 farmers. After all, there are upwards of 7,000 in them in hock up to their eyeballs. But it was very nice of the Government to say it would only do 50 farmers a month. I thought that was sort of half decent. Fifty farmers a month is only 600 a year. If we give this Government another couple of years, that will only be 1,200 or 1,300 more farmers who have been called up on the carpet.

Why does this Government not say to the farmers: "You cannot possibly pay the principal and interest on the loan on your land and machinery, therefore, we will cancel the mortgage. You get the land. You pay a lease fee which covers the minimum interest charges and land taxes and it is yours"? It stays in the family. It does not go to anyone else. Banks do not know how to run farms. Why does the Government not do that? I hesitate to mention the word but I have to bring it up again, it is called "banking land". It is called a "land bank". It is the means to preserve our rural communities and family farms. It is not just farmers, it is every bulk dealer, corner grocery store, postmaster, local school, curling rink, you name it, in every province of this country, which is at stake. So it ain't just wheat and it ain't just farmers.

The Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton) talked about initial prices. I want to remind you gentlemen, when he accuses us of attacking the Canadian Wheat Board, that he is the man, as Minister in charge of the Canadian Wheat Board in 1960 who removed feed grains from the jurisdiction of the Canadian Wheat Board. He was the one who started the attack on orderly marketing in the Canadian Wheat Board, and that was endorsed and continued by the Liberal Party when it took over, which means there ain't no difference. Let us bring interest charges under the Farm Credit Corporation at or below the bank rate. Let us not only put in place a moratorium, let us say to all the family farmers in this country—

Mr. Clark (Brandon—Souris): What is a family farm?

Mr. Benjamin: This fellow wants to know what a family farm is. Would the Chair give me a few minutes extra time so I can explain?

Mr. Clark (Brandon—Souris): Tell me what a family farm is.

Mr. Benjamin: This is the Chairman of the Committee on Agriculture and he does not know what a family farm is.

Mr. Clark (Brandon—Souris): I am waiting.

Mr. Benjamin: That is a hell of a place for him to get an education. A family farm is a farm which is operated by a family. Will that suffice? Does the hon. gentleman need more of an explanation?

Mr. Clark (Brandon—Souris): No size limit?

Mr. Benjamin: What has that got to do with it?

Mr. Clark (Brandon—Souris): I do not know, I am asking you.

Mr. Benjamin: What the hell are you doing over there?

Mr. Clark (Brandon—Souris): Incorporated?

Mr. Benjamin: What is the difference? That just shows you the mentality of these right-wing, private enterprise, bottom line Tories who say it is all right if you have a family farm but if you cannot make a buck, tough cookie.

Government policy tells farmers that the Government will not defend them against world markets. It expects the family farmers to pick up the costs of competing with other countries. We are into a war and the last thing we need to do is lift a moratorium on farm mortgages. That is the last thing we need to do. In fact, it is not an advance payment when they announce initial prices and the Hon. Member from Qu'Appelle—Moose Mountain is totally wrong. That is the price the farmer receives when he delivers his grain. It is not an advance payment.

An advance payment is not dictated by the Canadian Wheat Board. It is dictated by the Treasury Board and the Government of Canada, and no one else. The Hon. Member for Qu'Appelle—Moose Mountain and my hon. friend, the Hon. Member for Kindersley—Lloydminster (Mr. McKnight) who is sitting there grinning like something else, try to peddle that nonsense. The fact is that the Canadian Wheat Board wanted to set initial prices based on cost of production to get some kind of reasonable return, and the Treasury Board and the Government of Canada said to lower the initial prices.

What is needed in addition to not cancelling this moratorium on mortgages is for the Government of Canada to say to the Canadian Wheat Board: "You have an initial price. Tell the grain producers of western Canada that we will provide a final payment".

Mr. Clark (Brandon—Souris): How high should it be?

Mr. Benjamin: It should be the cost of production which has to be not less than $5.50 or $6 a bushel. I will not argue about 50 cents. That is what it has to be. That will cost at least $1.5 billion minimum. That is what is required just for the grain producers. In addition to that, all the other producers who have Farm Credit Corporation mortgages, whether they live in Atlantic Canada, Quebec, Ontario or British Columbia, are also entitled to their cost of production on their prices.

Mr. Shields: How about the farmers in the Territories?

Mr. Benjamin: My hon. friend from British Columbia—no, that is not where he is from. He is from somewhere. I wish he would at least sit in his seat. Wherever he is from, we are going to send him back.

There are some farms, by the way, for the edification of my hon. friend, near Yellowknife and Whitehorse. They grow great vegetables up there. But rather than pay attention to the vegetable who is sitting there, I want to conclude, if Hon. Members are lucky—

• (0250)

Mr. Clark (Brandon—Souris): Cancel all FCC mortgages?

Mr. Benjamin: No. I say you place a moratorium on all Farm Credit Corporation mortgages. You put a moratorium on the whole works. Those farmers who are viable will pay up. Farmers are honest people. They will not fall into arrears. Why do Members opposite not trust the people instead of the banks?

Mr. Clark (Brandon—Souris): And the ones in arrears, do we give them the land?

Mr. Shields: No. He wants a federal land bank. That is what he is after.

Mr. Benjamin: Mr. Speaker, could I have another half hour to teach these dummies something? In the dirty thirties the Tories were in power followed by the Liberals. But it was the CCF who had to bail out Saskatchewan. They told us that money did not grow on gooseberry bushes. Who was it that victimized farmers with seed grain debts, relief debts and property tax debts in the dirty thirties and early forties? It took a war and a CCF Government to clear that situation up. But we declared a moratorium. We cancelled those bloody debts. We told the banks to go to hell. We brought in a farm security Act which did not allow anyone to take a home quarter of land and a farmer's home away from him.

I want to tell my hon. friend opposite that he should get the courage and the intestinal fortitude, to put it nicely, to say to the financial institutions, including a government financial institution, that no longer will we allow our agricultural producers to receive less than their costs of production. That has to be a minimum goal of any Government of any political stripe. If that means higher costs for consumers it means that we will offset it for old age pensioners and the poor in other ways. And the rest of us can darn well pay our share of the costs of that agricultural production. We must stop preventing the one and only sector—although I guess we could add the fishermen to that—in all our economy from receiving a price that covers its costs of production.

Mr. Clark (Brandon—Souris): How about forestry?

Mr. Benjamin: They have always had that. They never missed on that, never. Agricultural producers and fishermen are about the only two sectors of the economy which have never been able to institute a price that covers their costs of production. That is all we are asking.

I want to compliment the Government for what it has done thus far. It has done a lot more than the Liberals did, which is not a hell of a lot to brag about. It has done better than the Liberals. The Government is like the two guys out fishing. The boat tipped over and one of them hollered: "Help, I can't swim". The other one said: "This is no time to brag about it".

Mr. Deputy Speaker: Order, please. Would the House be inclined to give an extra one minute to the Hon. Member?

Some Hon. Members: No way!

Mr. Deputy Speaker: Will the Hon. Member conclude his speech immediately, please.

Mr. Benjamin: Mr. Speaker, I want to thank you and the gentleman standing at your side for your courtesy and patience. I have not quite finished. I am sorry that my friends opposite do not want to hear more of what I have to say.

[*Translation*]

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, I welcome this opportunity to speak in this debate after the Hon. Member for Regina West (Mr. Benjamin). When he started his comments, the Hon. Member told us that he had been both amazed and disappointed when listening to the speeches made here in the House this evening. Mr. Speaker, I was expecting a Member with the extensive experience of the Hon. Member for Regina West to produce a truly excellent speech. Unfortunately, we were treated to a flood of verbiage totally devoid of ideas, something the Hon. Member for Regina West (Mr. Benjamin) is particularly good at. Mr. Speaker, it takes incredible nerve to ask for an emergency debate on the situation of western grain producers. Nerve, however, is something of which the Hon. Member for Regina West and his seatmate from Winnipeg North (Mr. Orlikow) have an abundant supply. Mr. Speaker, this is not an emergency because many western grain producers are in intensive care and others are enjoying extended care. With the kind of policies we had for the past 20 years, certain producers went from emergency to intensive care, others to extended care, some years ago, nevertheless, our socialist friends have changed the words to their tune and now keep repeating this Government is not doing enough.

Mr. Speaker, whatever we do, it will never be enough, and there are producers, not only in western Canada but across this country, who have gone from the emergency stage to the terminal phase. Their financial health has deteriorated to the point where treatment would be to no avail. They are doomed. The tragic part is that we got into this situation as a result of the socialists being hand-in-glove with the Liberals. Mr. Speaker, this crowd of unfrocked capitalists never had to manage a single dollar of taxpayers' money and never will. They will never have a chance to run this country. The closest the Hon. Member for Regina West has come to a western farmer is in his air-conditioned Cadillac with the windows rolled up tight. That close.

[*English*]

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I have not paid for my last car, let alone drive a Cadillac. I am a socialist from Saskatchewan. I do not have a Cadillac and I have never had one.

[*Translation*]

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, those unfrocked capitalists, as I said before, probably leave their Cadillacs in Ottawa when they go out west. And if they don't have a Cadillac, they borrow or rent one.

Mr. Speaker, our socialist friends can go on with their campaigns to win members. They were campaigning all over the country, not just in Western Canada but also in Quebec: operation charm. Well, moral victories will be about as close as they will get to power. Between elections, their operation charm, led by the kind of leader they have now, a leader who—

Mr. Speaker, when one has no responsibility for running the country, no administrative concerns, one can afford to make promises and bend socialist principles so far as to promise the capitalist banks will be making the same enormous profits they are making now. The banks are making these profits because our unfrocked capitalists, our Sunday socialists supported the Liberals for so many years. Mr. Speaker, you will never see one of these socialists rise in the House to support one of the Conservative Government's policies. Never! That is because their support comes from the west. There are no Liberals in the west. There are Conservatives. So how can we logically expect our Sunday socialists to support a good policy introduced by the Conservative Government?

Mr. Speaker, they can go on harping on the fact that it is not enough, but that is not going to stop us from trying to correct 20 years of irresponsible administration by a Liberal Party supported by its socialist bedfellows. Mr. Speaker, that is not going to stop us from fulfilling our election promises. It will not prevent us from further developing our agricultural industry and trying to keep it on a sound basis, to improve the situation and do everything we can to help those who are in financial difficulty today.

Earlier I was listening to the Hon. Member for Winnipeg North (Mr. Orlikow) giving us a lecture. Mr. Speaker, I shall refrain. I will not bore you with another lecture. You have had enough tonight. It is past three o'clock in the morning. The Hon. Member recalled the case of the young farmer who had taken over the family farm from his father with a great deal of courage and goodwill and enthusiasm, and who was now facing tremendous financial problems. The Hon. Member was trying to impress western farmers with his knowledge of a situation that they know a lot more about than do our socialist friends.

But, Mr. Speaker, sitting here I found it hard to imagine that the accomplice of the Liberals would even dare before the House—indeed, Mr. Speaker, this is not a theater because, if a hockey game had been scheduled for this evening in western Canada, would our socialist friends have asked for an emergency debate? No way! But you know that the Edmonton Oilers have defeated the Winnipeg Jets. So, considering that Eastern and Central Canada had something to watch, like hockey games, they thought they would simply have to perform for their electors and others they are trying to woo. And they have managed to do just that.

Still, Mr. Speaker, I thought it was my responsibility to remind them that these sittings are doing them good only in between election campaigns. It will probably give them a roller-coaster image in public polls, but it will not lead them to power.

In conclusion, Mr. Speaker, because I know that many of my colleagues also have interesting comments to make, certainly more so than what we have heard so far from our colleagues opposite, I should like to remind our Liberal friends that the commitments of the present Prime Minister (Mr. Mulroney) are quite different from those of their former Prime Minister, Mr. Trudeau, who once told western grain producers: I am not going to sell your wheat.

Now then, Mr. Speaker, a Prime Minister who dares mouth such inanities has little in common with a man who had the courage to put on the economic summit agenda a topic like the economic problems facing farm producers, as Prime Minister Mulroney did in Tokyo.

Mr. Speaker, I want to thank you for giving me this opportunity to set the record straight in the House. We simply could not sit still after listening to some of their remarks, there has to be a limit somewhere. I do not think I am exaggerating when I say that our socialists friends, this tiny group of unfrocked capitalists, have almost gone too far this evening.

• (0300)

[*English*]

The Acting Speaker (Mr. Van De Walle): The Member for Winnipeg—Birds Hill (Mr. Blaikie).

Mr. Holtmann: He is not a farmer, but he will do the best he can.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, perhaps I should begin by first addressing what has been said in jest by the Hon. Member for Selkirk—Interlake (Mr. Holtmann) about my not being a farmer. In many of the exchanges in the House, both in Question Period and in debate, I have been disturbed by the presumption—and I understand it to a degree because I think it is a natural tendency—that people who are not farmers by vocation or by occupation somehow have some diminished right to speak about agriculture. Today during Question Period certain members of the Opposition had a few remarks to make about my Leader in respect of the fact that he was not a farmer. I have seen that in the House since I came here in 1979. I want to say that I reject that.

• (0310)

I respect the knowledge which farmers have by virtue of the fact that they are farmers. Therefore, obviously they have a unique and important perspective on any debate when it comes to agriculture. However, the fact of the matter is that this is the House of Commons, this is Parliament. All of us are charged with the responsibility of being as informed, as reasonable, and as intelligent as we can about all issues before Parliament.

What would happen if we restricted a transportation debate to those people only who have had experience in the railways? What would happen if we restricted a health care debate to only people who were formerly nurses or doctors before coming to the House of Commons? I use these as examples. In that event surely we would not be able to do our jobs properly.

I simply ask Hon. Members, some of whom are farmers and some who are not, to respect the fact that even though some of us may not be farmers we have taken an interest in agriculture. In my own case—and I am not the agriculture critic or anything like that—I have taken an interest in agricultural matters, particularly from an environmental point of view, for many years.

I think these perspectives must be thrown into the mix whenever we are debating something. I hope that will be respected by Hon. Members.

I do not come from an agricultural family although my grandfather was a homesteader in Saskatchewan. We are not primarily a farm family; we are primarily a railroad family. When Members talk about the railways, I do not get up and say that because they do not have any carmen, machinists, switchmen, or hogheads in their families they do not have any right to comment on matters pertaining to railways. I think the same respect should be shown when it comes to other matters.

We all know that it is late. We have had some sharp exchanges tonight. We have also had what one might call, in a more negative way, partisan debate. Surely we all agree that it falls to the Opposition by virtue of the procedures of the House, not by virtue of anything else, to call for emergency motions. Obviously the Government does not call for an emergency debate; it is the Opposition which does that.

I hope it would be fair to say that all of us recognize that there is a crisis, indeed an emergency, in the agricultural sector. If it is not an emergency, it is at least a continuing crisis. Even though we may disagree with each other strongly, I think it is very useful for the House of Commons and for Members of Parliament to have it out about the issue, so to speak. The only problem I have with that is that there is a tendency in which we all engage—and I am not pointing fingers here, except to point fingers at all of us including myself—to want to ridicule the arguments of others or to have a laugh at some of the claims or policies espoused by various Members.

However, I hope we can all agree on two things, the first one being that there is a crisis. The Government itself acknowledges that. The Prime Minister (Mr. Mulroney) acknowledges it when he rightly claims that he is trying to put this matter on the agenda of various international meetings, both bilateral and multilateral ones. The Minister of State for the Canadian Wheat Board (Mr. Mayer), the Minister of Agriculture (Mr. Wise), and others acknowledge that we have a crisis. They may not agree with our analysis of the emergency or crisis, but they agree that there is a crisis. Certainly that should be common currency in the debate before us.

The other thing upon which we could agree is our mutual desire and commitment to solve the crisis or to reach some kind of solution however we might disagree about the solution.

I begin by saying that I do not doubt the commitment of many members of the government Party to trying to find a solution to the crisis now facing us in respect of agriculture. I do not think that we should get into impugning the motives of each other in respect of the particular crisis. I think we should have a real debate, and we have had some of that tonight.

That is what the House of Commons is for. I make a plea for Parliament being what Parliament should be, that is, a place where people of differing views who represent the people of Canada get together and debate, albeit in a lively fashion, but in a serious fashion, what might be some of the solutions to the serious problems faced by the country. One of the most serious problems which the country is facing is indeed the crisis in the agricultural sector.

I sometimes sense a problem, and I hope I will have the time to get into it. I hesitate to say it to a certain extent. There are two sides in this House and there are really only two sides to the debate, that is, that of the Conservatives and that of the New Democrats, because the Liberals went home a long time ago. They do not really care about western Canada or about the agricultural sector. I think it is fair to say that both the Conservatives and the New Democrats care in their own particular ways about the future of western Canada, even though we disagree sometimes with each other.

The one Liberal Member who has been here all night has just wandered back into the House. However, I think it is fair to say that we might both be open to the accusation that we are two sides of the same coin. We might be open to the accusation that the argument we carry on with each other about agriculture is within the limits of a certain understanding of agriculture and of Canada's place in the global agricultural economy that has grown up over the last 40 years, a place which many Canadians take for granted and regard as simply a fact of life.

I do not have the answers to the questions, but I hope I might be able to ask some of the right questions. I think that is what Canadians will be looking for, particularly farmers. I do not think farmers are particularly impressed by either side or by both sides of the House getting up and saying what they would do for farmers or what they have done for farmers. I

think farmers and Canadians in general are looking, when it comes to agriculture and a lot of other questions, for who is asking the right questions. I think they are looking for, to use a phrase from a novel by Robert Heinlein, *Stranger in a Strange Land*, "who has Grokked on" to what is really going on in the agricultural sector.

In the time remaining I hope to ask some of the right questions. I hope in doing so that we begin to listen to each other in a way that we have not been doing all evening and in a way we are not in the habit of doing in the House. Surely there should be a way for us to arrive at, if not some common solution, some kind of description of the problem. A lot of talk has gone on here tonight about the family farm. The Hon. Member for Brandon—Souris (Mr. Clark) is not yet on the record. Everything he has had to say tonight so far has been from his seat.

• (0320)

Mr. Clark (Brandon—Souris): My turn is coming.

Mr. Blaikie: But he tells me that his turn is coming and that he will be on the record soon.

Mr. Clark (Brandon—Souris): Don't go home too early.

Mr. Blaikie: He says, don't go home too early. I won't. I will be here until the last dog is hanged, not to refer to any other debate that is going on in the House, Mr. Speaker. What I hope to do is to raise some of the difficult questions. Just yesterday we had another emergency debate having to do with ownership, and a great debate, again primarily between the New Democrats and the Tories—

Mr. Wilson (Swift Current—Maple Creek): Where are the Liberals?

Mr. Blaikie: —about the ownership of the Canadian energy sector. The debate was focused on the New Democrats' abhorrence of the fact that Dome Petroleum may be bought by an American multinational, and the Conservative Government's arguments that this is the best solution in the circumstances, et cetera. Fair enough, that is the debate. What we were talking about was the question of ownership. What we are talking about, when it comes to the question of the agricultural sector, is also a question of Canadian ownership and of who will own the land, not tomorrow and not even five years down the road. We can talk about all the statistics surrounding bankruptcies, et cetera, but we are really talking about whether or not in 50 or 100 years we can fairly forecast or speculate on whether the agricultural land in Canada at that time, either 50 or 100 years from now, will continue to be owned and farmed by families, by owner operators, by people, as opposed to institutions. I know that the Conservatives, some of them anyway for what I think are partisan political purposes, like to brand New Democrats as people who want to nationalize the land, and all this sort of thing. That simply is not the case, Mr. Speaker. I think there is a common commitment between the Conservatives and the New Democrats to individual ownership of farms.

Mr. Thacker: Mr. Speaker, I rise on a point of order. Not to interrupt a fine speech, but would my hon. friend opposite permit one brief question?

Mr. Blaikie: Yes, Mr. Speaker.

Mr. Thacker: Mr. Speaker, why did the New Democratic Party, in the debate on the entrenchment of the Constitution, oppose the entrenchment of the right to property which would have guaranteed absolutely that people would have individual ownership of property for 10 years, 100 years or 1,000 years?

Mr. Blaikie: The Hon. Member raises an old favourite of his concerning property rights. He continues to ignore the fact that during the Constitution debate one of the main obstacles to entrenching property rights in the Constitution was the provinces of Canada, most of which had progressive Governments at that time. I do not make any apologies for the fact that the New Democratic Party at that time was opposed to the entrenchment of property rights because it is quite illusory for the Hon. Member for Lethbridge—Foothills (Mr. Thacker) to imagine that property rights have only to do with the rights of individual farmers. Property rights could well have to do with the rights of banks and multinational corporations and could well have to do with the rights of a great many other institutions which make claims about their property which are at odds with either the environmental, the social or the long-term well-being of either society as a whole or of regions of this country. I can imagine a great many situations in which the property rights of large and powerful institutions like the banks would be at odds with policies that various Governments might want to adopt from time to time for the very purpose of preserving individual ownership of land.

I ask the Hon. Member to consider that, but to note that one likes a certain degree of predictability in political debate. If there is one thing that is predictable in this House of Commons it is that in the course of my speeches about a variety of subjects the Hon. Member for Lethbridge—Foothills will get up and raise the matter of property rights. To the extent that I am a small "c" conservative and like some things to be permanent in this world, I welcome that intervention once again by the Hon. Member.

Mr. Thacker: Tell us more.

Mr. Blaikie: Tell us more about the small "c" conservative business. It seems to me that one of the ironies of Progressive Conservatives, politics in this day and age is that although certain values are espoused, and presumably authentically espoused, about the preservation of the family farm, of traditional values, of smaller communities, a rural way of life and all these sorts of things, one has to ask whether or not those are the primary, the fundamental values of the Progressive Conservative Party. When a Progressive Conservative

Government has to choose between intervening in the market-place in order to preserve the economic and social structures and so nurture and enhance those values or of allowing the market-place to take its full effect, a certain kind of conceptual paralysis takes over Conservatives at that point. They are unwilling to do so, and I think this is part of the debate that is going on here tonight.

It is not a question of the internal commitment, at the feeling level, of Progressive Conservative Members of Parliament to preserving the family farm or preserving the rural way of life; it is a question of whether or not they have the capability, ideologically or philosophically, if you like, to imagine acceptable solutions to those problems. I would contend as a New Democrat that most of the solutions to these problems—and I do not pretend to know all of them but in my judgment, whether Progressive Conservatives want to hear it or not—will be interventionist in nature. They will require more than simply standing back from trends in the international market-place and simply trying to put out brush fires here and there or throwing a billion dollars here or having a program there. Part of what is involved will be the kind of intervention, the kind of reshaping of our agricultural economy, to preserve those values and to preserve the family farm, that most Progressive Conservatives will find unacceptable. That is the problem. Otherwise, it seems to me that what we are facing is a situation in which we will literally, over the course of time—perhaps not in the lifetime of very few people in this Parliament—have a return to a kind of feudalism where one of the very foundations on which this country was built, which was the widespread individual ownership of land, will have disappeared.

What I cannot understand for the life of me is why certain members of the Progressive Conservative Party cannot see the danger to the very things which I believe they genuinely cherish in not resisting trends which now exist in the agricultural market-place. I cannot for the life of me understand that.

I see that you are giving me the high sign, Mr. Speaker. I hope to touch for just a moment on some of the environmental questions which I think perhaps would take us a bit above or at least to a different dimension of the debate with respect to agriculture in Canada. With the permission of Hon. Members, perhaps I could be granted time beyond the normal time.

• (0330)

Mr. Deputy Speaker: Is there unanimous consent to allow the Hon. Member a few more minutes to complete his speech?

Some Hon. Members: Agreed.

Mr. Blaikie: Mr. Speaker, I would like to talk about the environment. Copies are available of the report of the World Commission on the Environment, the United Nations Commission headed by Norwegian Prime Minister, Gro Brundtland, dealing with the future of the world environment. One of the most pressing environmental questions the whole world must address is the question of agriculture.

Mr. Clark (Brandon—Souris): The right-to-farm legislation?

Mr. Blaikie: I am not sure what the Hon. Member for Brandon—Souris is going on about but perhaps if he would give me a chance to explain what I am talking about, then when he gets his turn, he can tell us what he means by right-to-farm legislation.

In Canada, there is a tendency to see environmental problems as being primarily problems of trans-boundary air pollution, acid rain emissions either coming from the United States or from our own smelters and hydro plants or water pollution. Globally, one of the more pressing environmental problems is the disappearance of productive arable land. We have not faced up to that question here in Canada because I think many Canadians have been under the illusion for years that unlike other parts of the world, we live in a boundless environment, we can do what we want when we want and to the extent that we want with our environment.

When I was growing up and going to elementary school in the 1950s and early 1960s, the impression that was created among young Canadians was that Canada was a land of boundless resources and that the future lay in exploiting those resources to the fullest. We were given the impression that there really was no end to the exploitation of our natural resources. One of those resources is the soil of western Canada. We heard western Canada called the bread-basket of the world and so it was.

Mr. Gottselig: It still is.

Mr. Blaikie: So it is and so it could remain. However, it will have to be that bread-basket in a changing world.

When I grew up, the world was full of countries that were unable to feed themselves. This provided a demand for Canadian grain, a demand that in many respects does not exist any longer. It is not that the world does not need Canadian grain any longer, as the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton) mentioned. Our grain economy has been based on providing grain to countries able to pay enough for grain that the production of it was made sustainable in Canada. We may be moving into a different era now, not only with respect to costs of production but also because most of the people in the world who need food cannot pay for it. There, of course, I am alluding to the question of world hunger. I do not propose to try to deal with that tonight but I think it is something that should be on our minds when dealing with grain production.

I wanted to touch on the question of soil erosion. I would call the attention of the House to the report on soil conservation prepared by the Standing Committees on Agriculture, and Fisheries and Oceans for the Senate of Canada.

Mr. Clark (Brandon—Souris): Don't filibuster all night just because we gave you some extra time.

Mr. Blaikie: You can rest assured that I will not read the whole report since the Pages have gone home for the night and I do not have a glass of water. Reading from the beginning of the summary, the report indicates the following:

> Soil erosion may well be the most underrated yet most damaging natural resource problem of the 80s. Must we wait for crisis conditions before action is taken to safeguard our scarce and dwindling soil resource base?

There the report quotes the Soil Conservation Society of America, Ontario Chapter. I see Hon. Members are trying to bring my speech to a close. I will say what I have to say and then Hon. Members will have their chances as well.

We have been literally mining our soil. We have been treating it not as the renewable resource it should be but as if it were a gold mine or a nickel mine. We are taking away from it as much as we possibly can, as quickly as we possibly can, without having regard for the future. In doing so, we have developed attitudes toward production that have resulted in other environmentally destructive tendencies.

As the environment critic for the federal NDP, one of the things that has come to my attention has been the extent to which, by virtue of the system that is in place now, farmers are pressured into putting as much land into production as possible. This is a concern shared by groups like Ducks Unlimited, for instance, hardly a socialist organization. Not only is this pressure put on farmers but another pressure is put on the habitat of waterfowl through the environment. All I am saying is that everything is connected to everything else.

When we consider the economics of agriculture or for that matter the economics of anything else, we do not take into consideration the fact that we have to do more and more in order to get the same result. Input costs are going up astronomically, not only for agriculture but for forestry. We have to go farther and farther to get to the mature trees. The same is true of the fisheries and of many of our natural resources because we have not managed those resources properly.

It is the environmental dimension of the agricultural crisis that all of us should be able to jointly address. Perhaps in addressing that we could find some common ground, some way of asking ourselves the difficult questions that must be asked if we are to have sustainable agriculture well into the 21st century. We should not be faced with history's judgment that we left our children with a disaster in western Canada and that is precisely what is in danger of happening if we do not smarten up.

The summary of the report on soil conservation to which I referred earlier reads in part as follows:

> The Committee found that much of the problem lies with the great pressures being placed on our agricultural sector. Canadian farmers have been asked to demand the last ounce of productivity from our soils—largely because of economic necessity, international prices and technological progress.
>
> As well, both old and new agricultural practices have contributed to the problem.
>
> Old practices and technologies such as summerfallowing and the use of mouldboard plows contribute to salinity and erosion in certain parts of the country.
>
> New practices and technology, such as the use of monoculture and large, heavy machinery contribute to loss of organic matter, soil compaction and erosion.

It then concludes by saying that over the years the priority put on production has taken its toll on soil quality.

• (0340)

There are many other criticisms contained in this report which has received a lot less attention than it should have. We do a lot of talking, and I am as guilty as anyone else, about high profile environmental matters like acid rain, but in the meantime our soil is disappearing. According to this report that is not an environmental problem which can be rehabilitated. Once it is gone, it is gone.

I ask Hon. Members to think about the ways in which we have externalized the cost of the way we do certain things in our economy. We now have to pick up a lot of the costs of the way we do things. The fact is the costs, which have been externalized and not taken into account because we have regarded soil and air and water as free commodities which we did not have to take into account in the way we accounted for our economic activity, we now have to take into account. We now have to ask, what is the cost of replacing fertile soil? What is the cost of good clean air? What is the cost of having potable water? What is the cost of doing all these things?

Mr. Holtmann: Point of order, Mr. Speaker. I believe the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) has gone quite over his time limit in talking about soil erosion and I think you ought to recognize me as the next speaker.

Mr. Blaikie: We will when I am finished.

Mr. Deputy Speaker: The Hon. Member did get unanimous consent to continue and I am sure he will not abuse the courtesy given him by the House.

Mr. Blaikie: I will not abuse the goodwill of the House much longer.

Mr. Clark (Brandon—Souris): How about 30 seconds?

Mr. Blaikie: I sense that Members are absolutely mesmerized by what I have to say.

Mr. Riis: You can call it that.

Mr. Mayer: We are all nodding. Off.

Mr. Blaikie: I do not see anyone nodding off.

Mr. Clark (Brandon—Souris): Vic is sleeping behind you.

Mr. Blaikie: I cannot speak for the people I cannot see. I look across the House and see Hon. Members on the government side are truly fascinated with some of the things I have had to say. I note that the one Liberal was not mesmerized.

Mr. Clark (Brandon—Souris): Where is he?

Mr. Blaikie: He is either under his desk or he has gone back into hibernation. It is very difficult to tell when Liberals are conscious and when they are not.

With respect to the environmental dimension of our agricultural crisis—

Mr. Clark (Brandon—Souris): Which you are now concluding.

Mr. Blaikie: —I would just like to conclude by saying, in all seriousness, that this is something which has been quite neglected, not only with respect to agriculture but also with respect to a lot of other environmental problems we are facing. The chickens are coming home to roost. We are beginning to reap what we have sown. We have ignored all kinds of things which needed to be taken into account in the beginning and as long as we have Governments committed only to organizing things with respect to short-term economic realities, which are the only realities that Governments who worship the marketplace can have any regard to, we will not get the kind of solutions we need.

That is what the Senate said in its report *Soil at Risk*. One of the greatest factors in our inability to address these problems is our—they do not quite say it this way, but our idolatrous relationship with short-term economic realities. We need to have some leadership from Government in this country. We have to look 10 years, 20 years, 100 years down the road and begin to ask how can we reshape our economic priorities, our economic incentives, our economic structures, to take into account the fact that we have a moral responsibility when it comes to soil or air or water, or whatever the case may be, to leave to our children and grandchildren a sustainable planet. That is what we should be talking about.

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, it gives me a great deal of pleasure to address this House tonight. It also gives me a great deal of pleasure to follow the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie). If he could get me a glass of water, seeing as how we have dismissed the Pages, my headache might go away. At any rate, that kind of thing happens from time to time in this place.

I would like to start off by congratulating the NDP. They are not the Official Opposition, although they would like to be. However, I would like to congratulate them for bringing this motion forward.

Mr. Blaikie: We are satisfied to be the real opposition. In the short term.

Mr. Holtmann: They can debate that whenever they want.

They have done a great service to agriculture tonight by focusing on what this Government has done for agriculture. They have brought that to everyone's attention. No one will ever deny them that opportunity whenever they want to focus on what this Government has done for agriculture.

I would like to point out, and I am sure you understand this, that the people sitting in this House tonight, like myself, who are farmers are here and we are not even tired. There is many a time a farmer at four o'clock in the morning is still harvesting his grain. He is still getting dirt under his fingernails. He understands what farming is all about, as does the odd member of the NDP, and the even odder member of the Liberal Party. They do not farm. That is not their fault. It is their fault that some voters do not vote for them. We all know they try to represent a part of agriculture. They try to represent a part of this great nation.

I think the Hon. Member for Winnipeg—Birds Hill was a brave individual this evening to stand up and try to defend the undefendable in his Party. I give that man credit. We all have to give him credit because what we heard before he spoke was garbage. Nonsense. You understand that, Mr. Speaker. What was going on here in this House today was the Laurel and Hardy show of the Opposition. To call this an emergency debate after all the things that this Government has done is ridiculous. To sit here at four o'clock in the morning and say this Government has not done what the Opposition says it should do is pure hypocrisy, and I will prove my point in the next 20 minutes.

Mr. Althouse: Do not criticize the Speaker while you are doing it. He decided it was an emergency.

Mr. Holtmann: Just relax over there, you will have your shot at it.

Mr. Althouse: Just giving you advice about the Speaker.

Mr. Angus: Point of order, Mr. Speaker. I am just wondering whether the Hon. Member is actually questioning the decision of the Speaker in accepting the fact that this is indeed an emergency. Perhaps you would like to rule on that.

Mr. Deputy Speaker: I do not think there is a need to rule. I will let the Hon. Member go on.

Mr. Holtmann: Thank you, Mr. Speaker. Never once did I think of challenging the decisions of the Chair. It was the NDP who proposed this motion, no one else.

Mr. Althouse: The Speaker decides whether it is an emergency.

Mr. Holtmann: I thank them for it because Canadian farmers have had another opportunity to find out what this Government has done. Members of Parliament in the Government, farmers and otherwise, have told Canadian farmers one more time what the Government has done. I thank the NDP.

• (0350)

I will now go on. I want to refer to *Grain News*. Opposition Members quote different things from time to time without giving the whole story. *Grain News* is circulated to most

farmers in western Canada. The headline reads: "Manitoba Farm Budget Swamped by Saskatchewan and Alberta". For those Canadians who do not know it, Manitoba has an NDP Government. The Opposition has accused us of doing so little for farmers, of not addressing the issue of farmers at all.

However, of the total budget of $3.9 billion of the NDP Government of Manitoba, it will only spend 1.8 per cent of it for the 1986-87 year, $70 million, for the farmers in Manitoba. The NDP Opposition suggests that the Conservative Government does not do enough but the fact is that it has done more for agriculture than any other Government in the history of Canada. It will continue to do more and to address the problems of farming in agriculture and I am very proud to be a part of it.

Let us compare that with the Province of Saskatchewan, which has a Tory Government at the present time. Its budget for 1986-87 is 4 per cent or $134 million. That is a significant effort by a Tory Government to help agriculture in the main grain producing area of Canada. The Province of Alberta goes so far as to spend 5.3 per cent of its budget, $570 million. That is a commitment. It does not solve every problem, but who in the dickens said it would solve every problem for every farmer?

This afternoon we heard from a member of the Opposition that a farmer in his riding committed suicide because of the hardships of farming. That situation exists in every riding, but not only with farmers. It exists with people on welfare and people whose businesses have gone bankrupt, perhaps because of interest rates of 22 per cent. It is not the present Government which is responsible for that. If the Opposition chooses to condemn us for low interest rates, I will accept that condemnation. Canadian farmers know all too well that low interest rates have saved them millions of dollars.

My little Province of Manitoba has an NDP Government led by a Premier by the name of Pawley. The Premier of Manitoba decided to urge the Prime Minister (Mr. Mulroney) to turn down lower initial grain prices. He could not give a doggone about the wheat growers in Manitoba. The Members of the New Democratic Party are not farmers. They are in bed right now under the sweet covers when real farmers who have dirt under their nails are probably seeding their crops on the Prairies.

Where are their Members during this debate which they initiated? They are very much ashamed to present their case on an emergency debate because they knew I would bring up the NDP Government in Manitoba. That is why they are not here. They have lots of words but no actions.

The Premier of Manitoba says Canada should pay farmers the cost of production. The Premier of Manitoba would not do what the Tory Government of Saskatchewan has done, that is, to put the province into serious debt to help farmers. In fact, the federal Tory Government of Canada has probably extended the highest deficit for farmers ever in the history of the nation. The Party which introduced this motion is tremendously lacking.

Mr. Clark (Brandon—Souris): Tell us about fuel prices.

Mr. Holtmann: I am going to get into fuel prices. I have said enough about the New Democratic Party because it does not have the background to do anything. The one province in Canada which has an NDP Government is obviously not listening to their representatives here in Ottawa. Words do not create action.

One would think this would be the motion of the Official Opposition. It was very comical to see the Member for Winnipeg—Fort Garry (Mr. Axworthy) get up to speak this evening. I was not in the House but I listened on the tube while I was having my supper tonight. I listened to the Member for Winnipeg—Fort Garry talk about farming.

Western Canadians do not want to hear that guy from Fort Garry talk about agriculture. He does not know a darn thing about it. That is the fact. It makes them absolutely sick to hear that hon. gentleman talk about how he and his Party are going to help farmers in western Canada. They do not believe him. They would like to believe him but they have been led down the garden path for 22 years, and there are Members in the New Democratic Party who have followed the principle of the Liberal Party of helping western farmers.

I will tell you a very sad story, Mr. Speaker. My dad was a devout and very strong Liberal for many years mainly because when he immigrated to this country there was a Liberal Government in power. He associated his ability to immigrate and start a life in Canada with the Government in power in 1926. He changed his mind when we had the likes of Pierre Elliott Trudeau and the Liberal administration, of which a good number are still here.

Mr. Clark (Brandon—Souris): Hazen Argue.

Mr. Holtmann: The Member can name a lot more than I can because I am a new Member of Parliament. My father changed his mind about what a Liberal Government can do for western farmers in general. He had no use for them any more because not only did that arrogant group not give a darn about us, but they told us so. They literally told us exactly that.

As long as I am a Member of Parliament there is not a western Canadian who will ever forget what the Liberal Party did to us, whether with regard to interest rates or its attitude about selling our grain. As a matter of fact, the Liberal Party could hardly elect one Member of Parliament and now that the Government has done so much for agriculture all across Canada it is pretending, through the Member for Winnipeg—Fort Garry (Mr. Axworthy), to now have all the solutions for us. It is true that there is an emergency on hand, prices are going down and there are real problems. However, that Party will never be a Government with representatives from every province who understand farming. A Liberal Government will never be in that situation again because farmers do not forget.

• (0400)

Many Members who do not represent farming areas may believe farmers are not intelligent. I suggest any Member who rises to speak on this issue better know something about farming because farmers will not be fooled by those drugstore cowboys we have heard tonight. I do not take this issue very lightly and anyone in the Opposition who wishes to speak better know something about farming because, quite frankly, my constituents do not want to hear their rhetoric, garbage and promises.

During the Easter break I met with farmers. Some Hon. Members may be shocked to learn that not only do farmers not like subsidies, they hate them. In fact, many farmers in my area refer to the Special Canadian Grains Program as a kind of welfare payment. They will accept it because it helps them to buy grain, fertilizer, and pay for the gas in their tractors to seed their crops, but they have never received such a payment in the history of this country. They are grateful.

I challenge Members opposite, especially the New Democratic Party who proposed the motion, to suggest that the Government has not done enough. I challenge them to reflect on what has been said in this debate.

The only New Democratic Government in this country, in Manitoba, does not care. I will stay to the end of this debate and if I hear a member from that Party defend this motion, every person in my riding will hear about it because I will tell them personally that the idiots who are giving us this rhetoric are not farmers.

The New Democratic Party accomplished something tonight. They provoked the Government into telling Canadians what has happened in the last two and one-half years. Canadian farmers have never had such a direct input into this Chamber as they have had under this Government. The opposition Parties have demonstrated that they play an important part in this Chamber by allowing us to explain that.

I want to draw the attention of the House to a magazine article in a periodical that one can hardly consider a farming magazine. It is *Maclean's* magazine. Of course, the main story in *Maclean's* this week concerns Dome. I will not deal with that issue now because the NDP will suggest that we borrow, loan or give money as a Canadian solution to buy Dome. I presume the NDP can find money under shoe boxes to pay for these solutions. Farmers pay taxes as well, but how do New Democrats know that farmers want to buy Dome Petroleum? That may be another of their suggestions, considering the ridiculous proposals they have made already.

In any event, page 10 of *Maclean's* magazine contains a photo of our good looking Minister of State for the Canadian Wheat Board (Mr. Mayer). I have heard that members of both opposition Parties actually believe the Minister is doing a favourable job for Canadian farmers. He is a farmer and, in this photograph, he is farming and actually holding a grease gun. I wonder if anybody in the Liberal Party knows what a grease gun is, but I know that there are some members in the New Democratic Party who know what grease is.

I am proud that we have a man representing the Wheat Board who understands the grain industry. If the New Democrats were ever the Government, I would not doubt that they would make the Member for Winnipeg—Birds Hill (Mr. Blaikie) the Minister of State for the Canadian Wheat Board. Incidentally, at one time he belonged to the Young Conservatives. He admitted that.

Mr. Blaikie: Youthful folly.

Mr. Holtmann: There are those in the New Democratic Party who believe they can run the Government. I suggest that they have a lot to learn, especially as far as their Leader is concerned, when he talks about agriculture.

The Member for Winnipeg—Birds Hill said that one does not necessarily have to be a farmer to speak about farming and agriculture. That is a fair comment, but you will never hear me begin to talk about science and technology because I do not think I am capable of doing so.

Mr. Blaikie: That may be true.

Mr. Holtmann: Or about the environment.

Mr. Blaikie: That may be true.

Mr. Holtmann: But I would not have you out on my farm milking cows, either.

Yesterday and today the Hon. Member's Leader attempted to demonstrate the plight of the farmer and the plight of agriculture. From time to time one must admire their Leader, but from time to time one must wonder about him as well.

In closing, I suggest that the Leader of the New Democratic Party should carefully decide in which direction he wishes to take his Party because he has nothing on this Government in terms of what it has achieved, in terms of its interest in farming, and in terms of its interest in all types of production.

We introduced enabling legislation for tripartite agreements. It is interesting to note that only one province decided not to get involved in that tripartite legislation. It was none other than the Province of Manitoba that did not want to work together with other Governments so as not to bring its budget for agriculture any higher than 1.6 per cent. Will the Member for Winnipeg—Birds Hill ask his Premier to help farmers a little more since it will only cost another quarter of a per cent or three-eighths of a per cent of his Budget? He will not do it. Let me tell you something. It will not help you in the next election. I see that my time is up.

Mr. Speaker: The time may well not be up, depending on the mood of the House. However, I must say to the Hon. Member for Selkirk—Interlake (Mr. Holtmann) that the custom in the House is not to refer directly to any other Member, but to make reference through the Chair. The Hon. Member is certainly pursuing his comments with vigour. It

may be the wish of the House to allow the Hon. Member to continue. If that is the case, I am quite prepared to continue to recognize the Hon. Member.

Some Hon. Members: Agreed.

• (0410)

Mr. Holtmann: Thank you, Mr. Speaker, I would like to yield further time this evening to some of my colleagues on all sides of the House. However, I would also like to impress upon the Canadian public and the farming community—

An Hon. Member: They are watching right now.

Mr. Holtmann: The Hon. Member says they are watching right now. The farming group out west are watching right now.

Mr. Blaikie: They were up to about 20 minutes ago.

Mr. Holtmann: That is another thing which someone ought to point out. Farmers do not like the high-faluting talk we heard here tonight. There has been a lot of fancy dancing and reading out of books, worrying about soil erosion. When the New Democratic Party introduced this motion, it did not introduce a motion on soil erosion. It was about grains. Yet we heard quite a lot of rhetoric about the environment and so on. Those Hon. Members should stick to the subject.

Mr. Blaikie: I did stick to the subject.

Mr. Holtmann: No, you did not stick to the subject. This motion is on farming.

Mr. Blaikie: Yes, I did.

Mr. Holtmann: Let us not get into debate because I have something that I want to show you folks over here. It is 4.10 in the morning, Mr. Speaker, and if I miss addressing the House through the Chair, I apologize. Something happened in Manitoba and it is just the tip of the iceberg. A Member of the New Democratic Party at one time talked about the tip of the iceberg and I thought it was an appropriate point of view at that time, and this is another tip of the iceberg. Manitoba came down with a new budget. It did not help the farmers very much but I will tell you what it did, Mr. Speaker; it scared the dickens out of the bankers. They were scared so badly that banks are now closing in the rural areas of Manitoba. Banks to help farmers are closing. I do not know what members of the New Democratic Party are thinking about. The headline of the article reads: "Royal Bank Blames Taxes for Rural Closings". I am sure all parties would want to pick this up because the NDP Government in Manitoba is making things difficult for the banks and farmers are not going to be protected. What Mr. Pawley hopes is that they will go to the credit union. Some day, if he gets his wish, every province in Canada will have an NDP Government and the federal Government will be NDP. Do you know who is going to run the banking in this country then, Mr. Speaker? It will be the credit union.

Some Hon. Members: Hear, hear!

Mr. Holtmann: We know where the New Democratic Party stands. When the next election comes, and we are all out campaigning, I want every Member of the New Democratic Party to tell the people that their next bank will not be the Royal Bank, the Bank of Commerce or the Bank of Nova Scotia, because the NDP is going to franchise them into the credit union. There might be a lot of people running away from this country.

Mr. Blaikie: Let us have an election right now, Felix.

Mr. Holtmann: They are really excited about that. That is what they are going to campaign on next time. I am going to close by saying that Canadian farmers really want fair representation. They want people who understand their business. I think they also recognize that no one can represent them better than a Tory Government and a Tory Member of Parliament. That is what they have so far and they know that is what they are going to get in the future.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am also very pleased that you found there was an emergency which permitted us to stay up all night, it now being 4.15 a.m. You found an emergency yesterday and I hope you can find an emergency tomorrow so we can come back here again and again because there is a record of this Government which needs to be shown to the country.

This Parliament is built for the Opposition. The national media queue in only to Question Period, which is designed for the Opposition and which we, when we were the Opposition used very effectively. It does, however, have the effect over time of giving a false impression which people will pick up and the effect of these debates is to give us a chance to even the score, so to speak. Over the course of last night and this morning we have been able to show what a truly wonderful record the Cabinet, under the able leadership of the Prime Minister Brian Mulroney, has put in place and I would like to talk about that in terms of my own riding.

I know my riding very well. I have been here for eight years. I have many, many good friends out there. In 1984 when we had barely come to power, the livestock industry was in serious trouble, and the Prime Minister was there. The Minister of Agriculture (Mr. Wise) was there and the Deputy Prime Minister (Mr. Mazankowski) was there.

We in Alberta have great pride in our Deputy Prime Minister who has served Alberta and this country so well and who is still here at 4.15 in the morning. The Minister of Agriculture and the Minister of State for the Canadian Wheat Board (Mr. Mayer) are here. These are Ministers of the Crown and they have stayed here throughout the night. I do not ever remember that occurring when we were in opposition and the Liberal Government was in power. There was never a Minister of the Crown who would stay on. I remember one

time speaking at 6.30 in the morning in an all-night debate and there was not a Minister of the Crown in the House.

In 1985 my constituency got into a serious drought problem. The highest payments went to my riding. The farmers in Pincher Creek and down through Cardston had the highest per acre payment of this entire country. Prime Minister Brian Mulroney, the Deputy Prime Minister and the Minister of State for the Canadian Wheat Board were there when I, as the Member of Parliament for Lethbridge—Foothills, told them that we had serious problems and needed their help. The Cabinet was there and the Progressive Conservative Party was there and we received the highest per acre payment in the entire country.

Again in 1986, through no fault of any individual farmer, but because of subsidies caused by socialist Governments and other Governments in Europe which built up over the years, we got into serious problems. The Americans then took them on nose to nose and we had that enormous battle between these economic super powers. We now have serious problems, and they are affecting my riding. Again, when we came as Members of Parliament to Cabinet and said we needed help, they were there. Prime Minister Brian Mulroney was there when he was needed and the Deputy Prime Minister was there, not only for the $1 billion, but for a stabilization program which has been richer than any program in the entire history of this nation.

Then we put in sound agricultural policies like tripartite stabilization where we have a producer who has to make a premium payment, a provincial Government, because agriculture is a concurrent jurisdiction in this country, and the federal Government. That is the way to set up a program which will last for years and years. This Government was there.

In my riding I have some 600 plus sugar-beet growers. There were some 600 in Manitoba and some in the Province of Quebec. They were in deep trouble and in fact in 1985 we did not produce any sugar-beets in Alberta. But I went as a Member of Parliament and said we needed help for the sugar-beet industry. We initiated a program through the officials in Lethbridge, brought the farmers down and talked to Conservative Members of Parliament from every province, and the Progressive Conservative Party was there, the Cabinet was there.

For 20 years, the Hon. Member for Algoma (Mr. Foster) should understand, sugar-beets were a designated commodity under the Agricultural Stabilization Act. That meant that every year members of the industry had to come to Ottawa and get on their knees to beg the Minister of Agriculture for help. It was a yearly, fragile situation. Within two years—

• (0420)

Mr. Foster: You refused to make the payment in 1984 and 1985.

Mr. Thacker: —we have made the product of the industry a named commodity. We signed a 10-year agreement to that effect the other day.

Mr. Foster: You refused to make the payment under the ASA.

Mr. Thacker: The Liberal Government was responsible for 1983 when the industry did not receive an ASA payment. That was under the regime of the Liberals.

Mr. Foster: We made the payment every year as required. Look it up.

Mr. Thacker: It is now a named commodity. The industry is immensely proud, and we have saved the sugar-beet industry in Alberta.

What about Manitoba that is controlled by a socialist Government? Because sugar-beets are grown in Conservative ridings in that province a mean and vicious socialist Government refuses to help farmers. They are human beings who are going down the tubes. There are suicides, yet the socialist NDP Government of Manitoba refuses to help. That is a mean-spiritedness in a way that is unknown.

Mr. Shields: Typical NDP.

Mr. Thacker: We have a research institute in my riding called the Animal Diseases Research Institute. Ever since I have been a Member of Parliament we have been trying to get a new building. The Institute is manned by 12 top-notch scientists who have a research staff and technicians who bring the complement up to a total of 58 to 60 people.

For years these scientists have been doing vital research on viruses. They have been working with very dangerous animal viruses which, if allowed to escape, could cause havoc in the livestock population, let alone in the human population which lives in the vicinity of the Institute. For years and years the Liberal Party delayed the construction of the station. Every year I would come before the committee considering the Estimates and ask the Minister when we would get the building. I would talk to officials in order to keep the pressure on. It was promised every election. And after every election its construction was delayed.

Our Party formed the Government in 1984. Because of the enormous national debt and the deficit there had to be all sorts of cut-backs. But not to the Animal Diseases Research Institute in Lethbridge—Foothills. So my people in Lethbridge—Foothills know—

Mr. Foster: The Liberals approved it in 1983.

Mr. Thacker: —that the Conservative Government gave them that building. All sorts of other ones were put on hold, and this one could well have been put on hold as well.

Mr. Foster: The Liberal Government approved it in the spring of 1983 and you know it.

Mr. Thacker: Had the Liberal Party been re-elected the building would not have been constructed. Its construction would have been delayed again.

I would now like to talk about the Lethbridge Research Station which is another research institution at which fabulous research on soil conservation and irrigation in southern Alberta is carried out. There is also a feed mill involving some $6 million.

I would now like to talk about the airport in my riding. For years and years we have needed a garage. It was not improved until the Conservative Party came to power. For years and years we have needed a new fire hall. This matter concerns the safety of people. I heard members of the Opposition yelling and screaming about safety at an airport the other day. We needed a fire hall and it was not there when the Liberals were in power. When the Conservatives came to power a new fire hall was constructed, one which is absolutely first-class.

Our airport runways needed to be hard-surfaced. That is something which should have been done for years and years. But it was never done until the Conservatives came to power under the present Prime Minister. It is a fine airport now as a result of changing Governments.

Mr. Foster: Brian needed a shoe cupboard and he got it.

Mr. Thacker: Waterton National Park is a site that we hold out as Canadians to attract tourists from around the world. It has a main street which is in an absolute shambles, a disgrace to a nation such as Canada. We could never get it changed. It is now being redone. It will be a proud main street which will attract tourists who will come back again and again.

Mr. Foster: Tell us how your farmers are suffering.

Mr. Thacker: There is a coal town in the Crowsnest Pass which is in very deep trouble because for years and years the Liberals would not do anything about coal. Within months of being in power we had a joint federal-provincial task force put in place. There is a very distinct possibility that we can export more coal to Ontario. In spite of the federal Liberals we may have a better chance with the provincial Liberals since they seem to be talking sensibly about the subject.

There is also a Community Futures program. Tonight the Minister signed a document for the Crowsnest Pass to become a Community Futures town, which will give it hope. We have an enormous infrastructure of towns, houses, water facilities and sewage facilities, schools and churches, but it is a one-industry town. Like 800 others it is in very deep trouble. It now has a chance under the Community Futures program.

I could go on and on and talk to you, Mr. Speaker, about the advance payments that were doubled by our Minister of Agriculture. I could also speak about the Western Grain Stabilization Act which has poured hundreds of millions of dollars into western Canada that would not have been poured into it under the Liberal regime because we changed the statute. Under the former Minister of Agriculture, Eugene Whelan, the Liberals averaged about one agricultural Bill a year. We have had well over 10 Bills go through all totalled, which affect agriculture in major ways.

I would now like to refer to cash advances which are simple measures which could have been taken years and years ago but were not. Which Party doubled cash advances? It was the Conservative Party under the present Prime Minister. Which Party changed the Western Grain Transportation Act? It was the Conservative Party under the present Prime Minister.

Let me delve into the other Parties. What does the New Democratic Party have to say about agriculture? I want to read some of the Party's resolutions on agriculture. Mr. Speaker, I want you to ignore its position on NATO which would totally abandon our allies. The NDP wants to pull us out of NATO.

I want Your Honour to forget the Party's position on NORAD. It would isolate Canada so that we would lose our freedom far faster by being outside NORAD than by being in it.

I want you to forget the Party's insult to President Reagan, Mr. Speaker, who was here as a representative of the people of America and as our invited guest. Members of the New Democratic Party did not have the courtesy even to hear him out. That was a very real error of judgment on their part. What it shows, and it comes out on occasion, is what they would be like in power. It shows a lack of tolerance and a lack of respect. That is what we would get if that Party were ever to form the Government.

I do not want you to speak, Mr. Speaker, on the justice question. I have been a member of the Justice Committee for some four or five years now. I have sat in committee when members of the NDP have put forward motions which would have had the effect of legalizing anal intercourse between boys 14 to 18 years of age. That is what the NDP stand for. It is the Conservative Government that defeated those motions which would have legalized anal intercourse between boys 14 to 18 years of age. This is what Canadians need to hear because that Party is so sanctimonious.

The Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) talked about his Leader. Members of his Party have said some very unkind things about the Prime Minister, things that are not fair at all. What is fair about the Leader of the NDP is that he refused to take a reduction in salary. The Leader of our Party, the Prime Minister, took a reduction in his salary. We threw out the same challenge to the Leader of the NDP. We said: "Okay, if you want to help ordinary Canadians then reduce your salary by 15 per cent". He refused.

Mr. Langdon: That is not true, and you know it.

Mr. Thacker: I have seen that gentleman day after day leave the Chamber in his lovely fur hat and his lovely fur coat, with a big cigar, and get into a limousine and drive off. He refused to take any drop in income. How does that help the old

people of Canada? Our Prime Minister led by taking a drop in his income.

Let us not talk about that. Let us talk about what the NDP plans for farming. The way one can find out what a Party wants to do is by going to the resolutions that are on its books. We have all of the resolutions.

I wish to read for Members the NDP resolutions on farming. First, I will refer to something under the subtitle "Process of Planning". That sums up the NDP—the process of planning—since every socialist nation in the world believes in central planning. They believe that a small group can make decisions that will affect the masses, and the masses have to accept those decisions; and if the masses do not like the decision, then the system becomes more and more oppressive, and on it goes, as will become apparent when I read to you what the NDP has to say about farming.

• (0430)

Under the subtitle "The Process of Planning" they have an omnibus resolution on the future of the family farm. They recommend the "establishment of industrial plants to be co-operatively or publicly owned for the processing of food and the manufacture of farm supply items in the region of production".

There it is, Mr. Speaker: There is the nationalization; there is your Canagrex, plus.

And I can go on. The resolution goes on to state that related industries and services "should be encouraged through industrial estates and planned communities".

The NDP philosophy calls for collective estates and planned communities.

This is their resolution, Mr. Speaker. I would like to have them rise in this place and tell us—

Mr. Althouse: You will find that type of planning in every major city in this country.

Mr. Thacker: It goes on and on. If this is not the policy of the NDP, I invite them to rise in this place and say so.

Mr. Althouse: It is not terribly radical. Everybody has been doing it for some time.

Mr. Thacker: If the policy of the NDP is not that well represented by the resolutions it has passed, what is that policy?

The resolution goes on to say that it might be necessary, as well, to take into public ownership "some existing farm supply retail operations, farm machinery assembly plants, meat-packing and canneries". If they wish me to cite the number of the resolution, it is D.1.1.

That is the policy of the New Democratic Party. Why is it that the members of that Party are not telling people about that policy?

Mr. Althouse: It is not—

Mr. Thacker: When I tell my constituents about these policies, the immediate response is: "My God, I had no idea they stood for that type of thing. I didn't realize that they stand for abortion on demand". And that is right up to the day before the child is born. That is the NDP policy, and it is done through the injection of a saline solution into the amniotic fluid which burns the skin off the foetus.

That is the reality of the NDP policy. Once abortion is removed from the Criminal Code, that is what we are faced with; and that is what we are now telling people.

There was a time when the New Democratic Party could be ignored as a lunatic fringe. Now that it is up in the polls, people are starting to look at it, and we now have to tell people exactly what it stands for.

We can no longer afford to be smug about the New Democratic Party. It is a Party that is coming down in the polls, and it is going to come down real hard.

The proposals contained in this NDP resolution are tantamount to the state takeover of agriculture, with farmers taking their marching orders from Ottawa. We all know what that is like. I can remember the LIFT Program, where we were taking our orders from Ottawa.

For example, under this resolution, government bureaucrats would decide what equipment a farmer could buy, as they, to quote the resolution, "regulate the distribution, sale and servicing of farm machinery to promote standardization".

There it is again, Mr. Speaker: The NDP wants everybody to be exactly the same. They would not want to see private ownership of property for fear that someone might get ahead in this world.

I have had enough, Mr. Speaker, of the NDP. I cannot take it any more. But what about the Grits? They, too, have a resolution on agriculture. This is a resolution that is hot off the press, having come out only a couple of weeks ago.

The Liberals conducted a study on the western Canadian economy, coming out with some proposals—proposals which the media has had a fine time with, and quite properly so. Everybody sees these proposals for what they really are.

For the agriculture sector, here is what the Liberals say:

> It is vital that the Canadian government take action that gives a clear message to both Canadian farmers and to the farmers and agricultural industries of other countries of the world that Canada is committed to remaining in the business of farming.

That is exactly what the Progressive Conservative Government has done.

In making this statement, what are the Liberals talking about? Are they talking about market share?

The paper goes on:

> The Western Caucus recommends that the federal government consider efforts to rationalize our many and diverse federal and provincial agricultural programs so that our scarce resources can be put to maximum use—

In this proposal, Mr. Speaker, they use the word "rationalize"—and we all know what that means. It means "to cut back". According to Webster's, "rationalize" means to provide plausible but untrue reasons for conduct. That is the Liberal Party of Canada. That is the misinformation and false material that they have been putting out for years and years.

But what is it they are going to rationalize? Which programs will they cut out? Will they cut out the Western Grain Stabilization Act? Will they cut out the Agricultural Stabilization Act? Are they going to cut out crop insurance, the dairy policy, the marketing products boards?

These are all "safety net" programs serving western Canada, and indeed all of Canada, in a very fine way; and yet, the Liberal Party is going to "rationalize" them. It is going to take these programs away.

Are they going to take away the Farm Fuels Tax Relief Program? Are they going to take away the capital gains exemption? They certainly will. Every farmer in this country, every small business person in this country needs to understand that the moment a Liberal or NDP Government is elected, they will lose their capital gains exemption.

This very thing happened in Ontario. The first thing the Liberal Government did in Ontario was to take away the capital gains exemption, thus taking away one of the fundamental rights of the citizens of this country.

Because of the policy of the Progressive Conservative Government, under the leadership of Prime Minister Mulroney, every citizen of Canada has the opportunity to amass $500,000 in capital exempt of taxation.

Mr. Althouse: There was a capital gains exempt program in place in Saskatchewan long before the federal program.

Mr. Thacker: Mr. Speaker, once an individual accumulates $500,000 in capital exempt of taxation, he or she will no longer need government hand-outs. No NDP Government will be able to influence them. With $500,000 in accumulated capital, Canadians would be able to stick their fingers up at an NDP Government and tell that Government to get out of their lives.

But that is not what the Liberals and the NDP want. If they have people in senior citizens' housing, if they have them in public housing, if they have them on welfare and on child care payments, they have them exactly where they want them. If one needs the cheque that one is receiving from Government, that individual has to be respectful toward the Government.

Under a Progressive Conservative Government, we have the opportunity to build our own estates, and even ordinary Canadians can build an estate worth $500,000 very easily, and they will; and once they do so, they can be free of Government.

It is for that reason, Mr. Speaker, that we need a Progressive Conservative Government, not only for the current four-year term, but for at least two more terms. If that comes to pass, we will truly get this country turned around.

Some Hon. Members: Hear, hear!

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, at the outset, let me say that I appreciate the opportunity, at 4.27 in the morning, to join in the debate that faces the grain farmers of our country, and particularly those in western Canada.

We have heard a great deal of nonsense from the last two Progressive Conservative speakers, who chose to talk about the crisis primarily by attacking us and the Liberals as being opposed to considering what actually needs to be done for the farmers of Canada.

I suspect that the farmers of Canada will see through that kind of guff, turfing Progressive Conservatives out at the next opportunity, as the public opinion polls across Canada suggest will happen.

There is certainly a crisis in agriculture in Canada, and that becomes apparent in an overwhelming way when one tours any of the agricultural parts of our country. I had the opportunity to spend the last week of February in southern Manitoba. In fact, I started out in the riding of the Member responsible for the Wheat Board, the riding of Portage—Marquette, and went south and west from there.

I very quickly discovered the sense that farmers have of no one dealing very effectively with the problems that they face in the production of grains. Our farmers are looking about desperately for answers. Instead of being used for partisan gain, the farmers of Canada want their Members of Parliament to consider real solutions to their problems, thus enabling them to carry on their operations.

The Hon. Member for Selkirk—Interlake (Mr. Holtmann) wondered about the amount of experience in farming that might exist within the New Democratic Party caucus. I say, with pride, that I grew up on a Manitoba farm. Before going off to the University of Manitoba, I lived on a mixed farm in southern Manitoba. I know what it is like to work the grease gun, to drive a tractor, to care for pigs, and to do the various things that are required in a farming operation. I have to admit, of course, that it has been years since I have had the pleasure of working on a farm and experiencing first-hand what is involved. To be away from the farm is not necessarily to be removed from the problems, the challenges, and the recognition of the importance of agriculture and the need to come to grips with the situation facing us today.

• (0440)

We in Thunder Bay have a very large interest in prairie agriculture. We move more than half of the grain grown on the Prairies year by year, or at least we want to move more than half of it. We have 1,200 workers—and not many years ago we used to have 1,800 workers—moving from 20 million to 25 million tonnes of grain each season. We have our own interest in agriculture and our own reason to be concerned about the situation facing us now.

The Hon. Member for Selkirk—Interlake had something to say about the contrasting record of the prairie provinces in dealing with the farm situation facing them. It is worth recognizing that the Province of Manitoba has a much smaller farming area than is true in Saskatchewan and Alberta. That would immediately suggest that expenditures on agriculture would be a smaller proportion of the budget in Manitoba than is true of the two provinces to the west.

However, it is worth recognizing that in the Province of Saskatchewan the Conservative Government became involved in one of the most incredible pieces of buying itself power which we have seen in a long time. The loans offered to Saskatchewan farmers before the last provincial election amounted to well over $1 billion in total. They went to farmers whether or not they needed them.

It is a scandal of the program that farmers took the money and put it in the bank in order to earn interest on it. They knew that they would have to pay less interest than the bank was paying. They used taxpayers' money to give themselves a bit more of a cushion.

In some cases farmers who have been at it for a long time do not have the burden of interest which oppresses so many of the younger ones. For farmers in reasonable circumstances, this was a nice addition to their incomes.

I was in Saskatchewan a few weeks ago. I was told that one of the results was—and it was on the front pages of the newspapers—that communities and cities in Saskatchewan were facing cut-backs in provincial government expenditures. Of course the consequence was incredible unrest among the people of Saskatchewan in its cities, towns, and perhaps country areas.

In fact, I was told that the Conservative Government in Saskatchewan was hesitating to recall the Legislature because of the reaction to what it was doing as a result of its incredible deficit. Thanks to the farm program, a total of $1.2 billion or more had been added to the deficit. That Conservative Government faced the possibility that as many as half a dozen MLAs might cross to the opposition benches to sit as independents. In such circumstances the Government would lose the majority which it had just spent an incredible amount of taxpayers' dollars trying to win.

That kind of politics or that kind of assistance to agriculture is incredible. Farmers cannot have any respect for it. It is simply incredible that an agricultural economist, as Premier of a province, could indulge in that kind of political adventurism with the resources of a province. It is just an indication which matches the kind of partisanship we have seen in the last two Conservative speeches. They are prepared to do anything in order to maintain power and, in the process, achieve only a short-term answer to the difficulties facing us.

When I was in Manitoba in the last week of February I was struck by the fact that there is a diversity in the experience of farmers. For example, there are those involved in the dairy industry who are not doing all that badly. There are those farmers who have been able to take advantage of supply management arrangements as a result of thinking ahead and the kind of planning which New Democrats, in the resolutions in our policy book, have put forward over the years. Those farmers find themselves able to carry on.

In dealing with the crisis facing us in agriculture these days, it seems to me that the beginning of wisdom is to recognize the need to consider the possibilities of supply management in other sectors of agriculture beyond dairy, egg and poultry production and so on where we have seen successful application of marketing boards in various provinces.

It is not easy to consider supply management for grain production when the grain growing areas of the Canadian west have flourished in many years on the basis of production for world markets. Considering the possibility of managing the world's supply as Canadian Governments have done for many years in the past through international wheat agreements seems almost impossible these days. There is no point in wasting breath on partisan rhetoric when the first problem faces us.

Subsidization of production in the United States and in Europe—in fact it is in many countries of the world—has created a situation of over-supply and has driven down prices to such an extent that prairie farmers who have gloried in growing grain for the markets of the world find themselves unable to sell their products at any kind of remunerative price.

I must confess that in visiting with farmers in Manitoba in February and talking with them about their situations these circumstances were driven home to me particularly. No matter what crop one took, if it was a grain crop designed or destined for large commercial markets, the prices farmers expected to receive for production were driven home. Of course the announcement this week of 18 per cent less than the level of last year only underscored the urgency of the situation. The distressing or profoundly shocking reality of the industry was that for crop after crop one could look at the value of output per acre and discover that it would not match the cost of production, the cost of various inputs, particularly the fuel, chemicals, and fertilizers required in order to produce grain on the basis that farmers presently produce it.

I talked with one large commercial farmer in Winkler who showed me the calculations he had made in the days before I was there. In crop after crop he expected that, on the basis of a good yield and at the prices one could expect at that point, he would be losing from $15 to $50 per acre.

That of course is the brute reality which has had the Hon. Member for Prince Albert (Mr. Hovdebo) and the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) calling upon the Government, almost day by day, to make clear to farmers what it would do to ensure that they can cover the costs of production in this season and be assured of it at the time they made their decisions to seed.

If one faces that kind of situation, what is the logical thing to do? It would be not to grow anything. When a grain farmer can plan reasonably in February, 1987 to make a profit only on the certified seed business—and of course there is a small number of farmers who are able to do that—we recognize how serious is this crisis. It is a crisis which has resulted from the grotesque subsidization policies of the United States and in other countries as well. That is at the root of the difficulty. Clearly having international discussions with the various Governments concerned to cut back on these things to do the rationalizing which the Hon. Member for Lethbridge—Foothills (Mr. Thacker) was disparaging a few minutes ago when he was looking at one of our resolutions, to come to some kind of reason in these areas, surely it is a kind of lunacy to disparage it when that is exactly what is required. It will not be easy to do that. There is always the possibility in the present circumstances that the grain which Canadian farmers want to produce will not be saleable in these next years because it is not actually needed on the world markets, almost aside from the policies of the United States, the European Economic Community and other countries.

• (0450)

I hesitate a bit to say that because there is by no means an end to starvation on the globe. Rather the contrary. The debt situation in which various countries find themselves is such that they do not have the resources these days to buy food. Of course what we find in many cases is the production of cash crops in these countries for export in a desperate desire to earn the foreign exchange they need to meet the interest payments on the borrowing which they did in years past. Those activities require rationalization.

What we need is to come to grips with the international debt crisis facing us these days. It was made so much worse by the interest rate depression of the early 1980s which loaded countries down as it loaded Canadian farmers down with the enormous debt. We need to recognize that we are sliding toward depression rather than moving to prosperity. That requires intelligent thought, not partisan wrangling of the sort we have had here this morning.

If it becomes clear that prairie farmers can grow far more than we are going to be able to sell this year over the next five or 10 years—I should not try to add up the years into the future because it becomes too difficult to know those things—but if it is not possible to sell anything like the kind of output we can achieve, then what are we going to do about it? What are the possibilities that we can deal with the human dimensions, the environmental dimensions, the economic social dimensions of the problems that face us? What are the possibilities that we can come up with means to enable older farmers whose expectation just a few years ago was that their pension would be drawn from the sale of their lands? That is why we New Democrats are determined to maintain the capital gains exemption for the family farm, because it is exactly that. It is a source of the farmer's retirement income so he can sell his farm and buy a new one or do whatever he will with the money that results from the sale.

What if it is not possible for an older farmer to do that any longer? I met farmers in Manitoba who were desperately anxious about that happening to them. What are we going to do about younger farmers, the people who entered the industry in the last few years, those who were encouraged by professors and faculties of agriculture in various places, such as the University of Manitoba, to do it big, who had bank managers encouraging them to load up with debt and to go with the most advanced kind of agriculture which is incredibly capital-intensive, who then found the Bank of Canada following faithfully behind the Federal Reserve Board of the United States? The Canadian Government allowed the Farm Credit Corporation to do the same thing. The Liberal Government did nothing to reduce the impact on farmers of loading them down with incredible burdens of debt. What are we going to do when these young farmers find themselves faced with a Government allowing the Farm Credit Corporation to lift a moratorium on foreclosures?

The Minister of Agriculture (Mr. Wise) may do his best to minimize the number of farmers who are affected. My God, what will these young farmers do when they find themselves faced with banks and the Farm Credit Corporations approaching them? I got one sense of the desperation, the change in mentality. Conservative Members of Parliament may still think they know what is going around them in the prairie provinces. Farmers are prepared, in Manitoba at least, to think about the possibility of land banking arrangements of various sorts that they would not have thought of a few years ago because they face the possibility now of farming bank land and not owning the land any longer. In those circumstances what is one going to do about that situation?

These Conservative MPs may still think they know what is going around them in the prairie provinces. What are the possibilities of using various pro agricultural programs which the federal and provincial Governments have? What are the possibilities of taking the crop insurance schemes, the western grain stabilization arrangements, the special grains programs as an instance of what the Government can do as a kind of one-shot special program? The farmers are desperately anxious these days that it might be pretty close to a one shot arrangement. The politics of it will force the Government into doing something similar, I am sure, for the next crop year, but how long will it be before the farmers know what that action is?

What are the possibilities that these various arrangements could be integrated into a plan that would not necessarily cost any more than is presently the case but that could be operated on the basis of a crop insurance and a price assurance scheme?

What are the possibilities that through the offices already existing for crop insurance we add to the activity there and to the arrangements without necessarily adding very much to the cost in order to provide the farmer with protection both against natural disasters, which will occur some of the time, and

against the consequences of the kind of price decline we have these days?

Across the West a great deal of thought has been given to these plans. The great grain growing Provinces of Saskatchewan and Alberta, even more than Manitoba, are areas in which Governments and farmers and their organizations are wrestling with these questions. Instead of serving up all the partisan guff we have had last night and this morning, why is the Government not considering the possibility of doing something in the way of long-term planning, if you will? If planning is a dirty word, come up with some other word that assures farmers that their needs will be met.

I want to say in addition that the speech made by my colleague, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), in which he talked about environmental concerns seems to me immediately relevant when I note that the Agricultural Institute of Canada in a presentation it made to all three of the federal caucuses here in Ottawa not very long ago declared the need for an effective strategy to halt and reverse the long-term effects of soil degradation. It recognized that although many current practices are effective in controlling soil degradation, they are frequently uneconomical in the short term. This means that innovative soil and crop management practices combining soil conservation measures with sound economics must be developed, and the performance of these must be monitored beyond the first few years. That surely points to another of the directions in which we should be going.

Surely if the soil itself is in question, the basis for agriculture in the long term is also profoundly in question. What we want to do is to consider the possibility that we might bring our supply down to a level which would match the market in Canada and abroad while at the same time we provide farmers with the financial resources required in order to allow this land to be restored.

I want to suggest seriously the reduction of acreage in order to reduce production with the intention of renewing the soil, taking land that is being cropped year after year with the use of chemicals, the summer following having been abandoned. We should consider ways in which that soil could restore itself over several years perhaps but be out of production in the process of restoring itself. Surely in the present circumstances that is the kind of thing that should be done. We might remember that it was in the "dirty thirties" of the Great Depression and drought experience of the 1930s that the Prairie Farm Rehabilitation Act was passed and the Canadian Government began to provide resources for that.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. I see that he has not completed his speech. Is it the pleasure of the House to allow him a few more minutes to continue?

Some Hon. Members: Agreed.

Mr. Epp (Thunder Bay—Nipigon): The PFRA activities over the years have been very important in restoring land in areas where the kind of cropping that has been taking place previously did not make sense.

• (0500)

I would suggest that that instance from half a century ago is one that we might well keep in mind today as we recognize what the agrologists are telling us, which is that we need to deal with soil degradation. Surely taking land out of production in order to bring us closer to producing a crop that can meet Canadian needs and find sales abroad, combined with a crop-insurance and a price-assurance scheme, would provide a long-term plan for agriculture. The farmers are desperate for that sort of a plan.

I was struck by the urgency of one of the constituents of the Minister responsible for the Wheat Board who swept the Liberal proposals off the table with the back of his hand. He recognized that the Special Grains Program was something more than a mandate though it had not been as carefully targeted and well carried out as it might have been. He said that we need progressive planning for agriculture. On the basis of what I have heard tonight, we are not getting that planning from Conservative Members. I urge the Government to take up the thoughts that I have put forward, though they are hardly original to me. I have listened to farmers carefully, talked with them about the situation and recognized the good sense of what they were saying.

Let us get together with the provinces. Let us realize that we need a long-term plan for agriculture and let us get it by doing something. The Minister responsible for the Wheat Board is himself a farmer in Manitoba. Surely Members like that have the sense to know that this must be done. I hope he has the clout in Cabinet required to move the Government toward just that kind of future for grain growers, a future that might match the reasonable prosperity farmers in various other sectors have experienced thanks to the supply management programs worked out over the years by marketing boards.

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I am happy to rise this morning at three minutes after 5 a.m. to add my words to this debate that has been going on since early last evening. I would first like to comment on some of the speeches that have been made and particularly on the speech made by the Hon. Member for Saint-Denis (Mr. Prud'homme).

The Hon. Member for Saint-Denis is a very experienced parliamentarian and certainly speaks very eloquently in both official languages. I thought he made a very reasoned presentation, pointing out the difficulty facing Government when dealing with this crisis in agriculture. He pointed out that regardless of the Party in power, it is a very large problem and one that will cause a good deal of difficulty for a Government.

I thought the reasoned approach the Hon. Member took and the way he expressed his feelings did him credit as a parliamentarian. That type of debate is more needed more often

than debate containing the rhetoric in which we often engage and the interchange back and forth across the Chamber. Tonight, though, I thought that some of the very friendly interchange that went on across the floor added greatly to the debate.

The problem with which we are faced has been highlighted many times, not only in this Chamber but certainly around the country. The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) who just spoke made mention of the fact that he was in southern Manitoba last week in the riding of the Minister responsible for the Canadian Wheat Board. I myself have had meetings in my riding.

I recently attended a meeting that dealt with a railway problem and the problem of wheat prices and farm financing came up at that time. I heard about the crisis, the extreme interest rates some people are paying and the cost of servicing those debts. I heard of the difficulties that are being caused by the cost price squeeze in which agriculture is involved.

The problem has been highlighted over and over again. It is generally agreed that this problem began in the early 1980s with the high interest rates of the time. Last week, while I was driving to my constituency office in Moose Jaw, I happened to be listening to a CBC radio program on which a group of farmers from Manitoba were discussing their spring planting plans and the financial situations on their farms which varied from small farms to very large farms. As I recall, the largest farm had 2,500 seeded acres. The only farm that was not in extreme financial stress was the small farm because it had absolutely no debt. This farm was owned by a lady and the land was farmed by her son. She made mention of the fact that they were in no difficulty because they had no debt load. The actual cash cost of operation was the only cost they had to bear. They did not have a big mortgage to service.

One of the other farmers had a large mortgage to service and he made mention of the fact that his troubles began in the early 1980s with the high interest rates. That is a story that is very familiar to me. I often hear it from constituents of mine and from other Members who relate stories their constituents have told them. The problem is the inability of producers to service their debts based on today's costs, the cost price squeeze.

Many of us came through the high-interest years. I am a farmer and I still operate a grain farm in Saskatchewan. As a matter of fact, I was on my tractor on Monday getting ready to plant the 1987 crop.

Another fallacy that is being promoted by the media, by some agricultural groups and certainly by some opposition Members is that land will lie idle this year. I can assure the House that in the area of Saskatchewan with which I am familiar, the south central portion of Saskatchewan more commonly known as the federal constituency of Moose Jaw, I do not know of one acre that will not be planted this year.

Mr. Clark (Brandon—Souris): Good land.

Mr. Gottselig: My colleague, the Hon. member for Brandon—Souris (Mr. Clark), has mentioned that it is good land and it is. He knows that very well. I am sure he has some real estate in that area. It is a great part of Saskatchewan and the land there is very, very productive. It is farmed by people who for the most part are second or third-generation farmers whose ancestors came from overseas, as did mine. My grandfather came to Regina in 1901 and farmed in that area. My father farmed there all his life and I am now farming some of the land my father farmed. The land means something to me. I feel great compassion when constituents relate the difficulties they are having servicing their debts.

It is often said that these farmers must make management decisions. That may be so, but they make those decisions after consultation with bank managers, farm credit field men or people who counsel them to buy land. Often they make the decision on the basis of interest rates that were reasonable at the time but later almost doubled. A lot of farm mortgages that I am aware of went from 12 per cent to 18 per cent, 19 per cent and 20 per cent. An operation that was viable at 12 per cent simply is not viable at 20 per cent. There is absolutely no way you can service that debt.

• (0510)

You really cannot say that the producer made the management decision. He made the decision at 12 per cent, but he certainly did not anticipate interest rates getting to the level they did. He was probably told by a bank or some other financial institution that he probably did not have to worry about interest rates getting to that level.

When we talk about this production problem we have, I want to point out that my area of Saskatchewan has very, very productive land. With any kind of break at all in the weather, with some rain, and we do not need a lot if we get it at the right time, we produce abundant yields. We must export about 90 per cent of our production. For us export is a necessity and a very large part of our operation. The European Economic Community has an over-production of only about 20 per cent. That means mountains of butter and grain and beef and all those other commodities, but it is only a 20 per cent problem for them. The Americans also consume much more of their produce than we do. They do not have the same problem. The Americans and the EEC are both determined to bring the other to its knees. They are going to have this shoot-out in the international market-place and we are caught in the middle. We know that we simply do not have the treasury to fight this subsidy battle. There is just no way we can take them on. Our treasury will not stand it.

Having said that, we have to put something in place and we have done several things. The most recent thing we did, I guess, was put in place the special Canadian grains program. We put $1 billion into the farm economy. That money went to grain producers. It was certainly a big help, and that commitment was made by the Prime Minister (Mr. Mulroney). We are not going to abandon agriculture this year. We did not

abandon it last year. We changed the western grain stabilization process over the last two years and made record pay-outs.

One of the most important things we have done is to get the major world grain exporters to sit down at the table and discuss the subsidy problem. We had the chairman and two other Members of the British House of Commons Standing Committee on Agriculture here last fall and they appeared before our Standing Committee on Agriculture. They admitted that the subsidy war had to end. Even in Europe they were not going to be able to keep up the subsidy forever. The problem there is that it is part of their social policy. Some members of the EEC are involved in elections each year. If there was even a hint of the farm subsidy program being cut back or dropped, Governments would fall.

We are all political people in this House, I presume. We know that in order to accomplish programs, you must remain in power. That is the number one rule. So, to get them dealing with this problem will take some negotiations at a very high level, and I think it is to the credit of our Prime Minister and the Minister of State for the Canadian Wheat Board (Mr. Mayer) that these discussions have been initiated. They are dealing with the problem at the highest level in the GATT negotiations.

We have kept up our grain markets. Certainly we have had to meet the competition. That is the reality of the day. Anyone who is an agriculture producer in Canada today must certainly be aware of the uncertainty in the international market-place. I spoke to many of my constituents before the last initial price of grain was announced. They were anticipating a decrease. Everyone felt it had to come. There had to be a decrease in the price to meet world competition today. However, they also stress the need for a special Canadian grains program this year. Certainly I have voiced that concern to the Ministers at our agriculture and national caucuses. Other Members have as well. We are well aware of the necessity to put in place a special Canadian grains program again this year.

We are told that farmers are going to get anywhere from $25,000 to $35,000 this year in direct government subsidies. Granted that is not enough, but think of the stress there would be if we did not put that money in place. We are never going to be able to put out enough money that people would finally say yes, it is enough. However, within the fiscal restraints placed upon us we must look after our agricultural producers. Agriculture is the front line in any country, and having an adequate food supply is necessary.

We also know that the high quality wheat we produce sells very well year in and year out. Through the Canadian Wheat Board we have gained a far larger share of the world market than other countries. At the Agriculture Outlook Conference last year here in Ottawa we had a professor from a U.S. university who mentioned the fact that although the Americans had much more grain, it was of a lower quality and was not selling as well as ours. He said in a tight market situation we are actually gaining a much larger share because of the high quality grain we produce. He commended us for stressing high quality and remaining competitive by producing that high quality. Both Americans and the EEC are producing varieties of grain which produce more bushels, although of a lower quality, in order to get the maximum subsidy. We have maintained a consistent quality in our hard red wheats and that is something we are going to continue. The high-protein wheat is in great demand. It is selling well and commanding a premium price in a tight world market. We have to continue with that.

We have done several things, one of the really important ones being the lowering of the price of fuel. The average farm in Saskatchewan is 1,000 to 1,200 acres. The reduction we brought about in the price of fuel means that on a 1,200-acre farm the saving amounts to $5,000. That amount in today's tight economy is a lot. That is one of the very real things we have done. The lower interest rates we have today represent a considerable saving to agricultural producers. There is hardly a farmer today who does not have to get an operating loan some time during the year.

• (0520)

People tell me that they never used to have to be concerned with operating loans but that now, because of increasing costs, some time during the year they need to have operating money. They have to go to the bank first thing in the spring and arrange for operating money to plant the crops. The special Canada Grains Program which is coming out, the Western Grain Stabilization Program, and the fact that we are moving grain at record levels this year will assist producers greatly in dealing with those costs.

The Minister responsible for the Wheat Board recently returned from a trip to the Soviet Union. While there he made some excellent contacts with the Russians, resulting in the firming up of some of the long-term sales agreements we have. We have some long-term sales agreements with Brazil as well. We amended the Western Grain Transportation Act. The projected rate would have been $11 per tonne under the formula which was in place when the Liberals were in power. We have reduced that to an average rate of $6 per tonne.

I would like to quote the responses of some farm papers to some of the programs which were announced by the federal Government. The *Manitoba Co-operator* of May, 1986, commented on the farm package which was announced by the Prime Minister. It said:

> It is a far cry from former Liberal Prime Minister Pierre Trudeau who told prairie grain growers: "Why should I sell your wheat?" . . . It is also unlikely Trudeau would have vowed to bring up agricultural problems at the economic summit or talked about the need for government action on them.

I believe that represents a very solid endorsement from a newspaper with a rural voice.

Ray Guay, commenting on the rural transition program said:

> In short, the program is pure common sense and will help only those who have no choice but to leave the farm.

Barry Wilson was quoted in *The Western Producer*, another rural newspaper.

Mr. Deputy Speaker: Order, please. I notice that the Hon. Member has not completed his speech. I gather it is the will of the House to allow him a few more minutes to conclude. The Hon. Member for Moose Jaw (Mr. Gottselig) may continue.

Mr. Gottselig: Thank you, Mr. Speaker. As I was saying, Barry Wilson was quoted in *The Western Producer* of May 15, 1986, with regard to the Prime Minister's agricultural initiative. He said:

> It—marked the first time in at least six years that a Prime Minister devoted a press conference primarily to agricultural issues.

That speaks well of our Prime Minister, the record of our Government, and the input which western Members of Parliament have.

The representation which the Conservative Government has from western Canada and the Ministers from western Canada who have very key portfolios are an indication of why agriculture is getting the additional attention and cash which it is receiving. I think that demonstrates very clearly that we have a strong commitment to agriculture.

We recognize the need to provide assistance to agriculture, which is a very troubled sector at this time. As the Member for Saint-Denis mentioned in his remarks, next year it could be the Maritimes and after that it could be central Canada. The areas that need special attention because they are going through particularly stressful times must be addressed. Our record in that regard speaks for itself. It is a good record and shows a commitment to agriculture by the Prime Minister and all Members on the government side of the House.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to begin with a few complimentary words for the Member for Moose Jaw (Mr. Gottselig) who made a very straightforward and sincere speech. He is obviously quite well informed about conditions in the Saskatchewan economy. Two key points which were stressed by the Member deserve to be emphasized.

The first is that the 12 per cent management decision which gets translated to a 20 per cent interest rate situation is an extremely difficult situation for any farmer to face. That is something which the House has not yet sufficiently addressed in order to reverse that situation and make it possible for good farmers who made a correct management decision at the 12 per cent interest level to get back to the point where they can once more make decisions without the huge debt overhang which the change to 20 per cent eventually brought about.

The second point which the Hon. Member made was what he called the international shoot-out which is taking place in the grain trade. There is absolutely no doubt that such a situation exists. However, the Member went on to say that our treasury obviously cannot afford to respond to that. My comment in response is that this country, this treasury, and this society cannot afford not to respond to that situation. If we fail to make sufficient response to that international shoot-out there will be a great many family farms going down the drain, a great many people badly hurt, and our economy, which depends on good solid economic conditions in the farm sector, will be in much worse shape.

This is not only a western problem. I am not trying to suggest that it is not a western problem. Western farmers are facing immense difficulties. However, I want to make it clear that in Essex County in southwestern Ontario farmers are feeling precisely the same kinds of economic stress, the same kinds of pressures, and the same sense of frustration and fear as is being felt throughout western Canada. We conducted a survey of farm families within my constituency, concentrating on farm women in particular. I have 200 or 300 of the survey results in the House this morning in which the responses are consistent.

• (0530)

One family says that they feel very much under pressure and that it is the financial crunch which is causing that sense of stress. When they were asked what issues are of most concern to them as part of the farming community, they responded that they wanted to make a decent living to survive. That answer was given by a farm family from Pointe aux Roches.

Another farm family from Stoney Point responded that the issue of most concern was the price of produce and a need for low interest rates.

The response from Maidstone suggested that the main issue was crop prices, the price of machinery repair, and fair marketing boards. The response from Wheatley asked for adequate income. That family states: "We have sold one-third of our operation just to remain solvent".

A response from Tilbury states that the price of our crops, bank interest rates, keeping input costs down of fertilizers, sprays and fuel were the main issues.

Another response from Wheatley states better prices and lower interest rates. A response from Comber is for better pricing on grains, fairer taxes for farmers, and better farm insurance rates.

Another response from Comber identifies commodity pricing, better marketing of crops and so on as primary issues. I could go on to list a whole set of responses to the surveys, but these responses form a clear picture of serious impending disaster which faces a great part of our farm community in Essex County.

Earlier this year in Essex County we conducted a farm forum to give farmers and farm organizations across the county an opportunity to speak both with our provincial and federal agricultural and trade representatives. There were 16 organizations from the whole breadth of commodity groups speaking to us. These groups included the National Farmers Union, the Essex County Federation of Agriculture and groups of farm women.

The message which they placed before us was one of extreme urgency. First, they felt that the deficiency payment which had been made especially by the Government—the so-called $1 billion which the Member who just spoke suggested had done so much to solve the distress in the farm community—had simply not been nearly enough to try to meet the debt pressure, price pressure and cost of production pressure which farms in my community experience.

Soybean producers in particular suggested that the way in which that pay-out had been calculated, crop by crop, had not been sufficiently thought through to be fair to soybean producers, compared to those who were producing other commodities. They also expressed a tremendous concern about what would happen to them, their marketing boards, and their protection from low cost imports from the United States under a potential free trade arrangement with that country.

They stressed that help was very badly needed with respect to the debt crisis and that the Debt Review Boards which had been set up simply did not have enough power to be able to reach real solutions which would put them in a position to survive satisfactorily as effective farmers.

As part of that, they felt that more financing was required for the Farm Credit Corporation. They also stressed to us that it was necessary to have improved marketing structures for farm commodities and thereby gain improved pricing levels for crops across the board in this country.

Finally, they stressed to us that one of the promises which the Conservative Party made in the last campaign, to improve significantly the operation of Section 31 of the Income Tax Act to permit farm loss deductions from off-farm earnings, had not been carried through. They stated that it was crucial that this be done if farmers in Essex County were going to survive. We are facing a serious crisis that affects not only the west but Ontario as well. It is a crisis that is sure to continue.

On Monday, we had a meeting with a group of U.S. Congressmen, primarily from western states, who stressed very strongly to us that the U.S. Farm Bill will not disappear and that the Americans would not back away from the extremely high levels of subsidy they have been providing their farmers.

They stated that from their perspective the shoot-out in the international grain trade will continue and the assistance they are providing to American farmers, which is having such a devastating effect on prices for Canadian farmers, will continue to be a reality.

I do not question the sincerity of many government spokespeople who are trying to develop a response, but so far it has simply been inadequate. As the Ontario Federation of Agriculture told us just yesterday morning, with respect to Debt Review Boards, there are simply not enough enforcement mechanisms to permit the debt review process, first, to establish a clear-cut agreement in the case of a farmer who faces high debt, and second, to turn to the courts if necessary to ensure that some kind of debt relief is achieved for that farmer.

• (0540)

There is simply not enough done with respect to fighting back with financial help to farmers in the face of the tremendous grain war which continues. It has not worked in the past sufficiently; at least that is the very strong message I receive from my farming community, and it is certainly not working so far as the future is concerned in that there has been no commitment made to this point. There has not even been an inference that deficiency payments, which are so crucial for this coming crop year, will again be made available by the Government.

With respect to input costs, we have not seen any action taken seriously to bring down the cost of inputs, especially fertilizers, which for many of the farmers in my community are a key part of their costs.

My farming families also look at free trade not as something that is going to assist them but as something which is a very serious threat to their future livelihood both because of the import competition which they will face from the United States and because they see it as a very serious threat to the future of their marketing board structures where these have been established.

Finally, we have to say that there has been a great deal of talk with respect to the problems of the international grain trade. The Prime Minister (Mr. Mulroney) and the Minister for International Trade (Miss Carney) have talked a great deal about it. The Minister of State for the Canadian Wheat Board (Mr. Mayer) has also talked about it a great deal. Despite this, there has not been a single concrete step taken actually to do something about the serious problems of the international grain trade.

The story we heard in Uruguay at the GATT meetings that took place there was that our Minister of State for the Canadian Wheat Board had not pushed forcefully to try to get immediate and strong changes to improve the situation in the international grain trade. So I have to ask how much of the talk which is taking place is simply for rhetorical purposes and how much is a serious hard hitting effort to try to save Canadian farmers from the crunch they are facing?

When I think of the future, and as the farmers in my community think of the future, we look for action, and action of a definite and immediate character. We look for action first to establish orderly marketing arrangements for a much wider range of commodities. Second, we look for action with respect to giving much more strength and effectiveness to debt review boards. Third, we look for action to cut back the costs of inputs and, fourth, we look for action with respect to trying to reduce the threats which are coming from that international grain shoot-out which is taking place. Those are the challenges which face the Government. I have to say, looking at it from the perspective of my farming community, that the challenges have not been met. They are challenges which have to be met not just for the sake of farmers in Essex County, not just for the sake of farmers across Canada, but for the sake of a sound

and effective economy and economic future for us as a country.

Mr. Bob Porter (Medicine Hat): Mr. Speaker, it is a pleasure for me to be here this morning to take part in this debate. I think I can indicate to the Hon. Member for Essex-Windsor (Mr. Langdon) that we do take this debate in a serious manner. I think the fact that there are those of us here on the government side representing agriculture in such numbers indicates that we do have a commitment and concern.

I see it is about 16 minutes to six o'clock, which would be 15 minutes to four o'clock in Alberta, and that is about the time a lot of our people are getting up to go out on the land to do a lot of things. I have never gotten up in the House at this time of the day to do anything but I have done some strange things at this time in the morning. I have been in the livestock business and agriculture all of my adult life. I got into the cattle business when I was 18 years old, buying some cattle in the fall and seeing the price of that livestock cut in half with foot and mouth disease in February of the following year.

I listened to the Hon. Member for Kamloops—Shuswap (Mr. Riis) indicate the background of his family as they moved west. A lot of us, I think, came from a similar background. My family went west in 1883 with the railway. They took out a homestead and developed a horse ranch. After the country was settled my family turned primarily to livestock production. Horses were needed in those early days as settlers came in to develop western Canada. Everyone needed a team and a saddle horse. We ran a lot of horses then and I still maintain the brand which was used in the early 1880s on our horses. We still run cattle with the same brand.

I have two sons at home who, if things are going well, should be getting ready to continue seeding again this morning. I have two sons who are producing grain and livestock on some of the same land their great great grandfather developed before the turn of the century. I think it goes to show that with good animal husbandry and a commitment to agriculture, we can ensure that another 100 years from now other generations will be making use of the same land which is so important to the development of agriculture.

I do agree with some of the comments made by Members of the New Democratic Party on soil degradation. It is important and we should look into it. But I get a little nervous at times when, after agreeing with Members of the NDP, they come back and say something which makes it very difficult to agree.

Speaking at this time of day, one thing I can tell, Mr. Speaker, and I do not know if it is appropriate in the House of Commons, but in the livestock business, a number of things work out better in the early morning. I spent 11 years breeding cattle artificially. I found that cows were more romantic at this time of day. It was easier to pick up a cow that was in heat. The other thing is that if one is moving cattle any distance this is the best time of day to do it. The sun will just be coming up and it will still be cool. The flies will not be too bad.

• (0550)

I found that I could move a little bull a lot further this time of day. I do not know whether it works the same in the House or not. In listening to speeches tonight I think it has become obvious in some cases that that may in fact be true.

I can sympathize with a great many of those people we are talking about tonight, those people who are in agriculture and who are in debt. As I indicated earlier, I have been in it all my life. I could also tell Hon. Members that I have probably been in debt most of that time as well. Most of us in agriculture have never been out of debt. We are either using operating capital or we are expanding. It has been difficult, I know, and I have met a great many of those farmers who will eventually meet with our farm debt review panels. The difficulties they face are as a result of a number of things, certainly the result of what we see happening on the world market.

A great many problems in the country would go away with $6 wheat and $25 oil, problems created outside Canada, but also problems to which the Government has attempted to react in both of these areas. More measures have been taken in these areas. I think people in western Canada will appreciate, knowing the difficulties they are in at the present time, that the Government has tried to do its utmost to bring forward programs which, in some cases, have been emergency programs. The Hon. Member for Lethbridge—Foothills (Mr. Thacker) talked about the drought program in particular. These are programs which respond to matters about which we cannot make forecasts.

Those of us who have been in agriculture, and this is where I probably take exception to some of the comments made by members of the New Democratic Party, realize that there are no guarantees. I guess we are in agriculture to do the best we can to make a living, to try to do what is best in the region in which we live to take advantage of the climate and soil conditions to produce livestock, grain, hogs, whatever it may be, and to make the best use of it. But nobody ever said that there was a guarantee because you wanted to be a farmer.

I think we have seen that in the business sector. People in other areas have come to realize that we do take some risks. It is risk-takers who developed the country. If there had not been people willing to go west in the early 1880s when the country was developed, people willing to take risks without any of the guarantees that we seem to need in place today, then this country would never have developed into the type of land about which we, as Canadians, can be proud.

I am sure that a great many things can go wrong when one is in the agricultural sector. Some 20 years ago this month we had a severe storm in southern Alberta. I am sure some Members will remember the spring of 1967 when feed was airlifted by helicopter into the Foothills. I recall it very vividly. We were almost through calving at that time. The weather was not that cold and we had about a foot and a half of heavy wet snow. The sun was high, as it is at this time of year. In my case the sun happened to come out, which reflected on the snow. I

had Hereford cattle. The udders of the cows were sunburned and before the situation was over we had lost 75 cows. Those are the types of things that can happen. Good management could not have made any difference in that situation.

I think a great many people who were hurt, certainly more than I was at the time, felt it was part of the risk one takes in being in the real world of business. I do not think anyone ran to Government for help. They tried to do the best they could. But we are in a different situation now. Certainly, much of it is caused by the financial crisis in which we have found ourselves. Almost all of us in agriculture are still paying off the debt from the times when interest rates were as high as 23 per cent and 24 per cent. I had cattle in the feedlot. A feed bill which had to be paid regardless of the interest rate came in every month. I am still paying that debt, as I am sure many people are.

The ones who are having the difficulty, and I have met with them as I said earlier, are a great many young farmers who have come into my constituency office. It is the young farmers who got into agriculture in the late 1970s who have been hurt. Other established farmers, probably through good management, saw their way clear to be able to expand and did go out and use money that was expensive at the time to buy land that was extremely expensive. I think Hon. Members will realize that the price of land from Valuation Day went up dramatically from 1971. In some cases it went up five and six times as much as it had been when we valued that land for tax purposes in 1971. If there was someone here to recall it from the Official Opposition they would remember what happened when capital gains came in. Capital gains did a number of things. I can tell Hon. Members that it did a number on agriculture. What it did was help to escalate the price of land.

When credit was relatively easy to obtain and a piece of land came up for sale, the person selling the land, after consulting with his accountant, felt that whatever he needed out of it he needed after the capital gains tax was paid. So that was added on. It was added on again and again and again. The land in parts of southern Alberta that was valued at $12,000 a quarter, by the late 1970s, by 1978, was hitting around $40,000 and peaked at about $75,000 to $80,000. That was about the top. It is on its way back down now. At that price, with high interest rates, there is nothing that one can produce in agriculture that would sustain it. I am surprised that the situation went on for as long as it did before we reached a point of collapse. I suppose some people who are in this serious financial situation could have survived, but a great many of them were very badly hurt.

I think that those people who have complained about the $500,000 capital gains exemption should sit and listen to some of the people who tried to sell out prior to the exemption being put in place. There were elderly people who wanted to sell out and transfer their land to the next generation. However, because of taxes, because of some of the debt load they were carrying, there was very little left by the time they liquidated the farm and paid off the debt that most farms carry, as well as the capital gains. So it certainly had an effect on agriculture.

The fact is that the capital gains exemption has been put in place for all Canadians. It should be an incentive to Canadians to work to invest. There is something about having initiative. I do not think initiative is a dirty word on this side of the House. I do not think guts or backbone are, either. I think it takes people who are willing to get out and work. If one does and if one is successful then probably one should have the right to enjoy some of the rewards of that success.

I think those are the things to which Canadians can look forward. We have gone through numerous programs, and a great many other Members have commented on the programs that the Government has put in place. I have listened to members of the Opposition who have criticized most of the areas in which we brought in programs.

I went to the presentation that was made in the case of the Liberals, something called "Directions for the West". It was put out by the Liberal western caucus. I believe there were two Members of the Commons and about 10 or 11 from the other place who went out and held a series of hearings and came up with a long list. It is a good page long and the last page summarizes some of the problems. I think we are all aware of these problems. Some of the recommendations have already been commented upon. I would hope that they would not bring forward a program similar to the LIFT program they put in place in 1971, the full name of that program being Lower Inventory For Tomorrow.

• (0600)

I had a permit book at that time, and still do. Some aerial photographs were taken of my land, and I received a letter from Winnipeg stating that my permit book did not match with the expert analysis done as a result of the aerial photographs that were taken. I was asked to make the necessary corrections in my permit book. They had inadvertently included some of my neighbour's land and some land that had been used to raise horses.

That program was brought in as the answer to some problems that existed at that time. Certainly, it created additional problems. It did not do anything for the agricultural sector—other than perhaps leading to a change of Ministers.

The Liberal policy paper talks about ensuring that "returns from grain production in the new crop year will at least equal the level of the 1986-87 crop year".

It asks that we make initial payments at some level that has nothing whatsoever to do with the market-place, and nothing to do with reality, thus depriving those in agriculture of some indication of the direction in which things are going. We need only look to Europe to realize the problems that can result from such an approach.

If you have $6 a bushel wheat, $7 a bushel wheat, $8 a bushel wheat, people are going to grow it until it literally buries them—and that is exactly what has happened.

There seems to be a real problem in having the public understand what we are talking about when we speak of initial payments, final payments, stabilization payments, and deficiency payments. The public does not seem to realize that, in most cases, these payments represent the moneys due to the farmers for the products sold.

Certainly, the market price has to be there to indicate the reality of the market. Looking back to last year and what happened to barley, of the $203 million deficit that we saw, $179 million was attributable to the problems in marketing barley.

That meant that livestock producers in Canada were paying 75 cents a bushel more to use Canadian barley to feed Canadian livestock in Canada than we were selling that barley for on world markets.

This is the type of thing that we have to be very careful of. It is fortunate that the livestock situation turned around. Had our livestock producers been losing money in addition to paying that premium for barley, we would have heard a lot more from that sector.

The Liberal policy paper also speaks of maintaining the current freeze on grain freight rates charged to farmers.

Had we continued with the Liberal structure, those rates would now be somewhere around $11 a tonne.

Another proposal is to reduce farm input costs "through methods that include measures to deal with high chemical prices". What did the Liberals do in this regard? They switched to the metric system of measurement for chemical containers, with the result that we never knew the precise price or rate of application.

The last of the five proposals is as follows:

> —in view of the worsening farm debt crisis, to provide greater assistance to preserve the family farm as the primary means of production and a vital part of rural Canadian life.

These are the recommendations flowing from the Liberal task force on the western Canadian economy. Those constitute the total sum and substance of what came out of that tour across western Canada.

Let me quote again from the *Winnipeg Free Press* of April 11, 1987, as follows:

> The 17-page report is an empty document offering ringing declarations of discredited party policy, outright distortions of economic reality and not a single firm proposal which would make any significant difference to the economy of Western Canada.

The Liberal Party was in power for a great many years and had the opportunity to bring in all kinds of programs, and yet its members rise in this Chamber and criticize whatever this Government brings forward.

As the Minister of Agriculture (Mr. Wise) indicated earlier in this debate, this Government, in the last two and one half years, has brought in more programs for the agricultural sector than any past Government.

Let me now turn to the New Democratic Party. I have here a resolution reference, a document published last fall outlining a number of resolutions that that Party has in place—and I gather that they are current today. Under the subtitle "The Process of Planning" we have an omnibus resolution on the future of the family farm, recommending the "establishment of industrial plants to be co-operatively or publicly owned for the processing of food and the manufacture of farm supply items in the region of production".

The resolution goes on to say:

> This industrialization in rural Canada would provide new employment and enable those who migrate out of farming to find alternative jobs within the region.

This Government has come up with the Rural Transition Program. It is not something that is intended to move people out of agriculture; rather, it is intended to give those in our agricultural sector the same opportunities that are taken for granted by people in other sectors of the Canadian economy. That is its only purpose.

Certainly, with funding of $46 million, it is not a rich enough program to cause people to flock out of agriculture. But for those who do—and there will always be people getting out of agriculture—the program is there to provide some assistance.

And why shouldn't the self-employed in agriculture have the same benefits that others in this country have taken for granted for years?

I see that my time is drawing to a close, Mr. Speaker. In the remaining time, I should like to highlight one or two other items arising from the resolutions of the New Democratic Party. Under the same subtitle, we have the following:

> It might be necessary as well to take into public ownership some existing farm supply retail operations, farm machinery assembly plants, meat-packing and canneries.

I can assure Hon. Members right now that as long as I am in the livestock business, I will be very reluctant to ever take a product that I have produced to a government-operated packing plant.

The same resolution goes on to recommend limits on farm sizes. It is the policy of the New Democratic Party to establish a public commission to determine a formula for a farm unit size on a unit basis.

Mr. Gottselig: Big Brother looking over our shoulders again.

Mr. Porter: How would you like that? What does that do for one's initiative?

Mr. Gottselig: The socialist answer: control.

Mr. Porter: I invite the Canadian people, when thinking about the New Democratic Party, and its Leader, to remember that the doctrine of "socialism" goes hand in hand with it. The members of the New Democratic Party stand in this Chamber and very proudly announce that they are socialists.

I remind those Canadians looking for an alternative to keep in mind that there are socialist Governments in other countries, and they should look to the experience of those countries.

While I know that there is much that can be done to alleviate some of the problems facing the agricultural sector in Canada, I think we should acknowledge the support that we have received from this Government. The Ministers of this Government who are involved in the agricultural sector are to be commended for their efforts. The various farm organizations and individual farmers have been able to work with this Government and its Ministers in bringing about solutions to the current problems. I know that more has to be done, and I have no doubt that it will be done.

There are Members on the government side of the House who are willing to make every effort to see that the appropriate initiatives go forward.

Some Hon. Members: Hear, hear!

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I do not know that I can say that I am happy about debating at this hour of the day, though I must commend the Minister for his presence throughout this long debate. I hope that his presence means that this Government will take further action in alleviating the problems facing the agricultural sector.

Obviously, the Government does deserve some credit for the increased support that has been forthcoming for the agricultural sector, and particularly for the grain farmers of western Canada.

However, as one considers the over-all situation, what stands out is the crisis in the farming sector of western Canada. While there has been help, it has not been sufficient or adequate to give farmers the security they need in order to continue their struggle to survive and to continue their efforts at planting and producing crops.

• (0610)

I just wanted to ensure that I put forward at least my understanding of what is going on. To put it quite simply, while farmers are receiving some increased aid, what they need at the moment is to know whether or not they will be receiving a deficiency payment for the crop they will seed this spring. I know that my colleague will correct me if I am wrong, given that he is a farmer. Farmers need to know that because they need to know how their books will balance at harvest time. If everything goes well—and of course the weather is beyond their control—and they have a good harvest, they need to know whether they will make a profit on it or whether they will suffer a loss. Farmers need to know whether they will have incomes as a result of their efforts so that they can decide whether or not to seed.

Of course it is not a viable alternative to say that given the fall in prices the odds are that they will lose money on their crops. Over the last few years farmers have been struggling to keep their operations going. They need an assured income so that they can continue to hang in.

We all know—and I am sure farmers know it better than any of us—the international context in which grain farming in western Canada exists today. The fact is that there is a trade war between American farmers and their Government and European farmers and their Governments. These powerful and large Governments are pouring billions of dollars in subsidies into their farming sectors which put at risk our entire grain industry. One of the first aspects of the grain trade at which we must look is the whole question of international trade. The Government has undertaken an initiative in what they call free trade. It has sought to negotiate an agreement with the United States. While Mr. Reisman is meeting with Mr. Murphy, what is going on in reality is that the American Government is grossly oversubsidizing its grain industry, which is threatening the very existence of Canadian grain farming. The American Government is threatening the way of life in western Canada, and the Government blindly proceeds with its trade initiatives and says that it will negotiate a trade agreement with its American friends.

Given the present action of the Americans with regard to grain and what it is doing to the grain sector in western Canada, with friends like that, who needs enemies? The Government is blithely going ahead and promising prosperity as a result of a trade agreement with the United States.

If we were to have some confidence in the capacity of the Government to address vital issues affecting Canadians, such as the whole question of international trade, particularly in grain, and therefore the survival of grain farming and the western Canadian economy, we would want to see some results in terms of the present actions of the Government.

However, the Government is cosying up to the Americans, and Ronald Reagan is singing songs with the Prime Minister (Mr. Mulroney) while our farmers are suffering. That does not leave us with much confidence. In fact, it leaves us with a sense of worry, because it looks as if the Government believed in the tooth fairy, that if it could only sign an agreement with the Americans everything would be okay. It seems to close its eyes to what is actually happening.

Mr. Shields: Let's socialize the country and that will really fix things, won't it?

Mr. Keeper: I hear a voice over there which is attempting to distract the debate.

Mr. Shields: I am not trying to distract.

Mr. Keeper: He is not addressing the question before the House. He is simply seeking to label other people and to raise a kind of ideological bogeyman.

Mr. Shields: I don't know why they resurrected you out of bed, Keeper, because you are not contributing a heck of a lot.

Mr. Keeper: Has this Hon. Member spoken, Mr. Speaker? Why does he attack from behind the curtains a Member who is seeking to contribute to debate on one of the most urgent questions affecting the whole of Canada? How dare a Member of Parliament, a member of the Conservative Party, refuse to participate in the debate before the House yet have the unmitigated gall—

Mr. Shields: I have been here all night while you have been home in bed.

Mr. Keeper: —to shout as he wanders among the empty benches over there.

The Acting Speaker (Mr. Thacker): I would want to assure the Hon. Member for Winnipeg North Centre (Mr. Keeper) that the Hon. Member for Athabasca (Mr. Shields) has been here all night and is awaiting his turn. He is on the list, and I am sure we will hear from him shortly.

Mr. Keeper: I am glad that the Chair is so impartial. I thought if there were one institution in the House which is supposed to maintain order and to represent all sides of the House that it would be the Chair.

Mr. Clark (Brandon—Souris): Are you challenging the Chair?

Mr. Keeper: I would welcome the Hon. Member for Athabasca (Mr. Shields) entering the debate rather than abusively shouting from that side of the House.

Mr. Shields: I was not abusive at all. I was stating facts.

Mr. Keeper: Mr. Speaker, he continues. I notice that you sought to constrain me in my comments, Mr. Speaker. I hope you will constrain him as well.

Having commented about his lack of participation in the debate up to this point and about him shouting from his seat, I am disappointed at the moment by the lack of participation on the part of the Liberal Party over the last few hours. Where have the great Liberal defenders of western farmers been since midnight? Where are they?

Mr. Shields: They are where you were.

Mr. Gottselig: Home in bed.

Mr. Shields: That is where you were.

Mr. Mayer: We are better off without them. Who cares?

Mr. Keeper: Mr. Speaker, it is entertaining to hear the shouts from the Conservative benches, even those from the front-bench on that side. The kind of loud noise I should like to hear from the Conservatives, since they are in office, is that of their standing up and saying that they will make a deficiency payment and that they will guarantee farmers an income during this crop year equal to that of last year. That I would like to hear. If I heard that coming loud and clear from the other side, I would applaud. In fact I would sit down and I would congratulate the Government on having recognized the urgency of the agriculture situation in western Canada.

• (0620)

I do not come from a rural riding. I cannot say that I have farmers in my riding. I come from an urban riding, but even Members of Parliament who come from other ridings have to recognize the agriculture crisis existing today. People are now making their decisions about whether to seed. People need assurances from the Government that they will have security of income so they can seed and can stop living in fear of losing their farms so that families can live a normal life rather than be under constant stress. My colleague, the Hon. Member for Prince Albert (Mr. Hovdebo) put forward this motion calling for an emergency debate concerning agriculture because the situation is urgent.

Mr. Clark (Brandon—Souris): Where has he been all night?

Mr. Keeper: I hear again more Conservative voices out of the dark.

Mr. Mayer: It is not dark outside, it is light.

Mr. Keeper: If only those voices could say, yes, we understand the threat to the western Canadian farmer, we understand that a whole way of life is under threat in western Canada, and not only do we understand it but we are willing to do something about it; we are willing to use the instrument of Government to provide the basic minimum of security to western farmers so that the farm community can continue to exist and that farmers can at least survive, if not aspire to a half decent sort of life. Those types of interruptions I would welcome. They are yet to come. I hope the government Members realize that one of the reasons we kept them here all night and that we will continue to do so is the very real crisis exists that on the farm. We want action. We want the Government to wake up. This is the time of day when the Government should be waking up. We want the Government to wake up to the reality that people have a right to security of income.

I was saying earlier that I am a Member of Parliament from an urban riding, that I do not have farmers in my riding. I may have the odd one, but by and large my constituency is not a farming community. Even as an urban Member, I am aware that there is a crisis in agriculture, that there is a crisis in grain farming in western Canada. All you need to do is to listen tentatively to the mass media. Peter Gzowski had a group of farmers recently on his program. He did a magnificent job of reporting the human situation of western Canadian farmers. He had a number of men and women speaking from a personal perspective about the situation on the Canadian farms. These people got to the point where they were starting to share what they called "sick jokes" about the present crisis on Canadian farms. One was about a farmer who was taken to task by the

Children's Aid Society for child abuse. They said, "We cannot believe that about this upstanding member of the community". What he had done was to turn over his farm to his children, and they said that was child abuse.

Mr. Gottselig: That is the type of joke you would tell.

Mr. Keeper: I hear the Member over there saying that that is just the type of joke I would tell. That joke, described as a sick joke, was told on the Peter Gzowski show, and it is an indication of the crisis in western Canada. People's whole way of life is threatened. The capacity of people to make their living is threatened. People who have lived on their farms for generations are now having the rug pulled out from under them. When people are under such stress then it is time for the Government to act.

We had a Prime Minister who came out to western Canada and said, "Why should I sell your grain?" That is what we got from the leadership of the Liberal Party. But we did not get that from this Prime Minister who goes out into the world and says that our problems have to do with the subsidies and that grain prices ought to be in the GATT negotiations. What happens, Mr. Speaker? That is where it is. That is leadership. Not going out to western Canada and asking, "Why should I sell your grain?" What kind of leadership did we have then for western Canadian farmers?

Mr. Gustafson: And then we got the LIFT.

Mr. Keeper: Why have a Government? If governments are not to act, why bother to have governments? Let us just rely on the so-called market and let everybody come and go at the whim of the market. Obviously, in the present case we are not just talking about a market, we are talking about the American and the European Governments that have intervened in the grain market and have subsidized their farmers. We have an international trade war going on and that is why our farmers are suffering.

When farmers are suffering so greatly, it is time for the Government to step in and take action. The individual farmer cannot defend himself or herself in the present circumstance. We do need our elected institutions to provide the basic security that farmers need in order to continue to survive. In a couple of years when this crisis is resolved we should be sure that we have farmers who will be there to grow the grain and take advantage of the international markets, not having been driven out of farming because the Government failed to act and failed to get the message that the whole way of life in western Canada is threatened. It is impossible for farmers to face the present circumstances without solid action by the Government. We wanted this debate so we could get across to the Government that while its increased support for western agriculture is appreciated, the Government has to take another step.

The Government needs now to tell western farmers that they will have a deficiency payment for the present crop to be seeded now so that farmers know, when it comes time to harvest, that they will make money on the crop. We need that additional security. We in Canada in western liberal democracies have used the Government ever since the 1930s, even since the election of Theodore Roosevelt in the United States, to provide a measure of security for citizens. We would not say to people, "If you haven't got a job or if you don't have unemployment insurance, then we won't give you any social security to enable you to eat". We are not willing to be that harsh to allow the whole of people's existence to depend upon the market. In the same manner in terms of agriculture we need to say that it is the function of Government to provide at least a minimum basis of security.

I see, Mr. Speaker, that you are indicating that my time is coming to a close. It is a legitimate function of Government to provide a base of security for all Canadians, for western Canadians, for western Canadian farmers, for the grain farmers, and now is the time to do it. Now is the time when the whole way of life in western Canada is under threat. While the Government deserves credit for the action taken so far, it needs to take another step and provide that minimum of security, and it needs to do it now.

• (0630)

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, let me begin with a personal observation. As I sat here throughout the night, I thought back to my nomination night. Some of my friends in the House were there then. I remember making my acceptance speech at 1 a.m. and thinking that was really quite an incredible time of night to be making such a speech. I see it it is now 6.30 a.m., dawn has arrived in Ottawa, and as others have indicated, the farmers will soon be on the land in the Prairies if indeed they have not worked all night like some of us have.

I also want to note with approval that throughout the night we have been honoured with the continuing presence of several cabinet Ministers. My time here is not all that extensive. It is only about three and a half years now. However, I remember other all-night debates and I do not remember Cabinet Ministers being present.

During the course of this evening we have seen the continuing presence of the Minister of State for the Canadian Wheat Board (Mr. Mayer), the Minister of Agriculture (Mr. Wise), the Minister of Indian Affairs and Northern Development (Mr. McKnight), and the Deputy Prime Minister (Mr. Mazankowski). I hope I have not forgotten anyone. As well, we have had many of our caucus here during the night. Perhaps it is only coincidental but many of those are either farmers or have a continuing interest in agriculture. Let me say at the beginning that I have never pretended to be a farmer as such, but I am proud to say that I grew up on a farm and I continue to own farmland. I think I recognize, therefore, the importance of this debate on the issues before us.

I also want to make it clear that we on the government side recognize the gravity of the problem which exists in the grain and oilseed industry in western Canada. We have recognized

and continue to recognize those problems. The proof of that recognition lies in our record to date and the fact that we readily participate in a debate such as this. I for one will agree that the NDP are sincere in sharing that concern as well. I must say that I am disappointed, however, that throughout the last four and a half hours only two Parties have been represented in the House, to the best of my recollection. I think that is unfortunate because it suggests there is not as much interest as there should be.

The Hon. Member who just spoke made reference to two or three points which I would like to refer to. He made reference to the freer trade talks, if I remember correctly, and did so in a critical fashion. I have just had the opportunity to look at the *Western Producer* dated April 23, 1987, and I thought Members might be interested in a story contained therein. The headline reads: "Free trade would help Manitoba hog industry". In light of the fact that both the Hon. Member who just spoke and myself are from the Province of Manitoba I think this is a particularly interesting story.

The story says that an increase in exports is a key to a healthy hog industry. William Boggs, Chairman of the Manitoba Hog Producers' Marketing Board, said Manitoba must export 70 per cent of its present pork production. In order for the industry to grow, export markets must be developed further. That implies freer if not free trade. The U.S. market in particular is important to the province's hog producers. Boggs said that three-quarters of its exports go to the U.S. He said we must keep a door open to U.S. trade. We in Canada must be constantly on top of potential Canada-U.S. trade road-blocks and we must be in a position to remove or, better yet, prevent their formation.

Later on in the same story he said in spite of the fact that some analysts predict gloomy hog prices toward the end of this year, he was more optimistic and still looked for a very positive market in 1987. That forecast is based on the fact that the hog kill in the U.S. is 50,000 head short of what it was a year ago. Hamburger from the dairy herd buy-out will soon be moved off the market and the Americans predict an 8 per cent to 10 per cent decrease in slaughter cattle for later this fall, and that the amount of red meat in cold storage in the U.S., particularly pork, is the lowest it has ever been.

What that story suggests very clearly is the very significant importance of the freer trade talks to at least Manitoba's hog industry. I think you will find if you look at the future of this industry in other parts of the country there are benefits to be derived. I say that because the Party which has proposed the motion this evening has consistently downplayed, criticized and ridiculed the significance of the freer trade talks. I think we on this side have perhaps done ourselves a disservice by not adequately rebuking their criticisms to this point in time.

With respect to the problem which does exist in Canadian agriculture today, there are two or three points which have been made earlier this evening but it is important to reiterate them.

First, as you know, the high interest rates of the 1970s had a devastating impact on a certain group of farmers. That group of farmers are those in their thirties and forties who, through no fault of their own, began farming at a time when inflation was beginning to occur and interest rates were beginning to rise. As a result that group found itself with a very heavy debt load. During the days of rising inflation the significance of that debt load was not as apparent as it would subsequently become.

Unfortunately, in the 1980s a combination of that debt load, deflation, and the trade war currently under way between the EEC and the U.S., put a generation of farmers in a very vulnerable position. For me this was a very tragic situation and one which the Government must continue to address. I stress that because I think our record to date is an excellent one, particularly bearing in mind the legacy we inherited some two and a half years ago.

When I speak of that legacy I am referring of course to the size of the national debt and what it means with respect to interest rates. As you know, this Government must spend somewhere around $28 billion or $29 billion on interest alone to service the national debt. That is an incredible sum of money which, if it were available to us, would give us a great deal of latitude to deal with problems, whether they be in agriculture, the forest or fishing industry, or wherever. We do not have that flexibility today, to a large degree because of the debt we inherited from our predecessors.

As to our own particular record, I think there are several points which need to be stressed. The most important thing I want to say at the outset is that I for one am particularly pleased that the Canadian agricultural community is served by two particularly distinguished Ministers. As you may know, I have been a teacher most of my life. I have had a strong interest in Canadian history and I do not recall anywhere in Canadian history, at least in the last 30 years, when Canada has been as well served, and Canadian agriculture has been as well served, as it presently is by the Minister of Agriculture. He is very sensitive to the needs of the community.

There seems to be some strange sounds coming from the Chamber.

Mr. Angus: It is your dentist.

Mr. Clark (Brandon—Souris): Maybe it is a legacy of the previous Government. They are feeling uncomfortable. They may not be present in body but perhaps some of them have consciences acting up.

In addition to the leadership provided by the Minister of Agriculture, I want to make particular note as well of the Minister of State for the Canadian Wheat Board. First of all, in that Minister we have had leadership provided by someone who is a prairie grain producer and who continues to operate a farm in partnership with his wife and who knows all too well the problems experienced by Canadian agriculture. It is for

that reason I am very confident of his sensitivity and understanding, and I think that has been evident in his policies to date.

Let me just make a couple of comments about two of the points discussed here in the course of the evening, the question of initial prices and the FCC moratorium. First with respect to the moratorium, it was very clear when that was put in place its purpose was to provide time for certain programs to be developed. The moratorium was never perceived to be, by any spokesman on this side of the House at least, a solution in itself.

• (0640)

Since that time two programs in particular have been developed which have reference for the farmers who would be affected by severe economic conditions. I think particularly of the Farm Debt Review Boards which are now in place in each of the provinces. My understanding is that many of the initial start-up problems have been alleviated. When the chairman of that group appeared recently before the Standing Committee on Agriculture he spoke with confidence about their responsibilities and the future.

I would like to address a few remarks, if I may, to the Rural Transition Program because I think it has been very unfairly criticized by some politicians, some farm organizations and, unfortunately, by the media as well. I happened to be at the press conference where this program was announced. One of the things which disturbed me at that time was that, seemingly out of the woodwork, there arrived at that press conference of the Minister of Agriculture and the Minister of Employment and Immigration (Mr. Bouchard) a number of journalists whom I never see at meetings of the Committee on Agriculture.

Although there are some 350 journalists who work on the Hill, I regret that there are only four or five who, with any consistency, appear at meetings of the Committee on Agriculture. The unfortunate significance of that is that when a major event comes along which does attract the attention of the Gallery at large, it seems to me that many of them come to their responsibilities with an inadequate background which is often reflected in their reporting.

The Rural Transition Program has been badly maligned by its critics. I happen to believe it is long overdue and am very pleased that it is now in place and is able to provide a service to those who wish to participate in it. It provides, albeit perhaps in an inadequate way, the types of opportunities for retraining and financial assistance for relocation if desired which have long been available to other sectors of the economy but have historically been denied to the agricultural community.

Having been involved in education most of my life, I have been aware that many young people have received assistance to achieve upgrading. Older people in urban communities who wish to go back to school have had programs available to them but these types of programs have consistently and tragically never been available to the farm community. In addition, it has been denied the opportunity of participating in programs such as unemployment insurance.

Transition from rural areas to urban areas is not a new phenomenon. However, when it occurred in the past the people who were compelled to or chose to make that transition, for whatever reason, were denied the basic economic and counselling support programs which were often available to their urban neighbours.

The Rural Transition Program is now providing those services in a small way. I am pleased that in the Province of Manitoba, for example, a major part of this program is being provided by a research team and support program in the City of Brandon. Through fairly constant consultation with them I know that both the dollars and the counselling which is now being provided to the rural community, which was not available previously, are much appreciated and, quite frankly, much needed.

I have heard Members opposite suggest that this program is somehow or other designed to either persuade or force people to move off the land. Nothing could be more ridiculous than that assertion because it implies that you could persuade someone to leave the land for approximately $6,000 per year, which is the type of support of which we are speaking. It is, quite frankly, an insult to the Canadian farming community to imply that they would make decisions about this issue based upon that rather meagre sum of money.

People who are leaving agriculture today deserve the kind of support which the Rural Transition Program is trying to provide. I dare say that we should be doing more to benefit them. For example, one of my criticisms of that program is that it will provide assistance for only one year. As you know, Mr. Speaker, someone who wishes to enter into a university program of more than one year is not eligible to participate in the Rural Transition Program and I think that weakness should be remedied. Another deficiency in the program, as I understand it, is that they cannot participate in part-time programs. I think that is also something which the Government should address.

However, the concept is extremely valuable and has been long overdue. I feel nothing but frustration and anger with regard to those who deliberately misrepresent that program to the public because, in so doing, they are adding to the aggravation felt by those who are compelled to participate in it because it is implying that they are somehow being bought off. As I say, Mr. Speaker, that is both inaccurate and insulting.

It is important to look to the future and I see some signs for positive encouragement. Speaking as an individual Member of Parliament rather than on behalf of the Government *per se*, I believe that the Government will have to continue to provide assistance in the future comparable to that which it has provided in the past.

I say that because I recognize, as do others, that the 18 per cent decline in initial prices, which is an accurate reflection of what is unfortunately occurring in the world market, has created a real financial crisis on the Prairies. I have confidence, however, because the Government has demonstrated its sensitivity to this problem with the $1 billion program—

Mr. Cassidy: By lifting the moratorium, that's sensitivity? Is that what the Hon. Member says?

Mr. Clark (Brandon—Souris): The Hon. Member who has just awakened and returned to the House will have a chance to speak in the near future if he will let me conclude.

Mr. Cassidy: The Hon. Member's sensitivities are dulled by being here too long.

Mr. Mayer: Oh, he woke up grumpy.

Mr. Clark (Brandon—Souris): The $840 million which has been made available to prairie grain producers is the largest program in Canadian history. The $705 million interim payment which is going to western grain producers this week is an insurance program with the farmer putting up $1 for every $3 put up by the federal Government. That program will provide a record payment as well to prairie grain producers this year. The total cash flow of $1.3 billion which will move on to the Prairies in April and May is a record amount of cash flow from any federal Government to the Prairies and will very much assist with the financial needs of the farmers at this time.

Speaking again as an individual Member, I suggest to the Government and the House that in the fall when we know what the world market is, what the supply of grain is, and what the grade of that grain is, we will be able to address the problems which exist at that time.

I believe the Minister of Agriculture and the Minister of State responsible for the Wheat Board can feel very good about their contributions to western Canadian grain producers at this time because none of their predecessors at any time in Canadian history have provided either a greater amount of leadership or a greater amount of financial assistance. For that prairie grain producers are very grateful.

• (0650)

Mr. Mayer: Mr. Speaker, I rise on a point of order. This debate began 11 hours ago. Many of us have been here throughout the night and I want to make sure that we recognize the support we have received throughout this debate. We do not know how long it will continue. The table officers, *Hansard* reporters, translators, those working in broadcasting, the employees in the cafeteria and the bus drivers have been here all night, along with the Pages.

Many things take place that are not obvious in terms of the operation of the House. We have been and continue to be very well served by all the people who looked after the proceedings of the House this evening.

On behalf of all Members who have been here throughout the night and are here now, I want to recognize the contribution they have made and say thank you, because we appreciate the way they have looked after us throughout this night during the debate on a very important issue.

Some Hon. Members: Hear, hear!

Mr. Angus: Mr. Speaker, on behalf of my Party, I want to add comments to those of the Minister of State for the Canadian Wheat Board (Mr. Mayer). It is very clear that the staff who work behind the scenes are extremely important to the operation of this place. From time to time there are occasions when we keep them long past the normal time they return home. We thank them for their work tonight and most other nights when they are here to provide the support that is necessary for this place to continue. I thank them on behalf of my caucus.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to echo the sentiments expressed by my hon. friends.

I want to participate in this debate because I am very concerned about the situation facing western agriculture and eastern agriculture not only for the crop year into which we are entering but for the future as well.

This debate was triggered by the Government's decision to lift the moratorium on the FCC loans. We are talking about whether agriculture in western Canada has a future and whether the Government's record will be one of a Government that turned its back on western Canadian agriculture after making many promises when in opposition, and of a government which effectively brought on a situation where western Canadian agriculture was cut to half or one-third of its traditional place in the Canadian economy.

Under current circumstances, the moratorium being lifted on Farm Credit loans is not just a direct threat to some 7,000 farmers who are currently behind in their payments and may now find themselves being foreclosed by the FCC, it is also a signal to every supplier, bank and financial institution that is involved in western agriculture that the Government has lost faith in western farmers.

The Government, through the Farm Credit Corporation, has lost faith and since the FCC is effectively the lead lender in this particular area, the message will be absorbed and acted upon by banks and other financial institutions.

I suspect that as early as yesterday morning when the announcement was made public in the press, people in the boardrooms, the headquarters of Canada's major banks and in the financial institutions in New York, London and Tokyo were asking about the situation with lending to Canada's western agriculture now that it appears the Government is lifting a moratorium that was initially imposed to protect farmers in September, 1985.

The financial institutions will examine the actions of the Government over the succeeding period of some 18 months to

see that the Government did make a certain commitment for a while. It has taken initiatives in terms of international trade, through meetings with other countries that are involved. Clearly, the subsidies from the United States Government to its farmers and the subsidies from the EEC to its farmers are a major reason for the problems currently facing farmers in Canada.

These financial institutions will also note that the Government came through with the Special Canadian Grains Program for the 1986 crop year, albeit possibly because of the Government's hopes of keeping Saskatchewan as a Conservative province at the time of its provincial election.

They will want to know the significance of this latest measure in terms of the future of agricultural policy in Canada. Does the Government intend to help western Prairie farmers remain in operation and ensure that they can survive the difficult period until this subsidy war between the United States and the EEC has been successfully concluded, or has it decided that the stakes are too high and is pulling its chips from the game, thereby foreclosing on western grain farmers if necessary?

Any financial institution would be justified in concluding that the Government is turning its back on western farmers. That is a sad fact but the FCC itself estimates that some 8 per cent of farmers, 14,000, are essentially broke and that 23 per cent, 42,000, are under serious financial pressure.

If I was running a financial institution and was conscious only of protecting my investment; if I was being harassed because my loans to Brazil, Argentina and other Third World countries were turning sour and could not be collected; and if I was being told that Dome will bail out its secured loans at 65 cents to 75 cents on the dollar and my bank was heavily involved, and was also told that the Government no longer had faith in western grain farmers, I would be issuing orders to the prairie branch in Winnipeg that it start to cut back and not extend new funds to those farmers. I see some Conservatives nodding their heads.

Mr. Mayer: We are nodding our heads in amazement at how ignorant the Member is.

Mr. Shields: He does not understand the issue one bit.

Mr. Cassidy: If the Government Members say that they know this is the case, why is the Government turning its back by invoking this moratorium?

Mr. Shields: You do not understand the issue.

Mr. Cassidy: When the issue was raised, why did the Government not recognize that a mistake was made and tell the Farm Credit Corporation what it was doing to western farmers.

Mr. Mayer: Go talk to the farmers. The only thing you know about agriculture is that you probably had eggs for breakfast.

Mr. Shields: Leave Ottawa once in a while. Go and see what happens on those farms.

Mr. Cassidy: The Hon. Member says that I should leave Ottawa once in a while. I was in western Ontario just four days ago.

Mr. Shields: My God, he went west.

Mr. Cassidy: Let me tell Hon. Members from western Canada that the problems in agriculture are not confined to western Canada. They are also being experienced in eastern Canada.

London, Ontario is the heart of the western Ontario farming belt. I want to tell Hon. Members that land that was being rented for $100 an acre a few years ago is now going begging because farmers cannot afford to farm it themselves and cannot find anyone else to farm it.

I talked to a friend who was farming 450 acres five years ago in the area of London. She is now only farming 85 acres. The reason that she is essentially going into retirement is that she cannot make a dollar from the farm. She pointed out that the input costs have continued to rise, as anyone will know, but that the prices she fetches for her produce goes down. Last year she had a white bean crop which almost failed totally because, after an excellent summer, weather conditions turned against her.

I cite these facts to indicate to Hon. Members opposite that one can be an urban Member, as I am, and still have a good idea of the situation facing farmers in the farm economy. I suggest to Hon. Members from western Canada who were barracking a minute ago that I believe the crisis in western agriculture is a crisis that affects all Canadians, whether they be represented by urban members or rural members. If they try to wrap themselves in the flag and suggest that only they alone are qualified to talk about this issue, they are talking hooey. If they try to wrap themselves in the flag and say that they alone are qualified to talk about this particular issue, then they are talking hooey.

• (0700)

An Hon. Member: What is hooey?

Mr. Cassidy: The Hon. Member should know. He would find it on his farm if he looked for it.

We are talking about a very serious situation, and as the finance spokesperson for the New Democratic Party I have been pointing out that we are facing a situation of unreasonable and unjustifiable world competition, and the choice we face in Canada is whether we are prepared to weather this out with our western farmers or whether we are going to have a Government which decides to abandon the western farmers and just simply throw them out to the free market hoping that somehow some will survive. The Farm Credit Corporation figures would indicate those farmers will not survive under those circumstances.

The transition program mentioned by the Hon. Member who just spoke is certainly not going to bring them out of that particular situation. It will affect too few. We have to make a choice, and this is what my Leader was saying yesterday when he was asking questions of the Government on this particular issue. Are we as a country prepared to seek to maintain western agriculture during this period of transition or is the Government intent on imposing a short, bitter and devastating shock of readjustment on western farmers which, in the next year and a half, could easily mean 10,000 to 20,000 western farmers forced out of business, hundreds of thousands, if not millions of acres of prairie grain producing land, the most efficient grain producing land in the world, forced into idleness and in many cases forced back into prairie with no agricultural uses at all? These are the choices we are talking about.

I am very concerned as well because I represent urban workers, many working for the Government of Canada and working in high tech industries which serve rural as well as urban uses. It is quite obvious, as my friend the Hon. Member for Winnipeg North Centre (Mr. Keeper) indicated as well, that urban workers and the urban economy in Canada are also affected by the crisis which is now taking place in rural Canada.

[*Translation*]

Mr. Speaker, I wish to emphasize how serious the problem is now that the Government has decided to lift the moratorium on FCC foreclosures. The crises affects not only western wheat growers, but also farmers in eastern Canada. The figures of the FCC show that about 8 per cent of Canadian farmers are going through very hard times and are probably bankrupt. In addition, 14 per cent of farmers, or about 42,000, are having serious financial difficulties. As a whole, nearly one third of our farmers are now affected.

In addition, it is quite clear that, while one third of the farmers are directly affected by the financial crisis, the picture is not that good for the rest of them either. In western Canada, farm income will be substantially lower because of the announcement that decrease the prices paid under the Government program will go down by 18 percent, after a 20 per cent decrease last year. The crisis is affecting everyone. This means that even the farmers who are still financially healthy, who have resources, who have finished paying for their land and, who do not have large mortgages or bank loans to reimburse have seen their incomes and profits go down.

As I have just noted in English, the situation in eastern Canada is also difficult. Last weekend, I was in London, Ontario, where I spent some time with a farming friend who worked about 500 acres some five years ago. She told me that people used to pay $100 an acre to lease farmland, but that the land-owners in her region of rich farmlands in south-western Ontario cannot find any farmers willing to lease their land. They have to let it to the farmers free to ensure that someone will work the land and keep it from deteriorating. My friend, who used to work 500 acres, now works only 85. She decided to reduce her acreage because the rest was not bringing in any profits. The profitability of agriculture is therefore affected in both eastern and western Canada.

The situation in Western Canada is particularly serious. The moratorium on Farm Credit Corporation foreclosures has just been lifted. This gives a message not only to the farmers who are directly affected, but also to all banking institutions. It is now time to seed for the 1987 crop year. All the farmers who need bank credit to begin their activities in the spring will therefore be affected. All the farms and all the farmers with mortgages or bank loans will be affected because the banks will have to reassess farm credit, especially in western Canada. The banks will consider the fact that the Government has lifted the moratorium and will see in this a very clear message, namely that the Government has decided not to continue to support the farmers until the subsidy war with the United States and the Common Market has been resolved. It is a fact, Mr. Speaker, that the agricultural crisis began with the decision of the Common Market to subsidize farming and the decision of the American Government to respond by subsidizing American farmers instead of letting them face this difficult situation by themselves, going as far as subsidizing wheat sales to what President Reagan called the evil empire, the Soviet Union. What can we, in Canada, do in such a case?

On a point of order, I object to the comment of the Hon. Member. I believe that such a comment is out of order and should be withdrawn.

[*English*]

Mr. Deputy Speaker: I am not sure what the Hon. Member for Athabasca (Mr. Shields) said.

Mr. Shields: Then I will repeat it, Mr. Speaker, so that you may rule.

Mr. Cassidy: You had better not.

Mr. Shields: The New Democratic Party was referring to the President of the United States being in Canada addressing this body and the Hon. Member started to make remarks about the President in his speech. I said: "And that is the time the NDP made complete asses of themselves". I think that is quite in order.

Mr. Deputy Speaker: I would hope the Hon. Member would not use that type of language. However, I must say it is not unparliamentary because it referred to a Party. However, I hope in future Hon. Members will refrain from using that type of language, even though we have been debating the matter for some 12 hours.

Mr. Cassidy: I would point out the hour. This has been a prolonged debate. However, I will bear in mind that while I cannot refer to an Hon. Member as an ass I certainly can refer to his Party as a group of jackasses and I may seek to do so in the future.

I do not want to enter into that kind of retribution because this is an extremely serious situation. What I want to say is

that this Government came to power because of the alienation of western Canada and because of the concern among westerners that the Government of Canada was somehow dominated by Ontario and Quebec and that the Government of Canada under the Liberals was really not conscious and aware of the situation which existed in western Canada. This Government came to power, therefore, intent on redressing, or so we were told, that particular situation. It has been so successful that at the present time the Conservative Premier of Alberta is proposing a Triple E Senate, a specific change which I doubt will ever be accepted by all the provinces which would have to agree to such reform. This is being done because there is a feeling in Alberta, and the other western provinces, that the Conservative Government has failed the farmers and the people of western Canada.

• (0710)

The feeling that the Government has failed was already abroad and can only be exacerbated by the decision to lift the moratorium on Farm Credit Corporation loans. People out west will very rightly say: "Look, we have to make our decisions today about the crops we put in the ground for 1987. We cannot wait under current situations. We are so squeezed now with two cuts of 20 per cent apiece, or thereabouts, in the initial payment that we cannot afford to wait until the fall to find out whether or not there will be another special grains program".

There have been suggestions from the Prime Minister (Mr. Mulroney) and from the Minister responsible that the Government may do something. But westerners are not fools. We know that there will be no election in Saskatchewan to save their bacon next year in the fall. There is no election scheduled for Alberta or Manitoba. They know that there is a very strong correlation between special grains programs and elections that the Conservatives hope to win provincially. They do not want to be left to hang out to dry and to have the Minister of Finance (Mr. Wilson), who I suspect is the genius behind this particular move on the moratorium, go to his colleagues in August or September, fold his arms and say: "Boys and girls, I know what it is like. I am awfully sorry but there is no money left in the kitty. I am not prepared to come up with the money that is necessary in order to keep western farmers in business because I represent Bay Street. My constituency is in downtown Toronto. The people I really listen to are those who run the banks, and the investment dealers and other people like that, the world from which I came. As far as those people are concerned, you can put 'paid' to western agriculture".

He, in August or September, will then try to impose his will on the Government and pull the plug on western farmers. He pulled the plug by having the Farm Credit Corporation which comes under the authority of the Minister of Finance impose—

Mr. Shields: Socialist clap-trap!

Mr. Cassidy: This is not socialist clap-trap at all. The Hon. Member objects like he does because he knows that this is what happened. One Minister pulled the plug on western farmers. The Government should now come through and redress the damage by doing two things.

In the first place it should say: "We were wrong to lift the moratorium. Now is not the time". In the second place, as we indicated in Question Period yesterday, the Government should now, this month, this week, today, very clearly indicate to western farmers what they can expect in terms of total revenues from the grain production in the 1987 crop year. As far as the New Democratic Party is concerned that is what we are saying.

The farmers have been so battered that they cannot afford to go into the future with a hope and a prayer and nothing more. We need specific, bankable promises from the Government. So far we have not had them.

Mr. Deputy Speaker: The Hon. Member for Athabasca (Mr. Shields), finally.

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I came to the House for the emergency debate that was authorized through Your Honour's august Chair. I arrived at eight o'clock, which was the starting time for the debate. I had to smile because Members of Parliament on the government side were waiting, as is the custom in the House, for the sponsoring Party to form a quorum so that we could get started in this debate that was called by a member of the New Democratic Party. Do you know, Mr. Speaker, for 15 minutes we stood and waited for the two opposition Parties to come up with 20 Members to sit in the House so that we could start the emergency debate that they triggered?

Mr. Cassidy: You tried to kill the debate. That was your concern.

Mr. Shields: No. In the end government Members had to make up the quorum, which is not the way tradition goes in this place.

Mr. Cassidy: You tried to kill the debate. That is what you were doing.

Mr. Shields: The Hon. Member says that we tried to kill the debate.

Mr. Mayer: Who was here all night? Where were you?

Mr. Shields: On the contrary, we wanted to hear what Members opposite had to say, and they could not form a quorum to get the debate started. Approximately 20 or 30 members of the Government have been here at any time all evening. I want to tell Hon. Members that the Deputy Prime Minister (Mr. Mazankowski) was here all night. The Minister of State for the Canadian Wheat Board (Mr. Mayer) was here all night, as was the Minister of Agriculture (Mr. Wise). The

Minister of Indian Affairs and Northern Development (Mr. McKnight) was here all night. That is unprecedented. We have been here speaking in this emergency debate.

Mr. Cassidy: You have more people than the two opposition Parties combined.

Mr. Shields: We now hear from old "Senator Fog-horn" across the way. He just arrived here. He went home last night, went to bed and has come here pretending to all who can hear that he has been here taking part in this debate.

Mr. Mayer: He snored all night.

Mr. Shields: The Hon. Member for Ottawa Centre (Mr. Cassidy) just arrived. He did not take part in this debate. He does not even know what has been discussed, which is obvious. He would not have brought up some of the matters which he did bring up in his comments if he had been here.

The Hon. Member for Ottawa Centre talked about the moratorium of the Farm Credit Corporation. He then said that the banks would receive a clear signal and so on. I want to make sure that the Hon. Member understands that there was never a moratorium on bank loans.

Mr. Cassidy: That is not what I said.

Mr. Shields: The moratorium was placed on the Farm Credit Corporation because—

Mr. Cassidy: You should have been listening harder.

Mr. Shields: Perhaps the Hon. Member could listen for a moment. I do not mind him interjecting once in a while but I suggest that he just listen. He might learn something, he just might. I doubt it but he might.

Mr. Angus: Especially from you.

Mr. Shields: The moratorium was placed on the Farm Credit Corporation because it was given a mandate by the previous Government, which came out of the legislation, and it became a lender of last resort. A great many farmers, because of the disastrous interest rate policies of the previous administration, were caught in the credit squeeze that went on. Some of them got into tight situations.

I want to tell the Hon. Member that I have farmers in my riding and that I have worked with the Farm Credit Corporation. I have always found the corporation to be very helpful. I have always found when I went to the people there with a farmer who was having a problem, and we had to do some work on a loan to redo it, to stretch out the payments, or to refinance it in some way, that they were always there front and centre ready to do it.

The need to put a moratorium on the Farm Credit Corporation was as a result of the legislation under which the Farm Credit Corporation was operating. We brought about the moratorium so that we could put in place farm debt review boards to assist farmers and so that we could also put in place a transition program to assist farmers. These were the measures which had to be taken so that farmers who were experiencing financial difficulty could sit down and so that we could work with them to help them through a crisis situation.

Let us look at what is happening now that we have the farm debt review boards working, and working well, and now that we have the transition program working, and working well. We had farmers, instead of making the effort, some of them, who were quite able to pay their loans and keep current with the Farm Credit Corporation. But all they did was look over down the road and say: "There is not much need for me to keep myself current because there is a moratorium". What were the banks saying? The banks were saying to farmers in my area: "We are going to cut your loan off because you can now go to the Farm Credit Corporation to borrow because they have a moratorium". That is the type of situation and climate we would have been creating if we had carried the moratorium on any further. The moratorium served its purpose. It allowed us the time to do what we wanted to do. We will now be able to work with those farmers in a sensible way.

I also smiled to myself when I listened to a number of Members of Parliament, particularly from the NDP, since Liberal Members of Parliament were not here past midnight. I have not seen anyone in their benches all night long. There were perhaps three speakers from the Party during the whole debate. I had to smile because about every second Member who stood up talked about the $1 billion or the 5.30 phone call that Premier Grant Devine made to Ottawa seeking help for farmers. I think they missed a very significant point. The very significant point about Grant Devine phoning Ottawa was that there was somebody here in Ottawa to take the call. There was somebody here in Ottawa to take the call and to say: "Yes, we understand that you have a problem; we understand the Province of Manitoba has a problem, and we will do something about it."

• (0720)

Mr. Cassidy: That was last year. What about this year?

Mr. Shields: The significant thing to bear in mind, Mr. Speaker, is that there was somebody in Ottawa who would answer a call from Grant Devine.

Can you imagine Allan Blakeney calling Pierre Trudeau and asking for some assistance for the agricultural sector in Saskatchewan? Pierre Trudeau's response would probably have been: "Why should I bother helping you? Why should I sell your wheat?"

This is the kind of thing we are talking about.

Can you imagine Peter Lougheed telephoning Ottawa requesting help for the farmers of Alberta?

The whole point is, there is now someone in Ottawa who is there to answer the telephone call when it comes and respond—and I think that is important.

We now have a Prime Minister in Ottawa who responds to the concerns of western Canada, and he has made that clear on a number of occasions. He made that clear with his actions on the National Energy Program; he has made that clear through the Prince Albert Declaration.

We on this side of the House do not take the position that there are no problems in the agricultural sector. We do not say that we have all of the answers. What we do say is that we have a Government in Ottawa which is going to respond to the regions, and in fact it has responded in an unprecedented way to date.

Without taking into consideration interest rates, we know that farm income in 1987 will surpass the farm income in 1986. We know today that farm incomes for 1987 for grain and oil seeds will exceed farm incomes in 1986.

Given current commodity prices and the situation that exists between the EEC and the U. S., one should consider that a tremendous accomplishment of this Government.

Let's talk about some of the reactions to the Government's record on agriculture.

Prime Minister Mulroney, in April of 1986, announced a farm package. Alex Binkley, as reported in *Manitoba Co-operator* of May 8, 1986, had this to say about that farm package:

> It is a far cry from former Liberal Prime Minister Pierre Trudeau, who told Prairie Grain growers: "Why should I sell your wheat?" —It is also unlikely Trudeau would have vowed to bring up agricultural problems at the Economic Summit, or talk about the need for government action on them.

Next we have Barry Wilson of *The Western Producer*, who had the following to say:

> It—marked the first time in at least six years that a Prime Minister devoted a press conference primarily to agricultural issues.

Let's see what they had to say about the Rural Transition Program. Ray Guay of the *Saskatoon Star Phoenix*, on September 12, 1986, had the following to say:

> In short, the program is pure common sense and will help only those who have no choice but to leave the farm.

Gren Winslow, of the *Cattlemen Magazine*, in August of 1986, had the following to say on the Farm Debt Review Act:

> A good idea has come out of Ottawa which deserves support. It's the Farm Debt Review Act. It has merit, not for what it does, but for what it does not do—it does not impose mandatory solutions on negotiations between farmers in financial trouble and their creditors.

These publications, Mr. Speaker, are organs of the farm communities. These are the people who speak for the farmers of western Canada.

On December 4, 1986, we had an editorial in the *Manitoba Co-operator* on the Western Grain Stabilization Act amendments and the 1986 final payment. I quote from that editorial:

> Just when government officials must wonder if they can ever do anything that will please a restless or seemingly unappreciative agricultural community and farm press, along comes an action that warrants curtain call after curtain call. The recent payout from the much-improved Western Grain Stabilization Program is such an action.

That is the view of the *Manitoba Co-operative*, a publication that has not always been kind to this Government and the actions of this Government.

What has been said about the Special Canadian Grains Program? I quote from the *Regina Leader Post* of December 10, 1986, as follows:

> Farm leaders from across the country have praised the federal Government's decision to provide farmers with $1 billion to offset the impact of an international grain war.
>
> Avery Sahl, First Vice-President of the Saskatchewan Wheat Pool, said: 'I'm pleased there are no strings attached to the money. It is cash and not a loan and that is good news.'

As I said, that was the view of the *Regina Leader Post*, as expressed on December 10, 1986.

And what did the Opposition do with respect to this announcement? They spent the time between the Prime Minister's pledge of $1 billion and the Government's delivery of the program unnecessarily scaring farmers.

On countless occasions, thoughtless Members opposite stood in this House and asked if this $1 billion was new money, a loan, or what.

Time and time again the Leader of the New Democratic Party stood in this House and asked: "Is it new money?"

All that the Members opposite were doing through that tactic was to add to the fear and uncertainty on the part of the farming communities of this country.

Let's look at some of the things the New Democratic Party, the Party of the socialists, was perpetrating on the Canadian people.

My colleague from Lethbridge, earlier in this debate—and I think it was around two o'clock this morning—made a couple of points that I should like to reiterate at this point.

One point he made was that traditionally we did not have to worry about the socialists; that we always looked upon them as the "kooky" left. But now that they are up in the polls, they are beginning to think that they can smell substantial successes in an election—and God forbid that they ever form a federal Government.

In the light of the standing of the New Democratic Party in the polls, I think we should make perfectly clear to the Canadian people exactly what it is that these socialists, masquerading as the New Democratic Party, stand for.

The New Democratic Party consider convention and NDP Federal Council resolutions to be binding. Over the years, they have developed an extensive list of resolutions, covering everything from the nationalization of the meat packing industry to legalized prostitution.

And what are some of those resolutions? Last fall, Mr. Speaker, the NDP published a consolidation of those resolutions in a publication entitled *Resolutions Reference*—and I want to thank my hon. friends for doing that. We are now

going to be able to use this published document to show the socialists for what they are.

I have a copy of this publication, and I suggest that all Members of Parliament and all Canadians obtain a copy. They will find it to be an enlightening document.

For those who are seriously thinking of embracing the socialist horde known as the New Democratic Party, this publication should be mandatory reading.

As the Foreword to the book states, this book contains those resolutions passed by New Democrats since 1961 which are still current today, that is, resolutions which have not been overtaken by events or superseded by subsequent resolutions.

Let's look at some of these resolutions. While there are many of them, I want to highlight but a few.

We have a resolution on exchange controls. We all know what exchange controls are.

The NDP realizes that there would be a massive flight of capital from Canada if they were ever elected.

• (0730)

As such, the NDP has a resolution which is still current today. It calls for the NDP to use exchange controls to prevent the flight of capital. What a difference that would be. We have created nearly one million jobs since taking office two years ago because of the attraction Canada has become for investment.

We are a trading nation. We are an international nation. We need capital to develop our resources. We have attracted unprecedented numbers over the last few years and have created jobs. Can you imagine, Mr. Speaker, what would happen if the socialists in the NDP were brought to power and they put on exchange controls? The jobs would go.

Let us look at sexual offences. One NDP resolution, which is still current today, calls for amendments to the Criminal Code which eliminate the definition of crime on the basis of consent in adult sexual activity in Sections Nos. 155, 157, 158.1, 179.1, 180.1(d), and 193 and define such activities as crimes only on the basis of commitment of acts of violence. Unlike those who attend NDP conventions, most Canadians cannot cite the sexual offences provisions of the Criminal Code section by section.

Let me translate it into layman's language. This resolution states that the NDP will legalize prostitution, common bawdy houses, sex in public places, and group sex, provided that everyone consents and provided that there is no violence. What about the neighbours who may not consent to having a brothel next door? Is it not strange that a Party which claims to have principles will sometimes try to hide them?

Let us now look at population growth controls. I am talking about a socialist Party which is parading itself as being an alternative Government or even an alternative Official Opposition. Some NDP resolutions sound as though they were plagiarized from Mao Tse-Tung's little red book.

One resolution which is still current today states that population growth will be directed toward areas that require more people. Does this mean that the NDP will tell people where they may live? Does it mean that the NDP will solve the problem of regional unemployment through mass migration?

We are talking about resolutions which are current today and have been published by the New Democratic Party. The NDP not only wants to control where Canadians live, but it wants to control what consumer goods they would be allowed to manufacture and purchase.

Another resolution which is still current calls for legislation to define and prohibit the manufacture of socially useless energy consuming devices, for example, electrical gadgetry. What is included in that definition of socially useless electrical gadgetry? Does it include VCRs, electric razors, blow dryers, food processors, dishwashers, and electric lights?

The NDP also has resolutions to look after airport expansion. Its Members do not want any more. They have a shopping list of Crown corporations which is quite extensive.

Turning to the area of farm planning, one of its resolutions indicates that it might be necessary, as well, to take into public ownership some existing farm supply retail operations, farm machinery assembly plants, meat packing plants, and canneries.

I know that my time is coming to an end, but there are just two more resolutions to which I want to refer. They are very important because we are talking about agriculture. One resolution recommends limits on farm sizes. The NDP wants the establishment of a public commission to determine a formula for farm unit size on a regional basis. The commission's findings would be subject to local approval. Can we imagine that?

The very last one is a current resolution which is still on the books of the NDP. It indicates that farm income would be negotiated directly with farmers on an industry-wide level and would be based on costs of production, family need, and the productive potential of various farming operations in relation to what was produced. It is to be negotiated. Will it be negotiated in the way industrial unions negotiate? How do farmers shut down their operations for six months? It blows the mind. Truly it is what socialists stand for. Canadians should recognize this debate for what it really is—headline grabbing by the socialists in the NDP.

Mr. Walter Van De Walle (Pembina): Mr. Speaker, never in my wildest imagination did I think that I would be speaking in the House at 7.35 a.m. I have been here since eight o'clock last night. It is amazing. The Deputy Prime Minister (Mr. Mazankowski) said to me: "Walter, stick around. This will be interesting".

It has not only been interesting but very revealing. I suppose in some ways we should thank the NDP for this debate. The

Conservatives have capitalized on this opportunity to expose the socialists and their policies. Farmers will not be fooled.

If efficiency and competitiveness could guarantee a fair return, Canadian farmers would not have as many problems as they have today. There are no better, more efficient or more competitive grain farmers in the world. We have good land and a good grain growing climate. Canadian farmers produce quality products. However, those things do not count as they used to in the world market-place.

Some Hon. Members: Oh, oh!

Mr. Van De Walle: Mr. Speaker, I have been waiting for—

Mr. Deputy Speaker: Order, please. We have listened to Members for 12 hours. Could we listen to a few more.

Mr. Van De Walle: Mr. Speaker, I appreciate that some of these Members have just come into the Chamber.

Mr. Fulton: There are five Tories in the House.

Mr. Van De Walle: Should I count them for you?

Mr. Fulton: One, two, three, four, five.

Mr. Van De Walle: Count the ones in the back too.

We must recognize the reality of subsidies. Only a few countries have treasuries rich enough to meet that of the United States. Canada cannot possibly meet it. Everyone who thinks otherwise should consider the facts for a moment. Farmers do not want subsidies. They want a fair price and a stable market.

Let us look at the happenings in the European Common Market. About two-thirds of its budget is spent on agriculture. The common agricultural policy of the community is providing $33 billion Canadian in farm expenditures. European farmers are now receiving about $480 per tonne for Durum wheat, compared with Canada's 1987-88 initial price of $110. Their farmers are receiving $285 per tonne for barley, compared with Canada's initial price of $60 in the next crop year.

• (0740)

Because of these heavy subsidies, the European Common Market has moved from a net importer of 24 million tonnes of grain 10 years ago to being the third largest exporter today behind the United States and Canada. That is what we are up against.

The U.S., with a huge treasury, has a five-year Farm Bill. For the 1986 fiscal year alone, the Bill will provide in the neighbourhood of $35 billion in direct farm program payments. In addition, the United States is targeting markets with heavy export subsidies under its export enhancement program. Those are the stakes in the subsidy war. Canadian farmers are victims of this war.

Subsidies and surpluses have combined to push world grain prices to ridiculously low figures. Often they do not even cover the farmer's cost of production. Western Canada is being particularly hard hit because that is where most of the grain is produced. A number of farmers are suffering the consequences and the economies of the many rural communities in the west are feeling the impact. That is why this Government has taken the unprecedented action to provide direct assistance to grain farmers during these difficult times.

Actions within our boundaries are not enough. Canada is a major grain exporter. Grain producers derive the great majority of their farm income receipts from exports. The reality is that we face an international problem that will require an international solution. I just want to point out that the federal Government has placed a very high priority on seeking fairness in the world agricultural trade. It is this Government's objective to establish fair international rules of trade in agriculture for all countries to follow.

Let us talk about the Government's action on the international solution. Canada has placed agriculture on the GATT agenda. Canada has organized meetings of the producing countries. That is positive. That is leadership; yes, leadership that was provided by our Prime Minister (Mr. Mulroney), by our Minister of Agriculture (Mr. Wise), by our Minister of State for the Canadian Wheat Board (Mr. Mayer).

As a former director of a large grain company, a farmer-owned company, I was pleased to see the statements concerning initial prices by the United Grain Growers and the prairie pools. What did they say, Mr. Speaker? These companies, speaking on behalf of their farmer members, indicated their support of the Canadian Wheat Board's setting of initial prices that reflect world market prices. I think that is very important. I was surprised that some of the Members opposite are questioning the Canadian Wheat Board's decision. Initial prices have to reflect the world market-place. That is a sound decision. We have to come to grips with reality.

These are difficult times for grain farmers. During the few months that I have been in Ottawa, I have listened to Hon. Members in the Opposition state the problem over and over. I did not come to Ottawa to have the problem restated for me. As a grain farmer, an agri-businessman and a former director of a farm organization, I know the situation. I am pleased to be a member of this Government, a Government that is addressing the situation, a Government that is showing leadership. When was the last time that a Canadian Government paid $1.3 billion to the farmers? I ask the question, Mr. Speaker. When was the last time?

Mr. Thacker: Never.

Mr. Van De Walle: That is right. Never in the history of Canada has any government ever made those kinds of commitments to farmers. I want to indicate to you that farmers will plant their crops this spring. I am amazed at the negative attitude that exists on the part of some of the Members. Do they not have any future? Do they not see a future in Canada? I do and I know the farmers do. We have heard all this doom and gloom about the family farm, how it is

going to disappear and all that sort of thing. But let me tell you, Mr. Speaker, that my parents came to this country and it as the land of opportunity. We have a family farm. That family farm will continue to exist, along with the other family farms, because we are resourceful, innovative and we will survive. More than that, I know that all Canadians want to see agriculture prosper.

In conclusion, may I say that here in Canada it is my belief that we have demonstrated that this country can produce quality grain. We have maintained our share of the world markets. Agriculture is important to the economy of Canada. It means employment and food. Farmers know only too well that this Government is committed to agriculture. A strong viable farm industry is in the interests of all Canadians. Our Government has provided assistance to farmers when it was needed in the past and I know that we will provide that kind of assistance again so that agriculture will be viable.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is a pleasure to take part in this debate this evening.

Mr. Clark (Brandon—Souris): This morning.

Mr. McKnight: I started this evening, but you are right, it is morning. I entered the House shortly after eight o'clock last evening and was able to listen with great attention to the debate. As my colleague, the Minister of State for the Canadian Wheat Board (Mr. Mayer), did earlier I would like to pay tribute to those servants of Members and servants of the House who have been up all night. They were up the night before in another emergency debate and I want to express my thanks and gratitude to the people who serve us so well.

Some Hon. Members: Hear, hear!

Mr. McKnight: It is not unusual for farmers, like the Hon. Member who just spoke, or the Members from this side who have been taking part in this debate, to be up all evening. I have been up many evenings seeding my crop. I have been up many evenings taking off my crop, as have other colleagues. I have been in and out of a nice warm bed at calving time.

• (0750)

I think the Liberal Party put up three speakers. I see that a Liberal Member is present now. I hope he said goodbye to his teddy bear and rushed over to the House at the call. It is nice to see him here.

There has been much debate this evening and I would like to pay a compliment to two Hon. Members of the Opposition who took part in this debate. When *Hansard* is reviewed sometime tomorrow or later today, Hon. Members and Canadians in general should read the speech delivered by the Hon. Member for Brant (Mr. Blackburn) on behalf of the New Democratic Party and the speech delivered by the Hon. Member for Saint-Denis (Mr. Prud'homme) on behalf of the Liberal Party. One would find in those speeches that the concern for western agriculture and agriculture in general can be very well expressed by Hon. Members who may not be as closely associated with the agricultural industry as some of us are.

The Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton) mentioned earlier that the Government does not set the initial price of wheat. The Government seeks advice from the Canadian Wheat Board and accepts, rejects or compromises on that advice when necessary in establishing the initial payments farmers receive for grain. Members of the NDP have long espoused support for the Canadian Wheat Board. Today, speaker after speaker condemned the initial prices set by the Canadian Wheat Board as being too low, not just this year but last year as well.

I find it strange that members of the NDP have been leaderless throughout this debate. The Hon. Member for Oshawa (Mr. Broadbent) was much more concerned about the shareholders of TransCanada PipeLines and Bell Canada during yesterday's debate.

Mr. Manly: Where's Mulroney?

Mr. McKnight: The Hon. Member from the New Democratic Party asks where the Prime Minister (Mr. Mulroney) is. I am sure the Prime Minister is in his office watching this debate with great interest.

Mr. Manly: Why isn't he here speaking?

Mr. McKnight: I would suggest that the Hon. Member take his time. I presume that the debate will go on and in all likelihood, other people will enter into it.

I would like to take a minute to talk about the contribution the Government made to agriculture and particularly to the grains and oil-seeds industry during the last crop year. The Canadian people have supported the grains and oil-seeds industry in western Canada to the tune of $27,000 per commercial farm. That was a commitment made by the Government, but it has been supported by the taxpayers of Canada.

In my Province of Saskatchewan, net farm income will increase by 34 per cent this year. Why will it increase? A couple of reasons are quite apparent. The Special Grains Program was delivered. I remember when that program was announced. I remember that the Leader of the New Democratic Party in Saskatchewan said that it was a charade, it would not be new money, it would be a loan, it was flim-flam. I remember the Liberals here in Ottawa—we do not have too many Liberals in Saskatchewan—saying, as did the Hon. Member for Algoma (Mr. Foster), that the money would have to be repaid and would come from existing programs. His Leader said the same thing.

We now have proof to the contrary. In the Province of Saskatchewan, the Special Grains Program delivered $415 million while the anticipated net farm income before that program was about $425 million. That one government

program doubled the net farm income in the Province of Saskatchewan.

Let us take a moment to look ahead. Totalling the production of wheat, feed grains and oil-seeds with what could possibly be $4 million of support in this crop year could amount to an assistance package to the producers of $2.50 per bushel, and Hon. Members will be able to check this at the conclusion of the year.

I made a comment earlier about $4 billion. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse), the spokesperson for the New Democratic Party, concluded his remarks by saying that about $4 billion will be paid and that that was terrible because the net farm income of farmers in western Canada would come almost totally from Government. He said that that made farmers public servants. Then in the same breath he told us to put in more money—

Mr. Althouse: Mr. Speaker, I rise on a point of order. I am not sure if there is a rule, but I think it is generally the practice for Hon. Members who are quoting other Hon. Members to quote them accurately. Had the Hon. Member been a bit more awake, he would have noted that I said that given those figures, were we Conservatives, we would probably complain about farmers being nothing better than civil servants and we would make a lot of politics out of it. However, I had no intention of doing that. I think the Hon. Member should at least quote other Hon. Members accurately.

Mr. Deputy Speaker: That is a matter for debate.

Mr. McKnight: Mr. Speaker, I will take the Hon. Member's words under advisement. I will have a look at *Hansard* and see—

Mr. Boudria: With due consideration.

Mr. McKnight: The Liberal Member who has now arrived said, "With due consideration".

Of the three members of the Liberal Party who spoke, I paid a compliment to the Hon. Member for Saint-Denis, but I would like to mention now the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) who was a Minister of the Crown in the last administration. He condemned this Government for not doing enough. Hon. Members opposite said that last year grain prices were reduced by close to 20 per cent and this year wheat prices by 15 per cent, with the total close to 18 per cent. Compare that with 1981 to 1983 when the Liberal Government was in power. At that time, there was a decrease of 48 per cent, but what did the Government do? That decrease was the largest since 1938. It brought the value of grain down to 1938-dollars. The Hon. Member for Winnipeg—Fort Garry railed and condemned this Government, but what did his Government do? It did nothing.

Senator "Blazin" Hazen from the other place is travelling across southern Canada with his whiskers, his big hat and his pointy-toed shoes. He is saying: "We want justice". Where was he? He was a member of the Cabinet of the Liberal Government. Not only that, he was the Minister responsible for the Canadian Wheat Board. In 1983 did he do anything? No. Did he go to Cabinet? We are not sure because we do not know if he was allowed to go to Cabinet. It is sometimes alleged that he attended Cabinet but we never saw anything that would make us believe he was there.

• (0800)

In 1981 the prime rate in Canada was 22.75 per cent. Now, in 1987, it is 9.25 per cent. When the Liberals were in power with their high interest rate policies in 1981, FCC loans were at 16.75 per cent. Today FCC farm loans are at an eight-year low at 10 per cent. Farm improvement loans were 23.75 per cent in 1981. Today they are at 10.25 per cent. Yet the Liberals have the audacity to condemn the Prime Minister and this Government for not doing enough for western farmers. They did absolutely nothing. They did not even have the courtesy to recognize that there was a problem.

Let us look at subsidies in the U.S. and the EEC. The Americans subsidize agriculture to the extent of $3 billion a month. The EEC is spending $6 billion on storage alone. We cannot compete with that, but if we could, would it be right? The Americans took on the EEC and what happened to Canada, Australia, New Zealand and Argentina? What happened to our producers? If Canada joined in this madness what would happen to Australia, New Zealand and Argentina? If Australia joined in this madness what would happen? It is sheer lunacy to enter into this form of competition. As much as it is needed at this time Canada cannot afford it and it is not the way to solve the problem.

I want to talk briefly about some statements made yesterday and early today. First let us talk a little bit about the removal of the moratorium as a sign of confidence. I hear the NDP and Liberals laugh and snicker. Yet it is a sign of confidence because this Government and the Minister of State for the Canadian Wheat Board (Mr. Mayer) and the Minister of Agriculture (Mr. Wise) have put in place programs which will allow the removal of that moratorium. It is a sign of confidence because we started with interest rate write downs, we put farm debt review boards in place, shared risk mortgages in place, commodity-based mortgages in place, and a rural transition program in place.

I heard members from the NDP say the rural transition program is wrong. If that is so, then it must be wrong to have unemployment insurance. With that attitude the NDP must believe that unemployment insurance is wrong for the workers that they claim support them. They must believe it is wrong if they condemn the rural transition program.

This Government and the people of Canada contributed to agriculture in the form of the special grains program. We put money at the disposal of western farmers and agriculture in general.

Instead of supporting that, instead of building confidence and making the financial institutions believe that this is going to work, what did the NDP and the Liberals do? They spread gloom and doom. They dragged down that confidence. They refused to assist and buoy up the farmers. Farmers are by nature confident people. We put a crop in the ground in the spring and we know we are going to be taking it off in the fall. We get calves in the spring and we know those calves are going to be worth money in the fall. We have confidence.

Yet what do the Liberals and NDP do? Because we have removed the FCC moratorium, because we have confidence that we have programs in place to keep farmers on the land, they send signals of doom and gloom. I heard the Hon. Member for Ottawa Centre (Mr. Cassidy), whose only concern and knowledge about agriculture is that as long as Safeway is open he is sure it is in good shape, say that this is a bad signal to the financial institutions. The bad signal is being sent by the NDP and the Liberals. They have negative thoughts.

Mr. Riis: Are things getting better?

Mr. McKnight: The Hon. Member for Kamloops—Shuswap (Mr. Riis) has returned from his nap and wants to take part in the debate from his seat. Yes, things have gotten better. I want him to know that bankruptcies have declined.

Mr. Riis: Do you want to put your seat up?

Mr. McKnight: The Hon. Member can wait. In due course there will be an election. Look at the nervousness of the NDP. They are concerned about what they are doing. They are concerned about the gloom and doom they are spreading. They are concerned about what they are doing to drive farmers into not believing the effort made by this Government and the people of Canada. I cannot understand why, when the people of Canada, and the Government and the Prime Minister, put effort and energy into programs designed to assist farmers to stay on the land, why those two Parties opposite—not so much the Liberals because they have not been here—forecast nothing but doom and gloom.

I had an opportunity to see the Leader of the National Farmers Union on television talking about the moratorium—more gloom and doom. I do not know, but maybe he was caught up in the moratorium; maybe he was in a conflict of interest; maybe he was one of those who were in default. That is possible. I can see no other reason why a leader of a farm organization would be so negative about all of the programs put in place by this Government. I do not understand it. I may be jumping to conclusions but I cannot find any other reason for that happening.

I would like to say in conclusion that I compliment the NDP for allowing government Members to take part in this debate in order to clearly enunciate the actions taken by the Prime Minister and his Government, and the support the people of Canada have given the grains and oilseeds industry in this country.

Some Hon. Members: Hear, hear!

Mr. Speaker: This emergency debate commenced at eight o'clock last night and has been pursued vigorously by Hon. Members on both sides until now. I think all Hon. Members would appreciate that it would be appropriate now for the Chair to recognize the Right Hon. Prime Minister (Mr. Mulroney).

• (0810)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am delighted to have an opportunity to participate briefly in such an important debate which involves the well-being of farmers in general, the agricultural community and, in a special way, the well-being and future of western agriculture. I suppose that in many ways this debate is about attitude as well. It was called by the NDP in a fit of interest for western agriculture, yet the NDP could not summon enough Members for a quorum to begin the debate. That is a question of attitude. They did not even care enough about western agriculture to have a quorum to begin the debate.

Mr. Fulton: Mr. Speaker, I have a point of order.

Some Hon. Members: Shame, shame.

Mr. Angus: Where were you all night?

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

Mr. Fulton: Mr. Speaker, with regard to the Prime Minister's (Mr. Mulroney) remark made just a moment ago, less than five minutes ago there were less than five Conservatives in the House.

Mr. Angus: We can all play the same game.

Some Hon. Members: Shame, shame.

Mr. Speaker: There is a tradition in the House that Hon. Members refrain from remarking on who is or is not in the House. As Speaker I have been in and out of this House for a good many hours. I do not think any Hon. Member would want me to begin to identify who has been here and who has not been here all night. The Right Hon. Prime Minister should proceed.

Mr. Mulroney: Mr. Speaker, I am sorry that my hon. friend took such offence at my remark.

Mr. Riis: There were no Tories in the House at all by the way, Brian, to begin the debate.

Ms. McDonald: Why don't you deal with the issue?

Mr. Mulroney: The NDP seems to be offended by this. It is a question of attitude.

Ms. McDonald: Deal with the issue.

Mr. Mulroney: If the matter is important enough to generate an emergency debate the NDP should ensure that its members are here, because this Party is here to defend the interests of western Canada. They had better stop saying one thing and doing another because western Canadians are fed up to the teeth with the hypocrisy of the Liberals and the NDP on western Canadian issues.

Mr. Riis: Check the polls. You're at the bottom of the ladder. They're laughing at you and your Gucci shoes. Have you got your Guccis on?

Mr. Mulroney: I will acknowledge to my hon. friend that it is true that last autumn we received a call from a western Premier saying that western farmers are in trouble in agriculture and are asking for help. My answer to that was, yes, we will help western farmers.

Mr. Riis: You should be embarrassed.

Mr. Mulroney: A former Prime Minister got a call in not dissimilar circumstances and said, "Why should I sell your wheat?" The Prime Minister of Canada and all Members of Parliament have an obligation to sell western Canadian wheat because that is our duty to western farmers and to Canada.

Some Hon. Members: Hear, hear.

Mr. Riis: Your Parliamentary Secretary didn't even want a debate. He said there was no need for a debate.

Mr. Mazankowski: Do you want to make another speech?

Mr. Riis: Yeah, I'd like to make another speech.

Mr. Mulroney: The Hon. House Leader of the NDP is an outstanding member of this House and will be given opportunities to make more speeches, and I will listen to him with respect as I always do. I know he will want to do the same for members of the Government as they address some pretty fundamental issues.

I indicated that this is a question of attitude. It is very much a question of attitude. We indicated to western Canada very clearly in the campaign that we would get rid of FIRA. We said that we would get rid of the NEP. We said we would implement the Prince Albert declaration designed to be of assistance to western agriculture, western energy, and western Canada in general.

We said we would deal with the question of interest rates. Lowering interest rates is not just an abstract theory. For every percentage point they are lowered farmers pay approximately $150 million less to the banks. We have lowered them between 4 per cent and 5 per cent which results in $600 million to $700 million that farmers are not paying to the banks but using to reinvest in their own farms.

We said that we would deal with a capital gains exemption for the family farm. We said we would get rid of the tax on farm fuels. We have done this. We made a series of commitments to western Canada and we have honoured them because by building a stronger base for western Canada we are contributing to Canadian unity.

[*Translation*]

Mr. Speaker, francophone or anglophone, Conservative or New Democrat, we must all face up to the regional realities of this country. Western Canada is going through difficult times. It is true that certain regions of Canada—for instance, Ontario, Manitoba, some regions of Greater Montreal—are experiencing a rather significant economic recovery. We have serious problems in western Canada, in Alberta, in the interior of British Columbia, in Saskatchewan, and our fellow Canadians in these provinces quite properly expect national assistance from the federal Government.

[*English*]

I am here to say on behalf of all Canadians that this is not something for which western Canadians or farmers are asking. This is something which Canada must respond to in the interests of not only fairness to western Canada, but to our own citizenship and the building of a stronger united Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I saw Alvin Hamilton participating in this debate late last night.

Some Hon. Members: Order.

Mr. Mulroney: I apologize. I referred to him as Alvin only because that is the way the country has known him and loved him. It was a great privilege for me to work with him 25 years ago as a private secretary, to have travelled with the Minister of Agriculture to every village and town in western Canada and to have seen first hand the tremendous strength of western agriculture and the tremendous commitment of farmers; their devotion to family and their devotion to hard work.

An extraordinary situation has developed in Canada. It is not to be blamed on political Parties, but it is here. Farmers in Canada in general, but western Canada in a special way because of the nature of the territory, have always been told that if they work hard and make sacrifices they will increase their productivity, contribute to the national wealth, and will be rewarded. Western farmers have devoted their lives to making Canada a richer and better place. They have increased their productivity and have been penalized for it. That is wrong and must be reversed. Farmers must receive a greater degree of fairness.

Some Hon. Members: Hear, hear.

Mr. Mulroney: The matter of the climate in which this is dealt with is also important because it has been placed in the context of western Canada. I doubt if there has ever been a federation within which there has not been regional strains and tensions. It is the duty of federal politicians, not to exacerbate those strains and tensions but to try to reduce them, to try to

harmonize the interests of the people of Saskatchewan with those of the people of Nova Scotia.

[*Translation*]

The interests of Matane with the interests of the residents of Esterhazy in Saskatchewan.

[*English*]

The beauty of Fort St. John, British Columbia, must be brought into harmony with the interests of Port-au-Basque, Newfoundland. That is the obligation of federal Members of Parliament and that is what we are here for. That as well requires a degree of fairness in representation.

This is indeed a country of regions. Thousands of miles of geography are bound together by a small population base essentially in the south. There are indeed discernible regions with different interests. This is a vital part of our citizenship. We have to respond to it not in a parochial way but in a recognition that these regions make our national strength when brought together by a national Parliament.

• (0820)

Let us examine those from western Canada who sit on this side of the House. The trade issue, which is the top issue in Canada today, is being handled by a person from British Columbia.

The Minister of Fisheries and Oceans (Mr. Siddon), the Minister of State for Science and Technology (Mr. Oberle), the Deputy Prime Minister and Government House Leader (Mr. Mazankowski), the Secretary of State for External Affairs (Mr. Clark), the Minister of Consumer and Corporate Affairs (Mr. Andre), the Minister of Justice and Attorney General of Canada (Mr. Hnatyshyn), the Minister of Indian Affairs and Northern Development (Mr. McKnight), the Minister of State for the Canadian Wheat Board (Mr. Mayer) and the Minister of National Health and Welfare (Mr. Epp) are representatives from western Canada in the Government of Canada. I invite Hon. Members to objectively analyse this and compare it with other administrations. I believe they will come to the conclusion that never, since this Parliament was founded, has western Canada been more powerfully represented in the Government of Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Not only are the internal workings of government important, all of us must realize that we have a role to play and a place of strength and importance in the national Government. This translates as well into a number of different instruments. We are all familiar with how the House and, in many ways, how the Government works.

For example, it is important to mention that there are very powerful visible committees of Cabinet. The Government Operations Committee of Cabinet, which is so important, is chaired by the Deputy Prime Minister, who is from Alberta. The Foreign Policy and Defence Committee, which is second most important, is chaired by a member of the Government from Alberta. The committee on social policy, which is responsible for all social policy spending by the Government of Canada, is chaired by the Minister of National Health and Welfare, who is from Manitoba. The committee dealing with economic expenditures is chaired by the Member from Quebec.

I suggest it is an indication of the tremendous respect for regional realities and the tremendous role that western Canada plays and must play in the heart of the decision-making process in Canada. I made a commitment to the people of western Canada that these things would happen, and that, most of all, western Canada would be brought back to the centre of the decision-making process in Ottawa from which it had been estranged for 20 years. I stand in the House today to tell you that western Canada is very much playing a leadership role in the decision-making process in Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The issue today is not about partisanship. On a question involving agriculture, alienation and concern, the issue is about human beings. Today it involves farmers, their spouses and their families. I believe it is a great tribute to the House that we are all here doing our best to try to improve the lot of farmers.

Regretfully, I doubt very much that our great newspapers will reflect the prominence that this issue should have. The subject of this debate on western agriculture and agriculture generally should be on the front page of every newspaper, English and French, from St. John's to Vancouver. I doubt we will see it, but I say to those responsible for establishing the priorities in the media that this is an opportunity for them to prove their involvement in the true national priorities. If ever there was a question that should be dominating the front pages of the eastern press, it is the problems of western agriculture. I invite them to get with it, deal with an urgent and important issue, and give it the publicity that it deserves so that all Canadians can be aware of this dilemma.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Later, we can see what those front pages reflect, but I say with sadness that I doubt very much if this tremendous priority that is shared by all Members of the House will find that kind of reflection.

The issue today deals with a number of vital areas that go to the heart of federalism. These areas include the perception of estrangement by western Canada, the question of agriculture and the implicit question of transportation. Also inherent in this issue is the question of protectionism internationally and our role internationally.

I cannot imagine anything more important for an easterner—someone from Toronto, Peterborough, Halifax, or St. John's—than to understand this clear sense of frustration of western Canada. They are crying out, asking Canadians to try

to understand, not that they are dissatisfied with their Canadian citizenship, but that there is a sense of *délaissement* and that western Canadians are not receiving the priority for their concern that western Canadians are being hit with a double whammy in declining energy prices and commodity prices in agriculture.

May I say in tribute to all Members that the House of Commons has responded very nobly to that concern and will continue to do so. It is important that all Canadians, from Vancouver to St. John's, English and French, understand the *cri de coeur* of western Canadians. By our actions in government and in the House of Commons we are trying to signal to western Canada, as we would to any other region, that without fairness and a sense of justice and a perceptible feeling that indeed this is a reasonable country, we have failed western Canadians and all Canadians in our duties as national parliamentarians. That is a duty which we never lose. Today we are talking about the lives and welfare of people who work the soil and contribute to our national well-being and are going through extremely difficult times.

I know that statistics have been mentioned throughout the debate last night, and arguments have been made back and forth. May I touch on one aspect of our attempt as a Government to resolve the international grain subsidy wars which, in many ways, are at the heart of the problems facing our producers today.

No one is scott-free. In this business no one is perfect and no one is without the stain of sin. However, these subsidies, particularly those that have emanated recently from the United States and the European Community, which can only be characterized as a trade war, have driven down world prices and have distorted both production and marketing patterns. This war is having disastrous implications for traditional exporting nations such as Canada and Australia.

As I indicated a year ago, my Government is not prepared to stand idly by while Canadian farmers go down the tubes through no fault of their own. I recognize that when we responded with a billion dollars for western grain farmers that inadvertently we were contributing, not to the immediate resolution to the problem, but perhaps in some way to at least getting Canada a position at the table so we could tell the others that in the name of God we cannot let our farmers go down the tube while they are fighting wars. But if the war continues we will all lose.

Canada's treasury is not large enough to compete with the Europeans and the United States while they wage this fratricidal war that can only doom Canadian farmers. That is why I know Members of Parliament recognize the importance of government programs and of bilateral arrangements with provinces. Indeed, that is what we did.

I make no apologies for having authorized the emission of $1 billion in cheques to western farmers last October. It was the right thing to do. Western Canadian farmers were hurting; we received the request and we responded affirmatively. It was the right and proper step for the Parliament of Canada to take. However, it does not solve the problem.

The alternative is more billions and more billions of dollars. When this is added to the burden of debt we inherited, there is an increase in interest rates which are then passed on to the farmers who are placed on the treadmill to oblivion from which we, as parliamentarians, must try to remove them.

If there is one issue that should not be partisan, it is an approach to international commodity difficulties on behalf of farmers.

• (0830)

As an initial step, Canada chose to make agriculture its top priority at the annual economic summit of industrialized nations in Tokyo last year. That marked the first time in the history of economic summits that any country had made agriculture a priority. Before leaving for the summit, I, along with the Minister of Finance (Mr. Wilson), the Minister of Agriculture (Mr. Wise), the Minister of State for the Canadian Wheat Board (Mr. Mayer), and the distinguished Secretary of State for External Affairs met with farm leaders. We got them together in Vancouver and discussed Canada's strategy for the summit. The summit was an effective step forward in our efforts to get agriculture on the GATT agenda.

Following the Tokyo Summit, Canada organized a meeting with the five major wheat exporters in Whistler under the Minister of State for the Canadian Wheat Board. A second meeting was held in San Diego. These meetings have increased mutual understanding about agricultural trade and have strengthened our collective resolve to restore fairness to the world grain trade.

Another of the key steps involved a group, a very important group we have come to refer to as the Cairns Group, 14 countries including Canada, all of which consider themselves fair traders in agriculture. By co-operating, these countries are aiming to balance the power of the European community, the United States and Japan. We do not have to go much further than a trip which is taking place this week between two economic super powers to see the debilitating impacts of protectionism even against a power like Japan.

Where the United States reacts, rightly or wrongly, against an economic power like Japan, one can see the incredible effects not only economically for those two countries but the powerfully negative impacts on currency transactions around the world and the way in which that ultimately impacts, strange to say, on the guy who always gets it in the chin, the Canadian farmer. All of these variables cannot be seen in isolation. Currency transactions in Tokyo, economic summits in Punta del Este all impact on the Canadian prairies and those who make the Canadian prairies grow, namely, the farmers.

This interlock of interest, I think, is shared in the House of Commons by Members of all Parties because if there were an easy and one-shot solution, I think Members would have

shared it with all of us a long time ago. So we got together for the first time in Cairns, Australia, last August and our representative was the Minister of State for the Canadian Wheat Board. There we agreed on a common approach for agriculture which could be taken to Uruguay at the launching of a new round of multilateral trade negotiations under the General Agreement on Tariffs and Trade. These negotiations, which are now under way, will seek agreement on new rules governing international trade. There is no miracle or overnight solution, but the fundamental building blocks are in place for a sane resolution of a complex and tragic problem.

The co-operation and solidarity of the Cairns Group was a major factor in the eventual success at the GATT launching. We obtained agreement for a very explicit reference to trade in agricultural products which has never happened before, a fact the House Leader of the New Democratic Party, who knows a lot about this, will confirm. Year after year the Europeans tried to avoid the inclusion of this kind of discussion. Members of the Common Market, for reasons we can well understand, tried to avoid Canada's insistence on bringing this matter forward simply because of the very structure of their own agricultural basis and the enormous and overwhelming subsidies which are paid to European farmers, which then engender the kind of reaction in the United States which impacts so negatively on our own producers. So we obtained that agreement for a very explicit reference to trade in agricultural products. It called for talks aimed at establishing greater discipline on the use of all direct and indirect subsidies in agriculture with a view to achieving more open and fairer trade.

It is predicated on a simple proposition as far as Canadians are concerned. We believe that Canadian farmers, if uninhibited and unfettered, are tremendous producers who can compete with anyone in the world. It is only when they are crushed by subsidies coming at them from the competition that they cannot compete, and this is designed to free up the entrepreneurial genius of the Canadian farmer so he can compete and build a stronger Canada through his own efforts.

Following the Uruguay round, I personally met again with farm leaders and other Ministers to keep them abreast of our efforts, our imperfect efforts, because this is a long and difficult struggle. It has been a year of hard work and of building bridges with other countries. I think I can tell the House with a modest degree of satisfaction that our efforts on behalf of agriculture are beginning to pay off. But it is far from over. Now that agriculture is on the GATT agenda, Canada is continuing to push for an agreement that would establish fair rules governing world agricultural trade.

The Cairns Group will meet again next month, this time in Canada, down the street, and I invite Members of any political Party, when the representatives of the Cairns Group are here, to please take the time to visit with them. Please take the time to share your views and the views of your Parties with the international representatives who, at our request will be meeting down the street here in Ottawa prior to the Venice Summit so that we can have the kind of common front and approach which Canadian farmers expect from responsible parliamentarians. I assure all Hon. Members of the full co-operation of the Government in their efforts to participate in this process.

On another front, when the President of the United States came to Ottawa earlier this month we discussed at very great length two things; first, the choice we were given last year. Canada was given, as all the participants were, one item which could be raised at the industrialized summit. As Prime Minister of Canada, I chose to raise the issue of western agriculture at the summit. We made the first case which has been made for agriculture in those terms at the industrialized summit and at my meetings with President Reagan here.

Because of the tremendous impact, obviously, that the United States has on this kind of venture, I worked closely, as did the Secretary of State for External Affairs, with Mr. Shultz in seeking joint approaches, this time in Venice, so that measures we initiated last year in Vancouver and carried to Tokyo could now be brought to some degree of fruition with the support of the United States of America and other industrialized countries which surely must have come to that conclusion when we were telling them last year, that this was lunacy. The $24 billion and $25 billion worth of subsidies going to the agricultural producers in the United States would cripple not only people in Australia but throughout western Canada, would imbalance traditional markets, would be unfair, debilitating and would have the kinds of anti-free trade implications that we are all trying to resist. I think it has dawned on all of the others that perhaps that was right and perhaps it is time for us to come together in a sense of maturity and reasonableness to protect people in all countries.

I preach for my own parish. I have no hesitation in saying it. When I go there, I defend the interests of Canadian farmers. But I think the interests of Canadian farmers are defended fairly. Western and European farmers find solace in that because their interests are being fairly represented by their leaders, as are the interests of the United States farmers.

So it is a complex and a socially challenging issue.

The Minister for International Trade (Miss Carney) met last week with the Trade Ministers of Japan, the United States and the European community. It was their first meeting since the launch of the Uruguay round. Our Minister stressed that agricultural issues are at the top of our agenda for the summit in Venice and for the GATT. She told them that for the Government of Canada no issue is more important than agriculture. I think all Hon. Members would agree—because we are pleased when a Canadian succeeds in representing our interests so vigorously—that the Minister scored a victory for Canada by getting their commitment for the first time that this matter be properly discussed as an agenda item at the OECD meeting in Paris next month.

• (0840)

So the work and the pressure continue. Sanity will not be restored to world agricultural trade overnight. We recognize that. It is a long and a difficult process. No one invented this problem yesterday. The problem was some time in coming. It has been exacerbated by nationalistic impulses in other countries. It has had very grave and serious consequences for western producers. It is something that I think the farmer more quickly than anyone else understands—there is no quick fix. It will not be resolved satisfactorily overnight.

However, I think Canadian farmers will watch the Government of Canada and the Parliament of Canada to measure the seriousness of our commitment and the logic of the steps we have taken. Farmers are saying: "Do not give us a quick fix that is not going to work in six months. We know there are grave international implications. We know that they can only be solved in co-operation with the summit countries and with the GATT. We want the Parliament of Canada and the Government of Canada to work in harmony with their trading partners to ensure that this trade war stops and that Canadian farmers get every reasonable opportunity for fairness and prosperity".

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, internationally our principles state that the agricultural policy should be designed so as not to adversely affect in any way international trade. To this end, and progressively over time, agricultural policies must become more price responsive. Support for agriculture should avoid production incentives, namely, support should be for farmers and not necessarily for any specific kind of farming. Farmers are the key.

Individuals, human beings are what this debate and what this commitment are all about. Countries should seek to reduce governmental assistance measures that artificially distort world prices and contribute to an accelerated trade war. Countries should not introduce new import barriers that are not mandated by existing legislation. These basic principles must be implemented collectively so that the United States, the Community, Canada, Australia and the Cairns Group can respond in a timely and effective manner.

[*Translation*]

Mr. Speaker, for the benefit of all farmers in Quebec, Ontario, the Maritimes and western Canada, I think this was an excellent opportunity for parliamentarians of all political factions to air their views on the agricultural sector which is so important, so vital with respect to the future of Canada. We have a serious and even a moral obligation towards our agricultural community. For decades now this community has been making a generous contribution to the national well-being, and now as parliamentarians we have an opportunity to respond directly to the concerns of both this community and the individuals who belong to it.

[*English*]

That is what it is about. In my judgment the debate is about finding long-term solutions to very complex problems that escape the simple writing of a cheque yesterday. I say without the slightest fear of contradiction by anybody that the influence, the real influence, in the decision-making process by western Canadians that I have talked about—I see my friend from Winnipeg has just come in.

Mr. Axworthy: Let's talk about the CF-18, shall we?

Mr. Mulroney: I can tell my friend from Winnipeg that he missed the area of the debate in which we talked about maturity. He would not recognize maturity and fairness if he tripped over them. This is a debate about western farmers.

Mr. Axworthy: And I was in the debate last night!

Mr. Mulroney: If you want to talk about something else, you can talk about it any day, because my Government and I have always stood for the interest of western farmers, and that is what we are standing for today.

Some Hon. Members: Hear, hear!

Mr. Axworthy: And I talked about six hours before you got around to it, my friend. I was here six hours before you were here.

Mr. Mulroney: I say to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy): Where were you when a Liberal Prime Minister—

Mr. Axworthy: Get off your dancing shoes, Mulroney!

Mr. Mulroney: —said that you did not want to sell western wheat? Why did you not resign? If you had any honour you would have resigned from the Liberal Party.

Mr. Axworthy: Get on your dancing shoes, Mulroney. Come on, get on your dancing shoes.

Mr. Mulroney: If you had any guts and honour you would have stood up in your place and you would have said: "This is an insult to western Canada and I will resign from the Liberal Party".

Mr. Axworthy: Let's see your shoes, Mulroney. Come on, let's see your dancing shoes.

Mr. Mulroney: But you did not have the gumption to do it and that is why the Liberal Party is paying the price it is today.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, the Hon. Member for Winnipeg—Fort Garry was doing well today, until he got up. This is early for him. He usually struggles in here around Question Period to ask his question. I realize that this is a little early for him, but farmers have been up for hours. They know who has

been here participating in this debate. They know that this is a complex and difficult challenge.

Mr. Rodriguez: Where were you?

Mr. Axworthy: Where were you last night?

Mr. Mulroney: They know that we have had 19 Members participate, as have the NDP. I believe that there have been 18 or 19 Conservative Members participate in the debate and at least 15 NDP Members. What do I see? Three Grits?

Some Hon. Members: Shame, shame!

Mr. Axworthy: I was one of them!

Mr. Mulroney: There they are, Mr. Speaker: Foster, Axworthy and Prud'homme—Faith, Hope and Charity of the Liberal Party.

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

Mr. Speaker: Order, please. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) on a point of order.

Mr. Boudria: Mr. Speaker, it should be important for the House to note that four Conservative Members of Parliament have spoken consecutively since I have been in the House, and I have not yet been recognized today.

Some Hon. Members: Oh, oh!

Mr. Boudria: I am glad that they let others speak because they have been in the House longer than I have been here. But I do not expect the Prime Minister (Mr. Mulroney) to engage in that type of partisan nonsense. After all, I was up before he was this morning.

Mr. Foster: He has his black Guccis on today!

Mr. Axworthy: Show us your shoes, Brian. Get up on your toes and show us your shoes.

Mr. Speaker: Order, please.

Mr. Axworthy: Go back to your renovated bedroom.

Mr. Speaker: Order, please. Hon. Members will know that this debate started at eight o'clock last night and it is now 8.50 this morning. The Chamber has been visited from time to time by Hon. Members. However, it seems to the Chair that there is no particular advantage to be gained by commenting on who was and who was not here during these many hours. As a consequence I think that perhaps the House would be pleased to hear the Right Hon. Prime Minister (Mr. Mulroney) complete his remarks.

Mr. Mulroney: Mr. Speaker, we have gone from the commitment of John Diefenbaker as Prime Minister to the very distinguished Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton) to a great Minister of Agriculture who spoke in this debate. This has been the tradition of the Conservative Party in regard to western Canada and to western problems.

I indicated at the beginning of my speech that in my judgment, apart from the complexity of the issue that we will try to resolve together, that this is also a question of attitude. It is a question of the perception of estrangement, the kinds of difficulties that western Canadians feel far removed from Ottawa, which is why I tried to deal with this in very real terms. But it is a question of attitudes. I thought it was best summed up, if the truth be known, by something that was met with some criticism by the Liberal Party here in the House which I acknowledge to be true. It is true because when we get right down to it, it is a question of how a federal Government will respond to a region, or an individual, or to a group of individuals. And it is true that in the autumn of last year, when you get right down to it, the attitude was there. We did receive a call for help from the western Premiers, who said they were having difficulties—

• (0850)

Mr. Foster: At 5 a.m.

Mr. Mulroney: The Member opposite says, "at 5 a.m.". What is wrong with a call coming in at 5 a.m.? Does he not know that there are time changes between the west and the east? I am here and available to take a call from a western Premier at any time of the day or night. I do not refuse to take the call because it comes at 5 a.m. If a western Premier telephones, I take the call and I try to work with him and his Government to solve the problems confronting western Canada.

When you get right down to it, the main criterion for progress is attitude. It is true that we received a call for help, *un cri du coeur*, from western Canada. The caller said: "Look, western Canadians are hurting. Our farmers are hurting. It is going to cost an arm and a leg to solve these problems. Will the Government of Canada help the farmers of western Canada?" And the answer by the Prime Minister of Canada was: "Yes, we will help western Canadian farmers", as I undertake to do now.

Mr. Axworthy: Let's hear the announcement.

Mr. Mulroney: Mr. Speaker, there was a previous call for help from western Canada. A western Premier called a previous Prime Minister and asked for help in selling Canadian wheat, and the answer the caller got was: "No, I will not. Why should I do that?"

I can tell you, Mr. Speaker, as Prime Minister of Canada, our obligation to western Canada and to the east, to the north and the heartland of Ontario, and to all other regions, is the same: We will respond when called.

The Hon. Member opposite finds it unusual that I would respond at 5 a.m. I do not find that strange at all. If there is an area of Canada that is suffering difficulty, if there is a group

of Canadians suffering any kind of difficulty, it is the obligation of the Prime Minister of Canada, on behalf of his Government and the Parliament, to respond.

It happened that we received telephone calls from western Canada for help—and I can tell you what the position of my Government was then, what it is today, and what it will always be: When western Canada asks for help, to the extent humanly possible, Brian Mulroney and the Government of Canada will say, "Yes". We are there to build a stronger western Canada and to build a stronger Canada.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I wish to pick up where the Prime Minister (Mr. Mulroney) left off. The Prime Minister has spoken for half an hour or so talking in general terms about the problems of western Canada and alluding to problems elsewhere, and his concluding words were to the effect that if someone calls from western Canada and there is a need—

Mr. Shields: We got you out of bed, did we?

Mr. Broadbent: If there is a need—

Mr. Shields: Did we get you out of bed, Ed?

Some Hon. Members: Order.

Mr. Axworthy: You guys are sensitive this morning, number three in the polls and going down. It really hurts!

Mr. Speaker: Order. While under the strict rules of this debate, the Prime Minister would have been limited to 20 minutes for his remarks, no Hon. Member interrupted his remarks to raise the issue. All Hon. Members extended to the Prime Minister the courtesy of allowing him to continue his remarks well beyond the 20-minute time allocation. That is simply the usual courtesy that is extended by Hon. Members of this House.

The Hon. Member for Oshawa (Mr. Broadbent) now rises to take part in this debate, and I would expect that all Hon. Members would extend to the Hon. Member for Oshawa the same courtesy that was extended to the Right Hon. Prime Minister.

Mr. Shields: A point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Athabasca (Mr. Shields), on a point of order.

Mr. Shields: Mr. Speaker, I was extending to the Leader of the New Democratic Party the same courtesy that the New Democratic Party House Leader extended to the Prime Minister of Canada at the outset of his remarks this morning. I thought that perhaps my point would be made much clearer to the socialists on the other side were I to do to the Leader of the New Democratic Party precisely what the House Leader of that Party did to the Prime Minister when he commenced his remarks.

Mr. Speaker: The Hon. Member has made his point. I repeat what I have said: A great courtesy was extended the Prime Minister this morning, and I would expect that all Hon. Members would extend the same courtesy to the Leader of the New Democratic Party, the Hon. Member for Oshawa.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Thank you, Mr. Speaker. With that slight altercation behind us, I shall now get on with the substance of the debate.

I was about to say that the Prime Minister spoke at some length, as it is entirely appropriate for him to do, and during the course of his remarks he made the point that when a western Premier calls and demonstrates a real need in respect of particular problems in the west, he, the Prime Minister, responds. Well, Mr. Speaker, during the course of his 30 or 35 minute speech, the Prime Minister talked in generalities. He did not give a single new response.

I say to the Prime Minister, if the situation was bad last fall, when the Prime Minister did respond, in the middle of a Saskatchewan election, to a call, the situation in western Canada is worse today, and now is the time that action is required; now is the time that the Prime Minister should be responding.

Let me take a moment to deal with that situation. We are having this debate by virtue of a motion brought by a Member of the New Democratic Party, the Hon. Member for Prince Albert (Mr. Hovdebo), who himself is a farmer. He is one who recognizes the absolute necessity for the Government of Canada to respond, not simply in the long term—and I will come back to that in a moment—but in the short term to the very serious crisis that is taking place today in western Canada.

In that context, I want to say that it was interesting to again hear the Prime Minister talking about the long term. As the Leader of a Party that has always believed in planning, I can tell you that when one hears a Progressive Conservative talking about the long term—and with your background, Mr. Speaker, you will appreciate what I am about to say—one can be very sure that he is not prepared to do anything about the short term. The only time Progressive Conservatives are interested in the long term view, Mr. Speaker, is when they have nothing to offer in the short term.

The situation in western Canada is indeed serious. I had the occasion to attend a meeting last night at which various farm groups from southern Ontario expressed their concerns and apprehension about a free trade agreement being entered into with the United States with nothing being done about the need of farmers to have effective marketing boards.

It was pointed out at that meeting that somewhere between 23 per cent and 25 per cent of Canadian farmers are on the

point of bankruptcy, or are at least in a very precarious financial situation—and that applies to farmers in all agricultural sectors: grain producers, corn producers, hog producers, dairy farmers, and so on. While the costs of production have been on the increase, commodity prices have been on the decline.

I say again to the Prime Minister: If the situation was bad last fall, it certainly has worsened since that time; and we recently had the announcement that grain producers are going to suffer another 18 per cent drop in prices. So, if action was needed in the context of a Saskatchewan election—or, to put it bluntly, to buy votes—now action is needed to save farms all across Canada.

In this context I wish to say something about two immediate areas where we thought action could have been forthcoming, two areas that we in this Party asked questions about in Question Period yesterday and to which we received no answers; two areas that we kept front and centre in the contributions made by the members of the New Democratic Party in this very important debate.

• (0900)

The first one was the credit position of farmers. As the House knows, the Government, with what seemed to be calculated insensitivity, announced that on Friday the moratorium on farm foreclosures will be lifted. When the moratorium was put on some 19 months ago, it was said by the Government at that time that there were good reasons for it.

Indeed there were good reasons for putting a moratorium on foreclosures. Farmers were in the midst of a crisis over which they had no control. The vast majority of farmers who then found and now find themselves in difficulty are not in this position because they were incompetent or did not know what they were doing. It is because they were caught in an international crisis in part and a domestic crisis in part, the general nature over which they have no control. For the men and women, whether they are industrial workers, miners, or agricultural workers, in this kind of situation, a Government with any sensitivity should rapidly move in, bail them out, and protect them in the short run. That is what is needed now.

However, the point is that when the moratorium was put on some 700 farmers specifically, at that time, were on the verge of losing their farms. It was a serious situation, so action was taken. Now when the situation has not become better but has become worse, and when there are about 6,000 farmers in the same position as the 700 were in 19 months ago, does the Government say that logic should compel us to extend the moratorium? By no means should it be forever because farmers are self-respecting and, as Canadians in other walks of life, they want to make their contributions and to ensure that they have responsibility over their farming operations. They want to live up to those responsibilities, so they do not want an indefinite extension. If there was a crisis when there were 700 farms on the verge of bankruptcy, surely when that number has now risen to 6,000 we should be announcing an indefinite extension of the moratorium until farmers are out of the crisis, not lifting it on Friday.

I do not need to remind the Prime Minister (Mr. Mulroney) that not long after he came to office certain banks at the other end of the economic ledger required in his judgment immediate bail-outs. They got billions of dollars. That decision was made over a week-end. I say to the Prime Minister that many more Canadians, specifically Canadian farmers, are being threatened at this time. If he could take that action for the banks, surely he should be taking it in the interests of prairie producers.

We will continue to press right up until Friday for the Government to rethink its decision to put an end to the moratorium. It must think about the serious situation of farm families and the importance of a farm family as a continuing and crucial element to the social fabric of the country. It should think about those farmers, think about those families, and announce by Friday a change in its decision to lift the moratorium on foreclosures. That is one specific with which the Prime Minister could have dealt today. He could have come into this important debate and said, "Yes, there has been some reconsideration and we are going to change that". However, he did not do that.

I should like to refer to the second area. If anything is perhaps more serious—and certainly it is equally serious—it is the income position of farmers who are rising this morning across the country as we sit here. With the time difference between here and the Prairies, they are up now and are seeding. They are making crucial decisions about the income fate of their families for the coming year because they are putting in their present crops.

What the Minister of State for the Canadian Wheat Board (Mr. Mayer) did yesterday frankly surprised me. I have respect for the attitude of that Minister. I think he takes his responsibilities most seriously. I do not agree at all with the policies he is implementing right now.

When he responded to questions which I put to him yesterday he left the impression that there was something off about my question. Well, I do not think there was. I did not pretend then—and I do not pretend now—to have the same detailed knowledge of agriculture as the Minister of State for the Wheat Board who happens to be a farmer. I respect that there are certain things in this area, to say the least, on which he has more detailed knowledge than I have.

I asked the following question yesterday on behalf of grain producers who were making decisions now, and on behalf of my colleagues in the NDP who know the details of agriculture, would the Government of Canada be prepared to guarantee farmers who are currently seeding that when they look at the final results of their crops in terms of net income it will be no lower than it was for last year's crop? The question was relevant, and I ought to have received the answer that the Government of Canada would guarantee that the income would not go any lower. Again I ask the Prime Minister that

question. We will get back to it in Question Period today. He could have dealt with it.

The Government of Canada should recognize that grain producers had a 20 per cent drop last year. The announcement indicates that they can expect another 18 per cent drop unless they receive a deficiency payment. We are saying that a deficiency payment should be announced to ensure that farmers working out there and putting in new crops as we are debating today will not have a drop in income which will take them below what they got last year. That is the point.

I say to the Prime Minister quite seriously that we agree that long-term solutions are needed. We agree that action must be taken through GATT. We agree that all pressures ought to be put on the European Community to stop its counter-productive, massive subsidy program which has been equalled and exceeded in good measure by the United States. With these massive subsidies by these two large economic entities in the world—the European Community on the one hand and the United States of America on the other—we cannot compete over the period of a decade. Canadian farmers do not want that. Canadian farmers can produce competitively and they have shown it. They are the best in the world in the grain sector if the competition is fair.

We agree that steps should be taken at the international level to get the EEC and the United States to live up to their own rhetoric. The rhetoric, particularly in the case of the United States, is to put an end to these kinds of subsidies. If the Americans are going to preach to others abroad, they should start practising it at home.

Indeed there are long-run steps which must be taken. I could talk about other measures such as stabilization of income programs for our producers as well as certain international steps. However, I want to return to the emergency.

By definition, the emergency concerns steps which should be taken now. We cannot stand back and watch our grain producers getting some $3 per bushel, which is well below what it costs them to produce. We cannot tolerate depression level prices. We cannot stand back and watch 23 per cent to 25 per cent of our farmers being on the verge of bankruptcy. We cannot stand back and watch a moratorium, which was appropriately put on farm foreclosures 19 months ago, being lifted on Friday.

We want the Government of Canada to live up to its short-run obligations as well as its long-run obligations. This means that the Government must come to the aid of Canada's prairie producers now, at a time when there is not an ongoing provincial election and when the need is much greater than it was last fall when there was one.

• (0910)

I would conclude by saying that from now until Friday, we are going to keep the heat on. We are going to get the Government to realize what it must do about the moratorium on foreclosures. We will put the pressure on the Government so it will announce an appropriate deficiency payment for farmers who need it and deserve it.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this morning we heard the Prime Minister (Mr. Mulroney) say that his Government would be prepared to respond to a call from the farmers of Canada. Before this debate began and, indeed, during its currency, the Prime Minister received an urgent wire in the form of a telecopied letter from Garf Stevenson, President of the Saskatchewan Wheat Pool, relating to this emergency debate on, as he puts it in his letter, the farm economic crisis. Though there was no response made by the Prime Minister this morning to this particularly urgent call, Mr. Stevenson did call upon the Prime Minister to bring to mind the fact that the rural way of life and related service industries are in jeopardy. Mr. Stevenson said the following:

> The pool asks that all Members of Parliament recognize the very critical economic situation confronting Western Canadian families and communities. This crisis has far-reaching social and economic implications for the national economy, as well as for the West.

Then the President of the Saskatchewan Wheat Pool set forth what he believes would be a minimum program including joint federal and provincial co-operation to keep families on their farms in productive capacities, early consideration to be given to an acute need for a substantial deficiency payment for the 1987-88 crop year and the continuation of the federal Government's efforts to restore sanity in the international grain market.

My colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), and myself held a joint press conference in Winnipeg and Ottawa last week dealing with this very issue. My colleague, the Hon. Member for Algoma (Mr. Foster), spent a good deal of the Easter break dealing with this issue. Last week, for the thirty-second time since the election, I as Leader of the Opposition travelled to western Canada, not only to meet the commodity crisis in wider terms but to again respond directly to the agricultural crisis.

We are desperately concerned. We are dealing not only with a cyclical crisis affecting part of our economy, we are dealing with the survival of the family farm, we are dealing with the survival of a way of life in rural communities and we are dealing with something that is now beginning to affect the infrastructure and tax base of all of western Canada. It is affecting the survival of rural municipalities in the western provinces. We have a major situation on our hands, a situation that is not cyclical but is structural. If the Government of Canada does not respond in urgent and immediate terms, we risk sacrificing an entire way of life.

The Prime Minister spent some time dealing with the international grain crisis and describing in rather vague terms what the Government was doing to try to bring together the major producing powers in an attempt to restore some sanity to international grain markets. That was just one of the items mentioned by Mr. Stevenson in his urgent letter to the Prime Minister of last night. What the Prime Minister did not say is

what the Government will do by way of an urgent and immediate response.

We on this side of the House believe that we need now an announcement of a deficiency payment sufficient to restore this year's prices to last year's initial prices and to guarantee to Canadian farmers at least the same returns as they received last year. That is number one. Second, we believe that not only must this cash flow be maintained and maintained so that farmers know when to seed, what to seed and whether to seed, we also believe that the growing credit crunch and avalanche of debt, punishing Canadian farmers, should be resolved soon and in some meaningful way.

Yesterday during Question Period we said that we could not understand the cruel, insensitive timing of the lifting of the moratorium on farm debt by the Farm Credit Corporation. One week after the initial grain prices were lowered by 18 per cent, the Government lifted the moratorium and threw the 6,000 farmers who were at risk into immediate jeopardy. That we cannot understand and we want a rationalization of it.

I have studied recent interest rates applicable to prime, efficient farmers. On 15 or 20-year mortgages the interest rate under the Farm Credit Corporation, which is supposed to be a preferential rate, is 11 per cent.

Mr. Blenkarn: Oh?

Mr. Turner (Vancouver Quadra): It is 11 per cent and long-term, 15 per cent to 20 per cent. I could say that the Hon. Member from Mississauga is a short-term operator. He ought to look at the long-term rates. I have them right here.

Subtracting the current rate of inflation, which is running at approximately 4 per cent—and here I am sure I will again get some gratuitous advice from Mississauga—from the 11 per cent, the real rate of interest faced by farmers under the preferential status of the Farm Credit Corporation is 7 per cent. That is higher than the rate farmers had to pay during the height of the recession in 1981-82 when in effective terms they were paying a real rate of 1.5 per cent. Now they are paying 7 per cent.

Western farmers are in deep trouble and the response of the Government is totally inadequate. Initial prices for grain as announced by the Wheat Board last week have been cut by 18 per cent over last year's prices. Last year initial prices were down by 20 per cent over the year before. In 1984-85, the price per tonne for No. 1 wheat was $170. In 1986-87, that price was reduced to $130 per tonne. This year, under the initial prices just announced by the Wheat Board, No. 1 wheat is down to $110 per tonne. In three years the initial price has gone from $170 per tonne to $110 per tonne. That is lower than the cost of production.

Last year the Government could say that it was eating into the profit margins of farmers. Most farmers could not even meet the cost of production last year, but this year it is certain that even the most efficient farmer who is all paid up and has his family working with him will not be able to meet the cost of production. I challenge the Minister responsible for the Wheat Board to argue that point.

A couple of years ago, in 1984-85, No. 1 barley was $125 per tonne. Last year, 1986-87, it was down to $80 per tonne. In 1987-88, this year, under the initial prices just announced, it is down to $60 a tonne.

Mr. Foster: No deficiency payment.

Mr. Turner (Vancouver Quadra): And no deficiency payment. Farmers have a decision to make. They have to decide what to seed, when to seed and whether to seed. The Government has made no commitment to the farmer at this time when the farmer needs answers. The farmers need answers and they need them now, not next July or next October.

It seems that the only time western farmers see any activity on the part of the federal Government is when a provincial election threatens a sitting provincial Government.

[*Translation*]

At the minimum, we want the Government to guarantee to farmers that the return for this year's crop will be at least the same as last year's levels. We must tell farmers they will get the support they need and deserve and we must send a strong signal to rural Canada and the agricultural industry that we as a nation are in the grain business to stay.

[*English*]

I think we must also send a strong signal to the United States and the European Community indicating that we will not let our farmers continue to be the victims of our officially low grain prices, provoked by a treasury war between Europe and the United States which has prompted an artificial surplus and has lowered prices throughout the world.

• (0920)

As I said to the President of the United States when he was in this country three weeks ago, the U.S. Farm Bill, with its export subsidies, is killing the Canadian farmer. I was bitterly disappointed when the President spoke in this Chamber to hear not one word on agriculture, not one word in response to the Canadian farmers' plight, not one word to indicate he would attempt to rationalize the North American market, not one word in response to what I hoped the Prime Minister said to him in those private meetings that there must be some rationalization of the North American and world grain situation. If the American Congress continues to artificially ratchet down grain prices by way of subsidy, our grain producers are going to be driven off the land and we are going to be a different kind of country. Yet there was no public response to that by the President of the U.S.

Farmers are not asking for hand-outs. They are asking only for what is rightfully theirs, a fair price for their grain and fair market conditions. This is not just a cyclical economic crisis. It is taking its toll in human terms. Farms are facing bankruptcy.

The psychological pressures on farm families, the concern about whether children will stay on the farm, is forcing family breakups. A whole way of life is being threatened.

I have said that the only way western Canada seems to be able to get assistance these days from the Government is through threats. The fear of an election loss in Saskatchewan last year brought aid to farmers last fall. A threat from Premier Getty to split the Alberta Tory Party finally brought some help to the oil industry. Farmers are getting ready to seed their 1987 crop. They have tough decisions to make and they need answers from the Government and they need them now.

I want to conclude as I began by saying that we in the Opposition call upon the Government to do two things immediately: Announce a deficiency payment sufficient to raise the return this year to farmers equal to last year's return, and do it now so that farmers have some assurance that when they seed they will have a return that will cover at least the cost of production. Second, we call for a rationalization of farm debt and a revocation of the decision of the Minister of Agriculture (Mr. Wise) to lift the FCC moratorium.

I end where I began by reciting the urgent letter telecopied to the Prime Minister from Garf Stevenson last night during the course of this debate. If he has not already seen it, he will find it in his files. On behalf of western farmers Mr. Stevenson calls upon the Prime Minister directly for immediate action. He wants joint programs to keep the family farm alive. He referred to the deficiency payment. He wants restoration of sanity in the international grain market and I would add, as well, the rationalization of farm credit to assuage the overwhelming avalanche of debt which is absolutely crushing the family farm in Canada.

Some Hon. Members: Hear, hear!

Mr. Gordon Taylor (Bow River): Mr. Speaker, it is amazing to see the change which has come over the NDP and the Liberals during the last few days.

I would like to deal with some of the things which are the cause of farmers being in the position they are in today. A lot of it is because of policies put forward by the Liberal Party and supported by the NDP. I am not talking with the wind like some members of the Opposition. I spent four days of last week visiting farms and towns in my constituency. I know what farmers are saying.

Farmers are not crying crisis as the Opposition is today. Sure there is a crisis. They know the Government will come through at a proper time and in a proper way. That is the message the farmers are sending. They are not worried as they were a few years ago. They can recall that in 1979 we had good prices. Inflation was driving the price of food up. Things were good on the farm. Young farmers said here is our chance to expand. We will buy more land and so they did. They expanded their holdings so they could make a greater contribution to Canada. Then what happened? The situation changed entirely.

The Acting Speaker (Mr. Paproski): I hope the Hon. Member will move over to his own seat so that he can participate in the debate. I regret to point out that he is now at the wrong seat. I know the debate has been going on all night, and I regret I have to interrupt the Hon. Member.

Mr. Taylor: Mr. Speaker, the only thing I was trying to do was get closer to the Government. I know the Government is going to come through at the proper time with help for western Canada.

Some Hon. Members: Hear, hear!

Mr. Taylor: I apologize for being at the wrong seat. I thought there was something funny over here, but I did not realize it was me.

As I was saying, prices started to change and interest rates went up and up and up. We pleaded with the Liberal Party to do something about interest rates. They went up to 22 per cent. That is the main cause of farmers being in trouble today. The international situation is certainly serious, but not as serious as the problem caused by the increase in interest rates which was permitted by the Liberal Party and not opposed by the NDP.

Many young people have already lost their farms. They were losing their farms during the Liberal Government; but what did the Liberals do? Not a thing. They let interest rates rise and rise and rise. Now they are crying the blues. Now they are suddenly interested in the western farmer and farmers in general. I say "suddenly".

Sometimes when we asked the Liberal Minister of Agriculture, Mr. Whelan, when he would do something, he would say "soon". His only reply was "soon". Well, "soon" never came. There were more than 1,400 farmers in this country who went bankrupt during the term of the Liberal Government because they did nothing about interest rates. They may have short memories but farmers do not. Neither do Members on this side of the House. We pleaded with the Liberals to change that policy but nothing was done.

Today there are still farmers who are stuck with interest rates from that time. This Government is doing something about it. We are going to the banks and asking why they set interest rates at 14 per cent, 15 per cent and 18 per cent today when the prime rate is below 10 per cent? That should be changed. We are doing our utmost to have that changed. However, it is not the Government, it is the banks who have a lot to do with it.

The problem lies with the Bank Act passed by the Liberal Government. Our banks should have a mandate that when interest rates drop from as high as 22 per cent and 23 per cent to below 10 per cent, there must be a corresponding change in mortgages which were taken out during that time. Otherwise

there is simply a massive amount of money going to the banks which is unearned and unnecessary. The banks have to keep going, but they have to be realistic as well.

What is one of the main causes of many farmers being on the verge of losing their farms, or in fact losing their farms? The international situation is only a small part of it. The main cause was the interest rates permitted by the Liberal Government during that time. They are still stuck with those rates and we are feeling the aftermath now. So is the farming community. It is the aftermath of the Liberal Government.

The same thing applies to the energy situation. What is the problem there? Again it is the aftermath of the National Energy Program. That is what ruined the energy situation in Alberta.

• (0930)

It was a deliberate attempt to destroy the energy industry in the Province of Alberta and, to a lesser extent, in the Province of Saskatchewan. The Liberals can talk all they want today but they cannot change that. They did their utmost to get every rig possible out of Alberta. There was a line-up of rigs leaving the country because of the national energy policy. Today we are suffering the aftermath of the Liberal administration and no one can deny that.

The Member who was the Minister of Energy in the Liberal administration said there is more drilling going on today than there was last year. The Hon. Member for Lethbridge—Foothills (Mr. Thacker) had shown pictures of rigs lined up at the border leaving the country along with the expertise and their capital.

It is no wonder that western Canada is in a depression today. It is a created depression almost as bad as that imposed upon Ukrainian people years ago. I have read the history of how Ukrainian people had to submit to giving two-thirds, 75 per cent or 90 per cent of their production to the communist regime. Hundreds of thousands of Ukrainian people died, not because the land did not produce, but because food was taken right off their tables for taxation. It is a blight on the history of the world that that was ever permitted.

That is almost comparable to the depression created by the Liberal Party with the national energy policy. It affected every farm. One of the main causes was the increase in fuel costs because of the national energy policy and the massive taxation imposed upon the people. It is comparable to what the Communists did in Ukraine during the 1930s when people died right and left because of a lack of food.

The same thing happened in Alberta as a result of the national energy policy. I saw the effects on our towns and villages, our merchants, and even on our churches. Everyone felt the depression which was created by the national energy policy deliberately to hurt one part of the country.

They now stand up and ask what the Government is doing for western Canada. They cry because the Premier of Saskatchewan phoned in the middle of the night. Well, the Premier of Saskatchewan was so concerned that he was up in the middle of the night worrying about what could be done to help the farmers of western Canada.

Mr. Turner (Vancouver Quadra): The walls were too thin.

Mr. Taylor: The Prime Minister of Canada (Mr. Mulroney) did not mind getting up a three o'clock in the morning to answer the call. When we told the Liberals about the national energy policy they scoffed and the people of western Canada will not forget that.

Mr. Rossi: No, they know you're bluffing.

Mr. Taylor: Members can smile all they like but the western farmers did not smile because that policy resulted in scores of them losing their homes and farms. One of the major reasons that scores of them are on the verge of bankruptcy today is the high interest rates which were supported by the Liberal regime which did nothing about it. It is not the international market which is causing them to lose their farms today. The international market will have an effect from now on and I will deal with that in a moment, but let us not kid ourselves. The Liberals and the NDP are not pulling the wool over my eyes or over the eyes of the farmers of Canada.

Farmers know that the main cause was the national energy policy and the high interest rates during the Liberal regime. I ask any Member on that side of the House to prove that that is not so. That is a proven fact which has been notarized by many, many people.

I have sat in farm homes with people who are today still paying 15 and 18 per cent interest. When a man on the farm weeps, you know there is something wrong. The whole family was crying because the bank was going to take over their farm, not because of anything the present Government did, but because of the interest rates which were permitted to be charged during 1981, 1982 and 1983.

I asked the Minister of Agriculture (Mr. Wise) in this Government to plead with the banks and he did that. One fine young third or fourth generation farmer in my constituency saw the opportunity to expand his holdings in 1979, thereby making a better contribution to his country and providing a better living for his family. He bought more land. How was he to know that the Liberal Government would permit interest rates to go up to 22 per cent? The bank then said it would take his farm because he could not make his payments. What farmer can make payments with a 22 per cent interest rate? What business in Canada can stand up under an interest charge of 22 per cent? It is impossible.

I lived through the depression years. I was teaching during the hungry thirties and saw an insurance company remove a farmer from his farm. I went to the company and said, "This man has farmed here all his life". They said, "He owes money and if he cannot pay it, off he goes". Other farmers pleaded but nothing happened.

I will tell you the story of that farmer. His wife had TB. There was no medicare, no free medicine for tuberculosis in those days. The most important thing for him was to save his wife, so he borrowed the money to send his wife to the best doctors he could find. He borrowed the money when wheat was selling for about $2 per bushel. He expected to repay bushel for bushel plus a little more for interest charges. His wife passed away. The insurance company then said that he was way behind in his payments. How could he make the payments when the price of wheat had dropped to 19 cents a bushel and the price of eggs had dropped to six cents a dozen? This was in 1934 and the insurance company would not even listen. It said, "Off he goes."

That farmer pulled a granary which was on skids to another piece of land which another farmer said he could farm for him because he was being treated shabbily. That farmer lost his farm through no fault of his own. There was no compassion or consideration. The company even threatened to take him to court for moving the granary which was on skids.

I have seen many such things during my lifetime. I have recently been in farm homes where the same thing is happening. The high interest rates which prevailed in 1981, 1982 and 1983 are now catching up to farmers just as the interest rates of 1918 and 1919 caught up with the farmer of whom I just spoke. At that time scores of people were moved off their farms. In 1935 a moratorium was put on by the Government of Alberta, supported by the Government of the Right Hon. John Diefenbaker. After 1936 we were able to save hundreds of farms in Alberta.

• (0940)

However, the moratorium had some bad effects. Farmers in my riding tell me today to be cautious with moratoriums because they suffered for many years as a result of the moratoriums imposed by the Government in 1937 and 1938.

The farmers said that without credit they cannot operate and want us to proceed carefully when using moratoriums. There are better ways to deal with the issue because moratoriums hurt farmers who are able to get credit and need it to operate. We must be careful that we do not adversely affect the farms that are not in trouble. While there is some merit to moratoriums, I have suggested to the Government that it proceed cautiously. Not all the farmers in my riding want moratoriums to be extended, and many of them are completely against a moratorium because it ruins their credit.

Our Government realizes the necessity of moratoriums and the Minister of Agriculture has extended moratoriums on FCC a number of times. However, if we follow the Opposition's suggestion and impose too many moratoriums, many farms that are solvent could go on the rocks. We want to save the farms that are already suffering, we do not want more farms sent down the drain.

In 1937 we established Debtors Assistance Boards which were able to bring together the principal lenders and the borrowers. Those boards were given the power by legislation at that time to roll back the interest rates because they were completely unfair.

The Minister of Agriculture has established boards that will be able to allow both sides to meet. These boards do not yet have the power to force back mortgage interest rates, which may become necessary if the financial institutions and insurance companies insist on retaining interest rates of 15 per cent to 20 per cent that were in effect between 1981 and 1983. The farmer, or anyone else, cannot make ends meet at such interest rates, no matter what the Government does. The farmers who are experiencing difficulty today are those who tried to expand their holdings during better economic times in 1979 and 1980. They had no idea that interest rates would jump so dramatically, which is one of the major causes of farmers losing their homes today. They have not been able to catch up to those interest rates and are therefore losing their farms.

The Minister of Agriculture is considering what should be done. It may be necessary to amend the Bank Act, which I support if it can be done. I believe the banks should receive a fair rate to which they are entitled for repayment of their loans, but they have no right to expand their financial holdings by ruining farmers in this country.

We must help the farmers who are still paying interest rates of 17 per cent. If the financial institutions refuse to take action, I hope the Government will do so.

You are signalling that my time is almost up, Mr. Speaker, but I have much more to put on the record. I listened to Opposition speeches. I am amazed how they have suddenly realized what is happening in the agricultural industry, as if a great light suddenly shone upon them. I wish they had come to that realization between 1982 and early 1984 because today we are suffering from the agricultural policies that were enacted during that time.

The agricultural community is receiving help from the Government. The crop year does not begin until July 1. The farmers I have visited are not worried about the seeding because $700 million will go to them very soon. That money was authorized by the Prime Minister, the Minister of Agriculture, and the Minister of State for the Canadian Wheat Board (Mr. Mayer). They are men of compassion and understanding. I sometimes get nauseous when I hear Members opposite talking about the problems of farmers when I realize what they did only three or four years ago. Furthermore, some of them do not know the front end of a hog from the back of a cow, yet they stand up to plead for the farmers. They should have given them more consideration when they were in power because now we are suffering the aftermath of what they created.

We will correct the situation, but it will take time. The Prime Minister, the Minister of Agriculture and the Minister of State for the Canadian Wheat Board are anxious to pull the

country together and help every farmer. That is what we are determined to do.

The Acting Speaker (Mr. Paproski): Before I recognize the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), I want to advise the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) that we gave the three leaders an opportunity to speak. Therefore, we are returning to the regular rotation which is now to the Hon. Member for Glengarry—Prescott—Russell. I will then recognize a Member for the Government and the Hon. Member for Cowichan—Malahat—The Islands.

Mr. Manly: Mr. Speaker, I rise on a point of order. The rotation of leaders meant that a Liberal spoke, then a Conservative. Now it should be the time of the New Democratic Party to talk and I respectfully ask that I be allowed to speak.

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, we have been sitting all night, and the debate may go on for a couple of hours, to discuss the crisis situation in our agricultural industry, especially in western Canada. However, the situation is not unique to that part of the country because the same problems exist elsewhere in Canada, and in fact in the very province and riding which I represent.

Before I continue my speech today, Mr. Speaker, I would like to take a few moments to speak on behalf, I hope, of all Members of this House and thank our parliamentary staff which has had to work all night.

[*English*]

Sometimes some of us tend to forget about the people who assist us in doing our job here on Parliament Hill. This morning, when I came to the House at approximately 7 a.m. and took the familiar mini bus that brings us here, I was talking to the driver who informed me that he had been working since two o'clock yesterday afternoon.

Indeed, the people who work for us and spend those kinds of hours, whether they work for us as messengers, bus drivers, clerks at the Table, interpreters, or camera personnel, certainly deserve special recognition on a day like this, when we have subjected them to a very tough time. I certainly hope that the Speaker will issue the appropriate thank you on behalf of all of us to the staff who serve us so well.

[*Translation*]

Mr. Speaker, Canadian farmers have suffered two major setbacks in the last few days. First, we heard about the lifting of the moratorium on Farm Credit Corporation loans, and second, the Government, or should I say the Canadian Wheat Board, announced that initial payments for this year will be 18 per cent lower than last year. The impact of this price drop will be particularly severe if we consider the fact that the situation in the industry was not very good to start with.

[*English*]

How did we get into this situation? I listened to speeches by Members opposite. The Prime Minister and other Members have alluded to some of the issues. There is one essential point that I believe has not been raised yet. First, we should remember that the current crisis in the prices of commodities is due to the U.S. Farm Bill. There is no point in calling it anything else. That is in fact the cause of the difficulty we are in.

• (0950)

Some people will say that the U.S. Farm Bill was implemented in order to react against similar legislation initiated by the European Economic Community. That is at least partially accurate, but not totally. There is some measure of accuracy to that suggestion. However, we should remember that the effect we are seeing now in this country directly results from an initiative of the United States Congress, signed by the President in December of 1985, known as the United States Food Security Act, 1985, commonly referred to as the U.S. Farm Bill.

That Bill was debated for months in front of the U.S. Congress. From April 22 to April 24, 1986, a delegation of Members of this House went to Washington in order to be briefed on the U.S. Farm Bill and to find out just what effect it would have on Canadian agriculture. We listened to presentation after presentation describing to us the ill effects this legislation would have on Canadian farmers.

First Bank Agri Services, a division of Bank of Montreal, published a document in February of 1986. It was a document prepared for them by Chase Econometrics and in it we were given the effects of the U.S. Farm Bill. The predictions at that time of Chase Econometrics for the Bank of Montreal were that in 1986 the price of wheat could vary between $2.40 and $2.70. In 1987 it could vary between $2.28 and $2.85. In 1988, it could vary between $2.17 and $2.71. In 1989 it could vary between $2.06 and $2.57, and in 1990, it could vary between $1.95 and $2.44. You have obviously noticed, Mr. Speaker, the dire predictions here and the direction in which the prices will be going, according to Chase Econometrics for the Bank of Montreal.

Knowing that this would be the effect of the U.S. Farm Bill on Canadian agriculture, I have to ask a question of the Government. Where was the Government at the time that Bill was going through the U.S. Congress? We have an embassy in Washington, as we all know. I was at the Canadian Embassy and in view of the deplorable effects of this Bill I asked who we hired to lobby Congress and why were they not more successful in providing some relief for Canada. The answer was that no lobbyist was hired to try and defeat or modify the Bill or convince the U.S. Congress to do something with that legislation.

The Hon. Member for Bow River (Mr. Taylor) talked about the fact that commodity prices are low because of the previous Government. That is utter nonsense. I do not pretend that everything was perfect under the previous Government but at least this Member of Parliament, coming from the region he does, should know better.

Mr. Taylor: Mr. Speaker, I rise on a point of order. I am sure the Hon. Member wants to be accurate. I never at any time said that commodity prices were low because of the previous Government.

The Acting Speaker (Mr. Paproski): The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Boudria: We will review *Hansard* later, Mr. Speaker. I definitely recall hearing the Hon. Member telling us that the agricultural prices to which farmers are subjected today, and the agricultural crisis, are because of low commodity prices and he said that was caused by the previous Government, and even accused the previous Government of doing things which were similar to what the U.S.S.R. did in Ukraine some 50 years ago. I remember hearing the Hon. Member saying that. He should not have made those remarks. They were totally inappropriate, but were nevertheless made by him. He should apologize for them to everyone, including the Ukrainian-Canadian community, for uttering such nonsense.

I would like to raise with you, Mr. Speaker, other effects of the U.S. Farm Bill. First, there is a law in the United States which has $70 billion worth of subsidies designed largely to displace other world markets. We are "other world markets" because we sell our products on the world market as well.

According to the United States, and this is information they gave to me in Washington—I am reading from notes I took there—in 1980 the United States decided to boycott sales of wheat to the Soviet Union. It did that for the specific reason that the Soviet Union invaded Afghanistan. Because the United States cut off sales to the U.S.S.R. it resulted in a large surplus of wheat at that time. The Americans said that the other countries took advantage of them. They expanded their own markets and the U.S. even accused Canada of having done that.

That is totally ridiculous. Obviously, someone should be straightening that out in Washington. The Americans said they had to do something. They said that Argentina, Brazil, Canada and Australia expanded their markets at the expense of the United States. They said that prior to the embargo they had 32 per cent of world wheat sales but that had now gone down considerably and that the 49 million tonnes they produced in 1982 was now in great measure surplus rather than used for foreign sales. The Americans also said that there is another cause of all this.

At the same time this phenomenon of the Afghanistan boycott was proceeding, there was another situation. Many countries in the Far East, for instance, became largely self-sufficient so that has caused the surpluses we have today. What is the American solution? They will embark on this program and depress prices until the others are out of business. The Americans were quite candid about that.

Do the others get discouraged with their own subsidies, particularly the EEC? I do not pretend to know Europe as well as perhaps some, but a number of us have ancestors who came from Europe. We know that Europe suffered greatly during the Second World War from hunger, and to believe that the Europeans are going to stop producing because they have to inject too many subsidies is not to remember history very well. There is a will in Europe to be self-sufficient in food which is quite powerful. In my view it is a great deal more powerful than the Americans believe it to be. The subsidies in western Europe will continue, contrary to what the Americans believe.

• (1000)

We now have large U.S. subsidies which will continue on until 1990 since the U.S. Farm Bill will be in effect for five years. There are EEC subsidies which will not stop for reasons which I described earlier. Canada is stuck in between with only two choices. The first choice is to convince everyone else to reduce their subsidies, particularly the United States. The second choice is to increase our subsidies to the level of theirs so that our farmers can exist. There are no other choices. We cannot enlarge the planet in order to find new markets. We cannot do that. What we have to do at this point is to convince the Americans to cut it out.

The Prime Minister (Mr. Mulroney) went to great pains complimenting and congratulating himself, forgetting of course to mention that at the Shamrock Summit of 1986, though we all received glossy pictures of the Prime Minister and fancy booklets, there was no mention of agriculture. Four months after the U.S. President had signed into law the U.S. Farm Bill the Prime Minister in the booklets, leaflets and information kits concerning important issues to be discussed in Washington, failed even to mention the U.S. Farm Bill.

He now has the unmitigated gall to stand here in the House, chastise everyone else, saying that some opposition Members did not speak, when we sat down to let him speak early this morning out of courtesy—not to him but to the office which he holds. He then has the nerve to make remarks such as he did earlier today in the House.

The Prime Minister should get a little bit more serious about this issue. It is important to western Canada. It is important as well to regions such as the one which I represent, which is largely agricultural but in a very different part of the country.

The Prime Minister said that he talked recently to President Reagan about this very important issue that he described. He forgot to tell us that there is talk of increasing the export subsidy under the U.S. Farm Bill. There is talk now of increasing it, after the President left here. That is what the U.S. is now planning to do.

[*Translation*]

The Prime Minister also referred to GATT and spoke in glowing terms about the steps he had taken in this respect, but unfortunately, he forgot to mention that the documents requested by GATT two months ago, on the specific position Canada was taking, have yet, as far as I know, to reach GATT. And this is about the very subject we spent the night discussing in the House. I think the Prime Minister would be well advised to go back to his office, instead of putting on another pair of Guccis, and to act on GATT's request and provide the necessary documents so that we can put an end to this subsidy war through multilateral negotiations.

The Canadian farmer is no longer competing with the American farmer. He is competing with the U.S. Government. How is he ever going to win, Mr. Speaker? Nobody in Canada can win this fight. The Canadian farmer is not begging for subsidies, he seeks justice and, if he is to compete against the American Government, is it not normal that he should expect some kind of assistance from the Government of Canada. The Government of the United States is certainly not going to hand money over to farm producers in this country. Will Canadian farmers have to apply for foreign aid? How can they rely on the Prime Minister to get what they need? Members opposite were telling us earlier that the season has just opened, that perhaps we will hear better news later on. Mr. Speaker, we simply cannot seed retroactively, we have to do it right now if we want a harvest this fall. A farmer cannot wait for subsidies at a later date and then decide that he should have seeded two months earlier. The farmer needs this information, and he needs it now.

I urge the Members of this House to continue to raise these important issues today for as long as it takes to convince the Conservative Government to do something. True enough, subsidies were made available last year, Mr. Speaker, but this happens to be the worst agricultural crisis ever in this country, and it calls for whatever action is required on the part of the Government. The Government would not be doing our farmers a service nor showing how generous it can be with them, because anyone producing food does so for the good of all Canadians and not only for those who are directly involved in the agricultural sector. Therefore it is the duty of the Prime Minister, the duty of the Government, and the duty of all Members of this House to make a positive contribution to ensure a sound agricultural economy.

[*English*]

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, it gives me a great deal of pleasure to have an opportunity to speak on this very important issue. I have a very personal feeling about entering into this debate since I was born and raised on a farm and have farmed, as have my father and my grandfather. In fact, my great grandfather came from England to Ontario and broke the land. I feel something very different than I have ever felt before in the House of Commons when I hear the rhetoric from academe and Bay Street about farming.

Farming is very different from any other profession. I do not know who can really feel it better than someone who has been there. Farmers think long and hard about things. They do not make a lot of rash decisions. They also have some interest in their fellow man and they would probably listen instead of milling around behind me. I listened with interest as the Leader of the Official Opposition (Mr. Turner) was talking. I did not see one farmer elected to the Official Opposition sitting in the House today. I say to them, do not beat up politics and get into long-winded rhetoric when you are dealing with such important people.

Mr. Boudria: Say that to the Prime Minister of all people.

Mr. James: Farmers sitting here this morning would probably not make the type of interjection that I just heard from behind me.

I want to tell Hon. Members, because I feel very personally about this matter, that as a boy we did not have a lot. My father took over the farm from my grandfather; through some adversity it carried a great amount of debt. When my mother and father got married they had two old cows and a debt-ridden farm. They did not ask for a whole lot from the Government. They put their heads down and went to work. I would like some of the people who have talked so much today experience that. As kids we did not have anything. We had hand-me-down clothes. I had to milk cows by hand in the summer when the perspiration would roll right from the top of my head to the bottom of my feet; my head was up against one old hot cow with another behind me. By this time we had at least 10 or 12 milking cows. I am glad that I had those experiences. We have at least 20 farmers sitting on the Government benches today, each of whom has I am sure, at least as much farming experience as have I. As such, we have a good understanding of what is needed to address the serious problems facing the agricultural sector in Canada today.

• (1010)

It is with reluctance that the various farm groups approach governments for assistance. In cases where assistance is forthcoming they want it developed with some thought and understanding. They want input from the very learned and qualified groups within Canada, as was the case with the recent grain subsidies.

Just this past weekend I had a discussion with my brother, the full time operator of our farming operation. It is an operation that is not making huge amounts of money. However, that does not cause me to come into this Chamber and fly into a rage against the Minister of Agriculture (Mr. Wise), as has happened during the course of this debate.

Both the Minister of Agriculture and the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer) are farmers, and as such have a good understanding of what is required. Certainly, they know more than those who have practised their professions on Bay Street, none of whom have ever had to milk a cow or lift a sheaf of wheat. These people

did not have to get mired and dirty in order to make a living. In order for the children of farm families to attend university the family itself had to work that much harder.

I am very concerned about the way in which this whole question is being approached. I am sure that my neighbours in the Sarnia-Lambton area are chuckling at the kind of rhetoric we have been hearing during the course of this debate, particularly from people who have little or no understanding of the problems of the farming community and the way in which they should be addressed. We need a thoughtful approach to these problems, with important input from the farm groups and organizations that exist in this country.

In 1981, the prime rate was at 22.75 per cent. Farmers today are still trying to get out from under the debts incurred during that period. Where were these people then? This is a point raised by the Hon. Member for Bow River (Mr. Taylor), an individual who has lived with the problems of the farming community longer than I. He was no doubt appealing for a saner approach to interest rates in those days. Today, an FCC five-year loan is at the rate of 10 per cent.

As we went into the 1984 campaign, as a farmer I was certainly impressed by the 16 point agricultural policy developed by the Progressive Conservative Party. I am sure my colleague from Bow River was instrumental in the development of that policy as, no doubt, was the Prime Minister (Mr. Mulroney) and the Minister of State responsible for the Canadian Wheat Board, and others.

That policy came out of a conference held in Prince Albert, Saskatchewan, and became known as the Prince Albert Declaration. The Progressive Conservative Party in that policy said it would remove the capital gains tax for farmers. Since forming the Government, we have provided for the accumulation of $500,000 exempt of taxes. We said that we would remove the sales tax on farm fuels. Of course, we have done that. We said we would change the Western Grain Stabilization Act. Again, that certainly has been done. We said we would change the Western Grain Transportation Act to remove the volume cap and freeze the rate. Again, that was done. Going into the 1984 election campaign the Progressive Conservative Party promised to increase sales and extend our markets for grains. Certainly that has been done. We said that we would bring forth a red meat stabilization program, which we did. We say that we would allow dual labelling, and we have. As well, we have acted to reduce the flow of subsidized beef from the EEC. We said that we would establish Farm Debit Review Boards. We have done so.

I am proud of this Government, a Government that put together that Prince Albert Declaration and in fact followed through on it.

We have heard a lot of rhetoric and yelling about how the western farmers feel. In that regard, let me quote from the *Winnipeg Free Press* of Thursday, December 18, 1986. The article is headed: "Pool praises PM." It states:

> The Alberta Wheat Pool has praised the government of Prime Minister Brian Mulroney for his handling of problems in the agricultural industry—
>
> It is really quite an extraordinary hard time in agriculture right now and we feel that so far the present government has responded well.

Certainly the score card, according to the *Winnipeg Free Press*—a very important newspaper when it comes to the agricultural sector—comes down in favour of this Government. That is an article that was written at the time the deficiency payment was made.

Next I have a publication entitled: *Wheat Pool "budget"*. Under the heading "Farm Income Record in 1986" we have the following:

> Alberta Agriculture estimates that 1986 total realized net farm income in Alberta was $788 million, the highest level on record, and a remarkable 45 per cent over the 1985 level.
>
> The record was achieved because of lower operating expenses, a healthier livestock sector and substantial government program payments.
>
> Payments under the Western Grain Stabilization Plan, crop insurance and other programs accounted for an estimated 17 per cent of total farm cash receipts in 1986.

That is not to say, Mr. Speaker, that there is not a problem, and one which we need to address, in western Canada and in Canada generally in connection with grain sales. I do wish to emphasize, however, that this is a Government that has shown the way. It is addressing the situation in a very forthright and planned manner.

I know that our farmers do not have the same confidence in the opposition Parties, the members of which have given us so much rhetoric since the start of this debate.

In that connection, I should like to quote from the *Winnipeg Free Press* of April 11, 1987. The headline is: "No hope from the Liberals".

The article states, in part:

> Even the western members of the caucus remain sadly out of touch—
>
> The 17-page report is an empty document offering ringing declarations of discredited party policy, outright distortions of economic reality and not a single firm proposal which would make any significant difference in the economy of Western Canada.

It goes on to say:

> Most of the actual proposals of the task force are so vague as to be meaningless.

• (1020)

Then it went on to indicate:

> On agriculture, the task force boldly recommends that "income support measures such as the Alberta Liberal Party's suggestion for a negative income tax for farmers should be examined more closely".

It continued:

> Significantly missing from the group are two other elected Liberals: Manitoba Liberal Leader Sharon Carstairs and John Turner, Member of Parliament for Vancouver Quadra and Leader of the Liberal Party of Canada. Both should consider themselves lucky to be out of it.

That certainly reflects some thoughts from western Canada on the vague, quickly thrown together, wild promises in connection with agriculture.

We have a Government with many actual working farmers who know what it is to have callouses on their hands. They are part and parcel of the way in which we think a government should address the problem.

I should like to refer to the document entitled "Directions for the West—Proposals for the Western Canadian Economy". This Liberal proposal was immediately dismissed by the *Winnipeg Free Press* as an empty document.

Who are these experts on western Canada? Is it the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy)? I do not know how many cows he has milked or how many sheaves of grain he has stooked. I do not know how understanding he is.

Let us reflect upon what has happened in terms of federal support for agriculture in western Canada since 1983. According to the graph which I have before me, it would be about $300,000 million. In 1984, when the Conservative Government came into play, it shows that federal support of agriculture went up to $1 billion. In 1985 it was about $1.7 billion. In 1986 it was about $2.2 billion. For 1987 the forecast is in the area of $3.2 billion.

I think farmers in western Canada understand a Government which is moving toward assisting in a thought provoking, organized manner, not flailing about with rhetoric. I think that is very important to my farming colleagues across Canada, especially those in western Canada—and we grow a lot of grain in Ontario—in this depressed price time, the result of large amounts of subsidies by the United States and the European Economic Community. They are depressing the prices and we are caught in the middle. It is something which we must address in an organized way.

At the same time it is important that we remember that the Government has brought forward over 400 separate initiatives providing $5.76 billion to the benefit of Canadian agriculture, in sharp contrast to what the previous Liberal administration did. Farmers in Lambton County must chuckle a lot about the statements of Hon. Members on the opposition side as they reflect on what they did. Of course the NDP could not do anything because it has never been in Government. I am sure those farmers remember what the Liberals did not do when they were in Government.

On the grains and oil seeds side, a $1 billion payment has provided and will continue to provide a needed boost to cash flow. There have been a number of other issues including new grain deals, advance payments for crops, the record interim payment under the Western Grain Stabilization Act, cash advances for unharvested grain, and amendments to the Western Grain Transportation Act. The producer freight rate was maintained. There is a new domestic feed policy, and commodity based mortgages were introduced. Farm debt review boards were put in place. There was the Canadian Rural Transition Program, and of course, reduced interest rates.

I see you signalling, Mr. Speaker. I will probably not have time to deal with all the initiatives we have introduced as a government. Of course the farm fuel tax relief was introduced. We also assisted specialty groups. Our long-term dairy policy was lauded and appreciated by that industry.

As a farmer who has deep roots, serious concerns, and an understanding of the industry, I ask the Government to move toward addressing the international pricing situation of grain farmers with a lot of thought, sincere study, and certainly the help of the farming community and its important organizations.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate the opportunity to speak in the debate, and I want to say a word of appreciation to the Hon. Member for Prince Albert (Mr. Hovdebo) for having initiated it.

The Hon. Member for Sarnia—Lambton (Mr. James) who just spoke complained about what he called opposition rhetoric. I do not think that the people in western Canada see it in quite that way. They recognize that we have identified very clearly the crisis facing farmers in western Canada and that we are asking the Government to do something about it.

I also heard the Hon. Member read a list of things which the Government has done. Our Party is in full accord with some of those things. We appreciate that those measures have been taken. However, right now we are facing a crisis which demands further immediate action to save the family farm economy of western Canada. It is not good enough for the Conservatives to say that they have done thus and so and the following. They must address the present crisis. They cannot live on the basis of what they did a few months ago. That is not good enough. That will not help the people facing the crisis today.

Also the Hon. Member seemed to suggest that there was something wrong because some of the Members who have spoken were not farmers themselves. He suggested that if academics or business people became involved in the debate, somehow it reflected wrong priorities.

I recall a story which was told by Bill Irvine, a pioneer member of the CCF. I think he was first elected as a member of the Labour Party back in the 1920s. When he and some of his fellow members from western Canada came to Ottawa, they were looking to address some of the urgent issues facing western Canada at that time. The first issue with which they became involved related to Cape Breton coal miners. It was a real eye-opener. He represented western interests. He was very concerned about the needs of western Canada. However, when he came here he had to be concerned about the crying needs of Cape Breton coal miners. It gave him a new vision of what Canada was all about.

I think Hon. Members of the House recognize that, whether we come from a farm in western Canada, a fishing community in British Columbia, or an auto manufacturing town in Ontario. I think we are all concerned with the over-all economy of the country. The fact that we do not come from one particular occupation should not prevent us from being

able to speak when a crisis threatens a particular sector of the economy.

The emergency today has been very clearly outlined by our Party. It has three basic components. Of course the first is that initial grain prices announced by the Canadian Wheat Board are down 18 per cent on average from what they were last year, and they were already down 20 per cent from what they were the year before. This results in the lowest initial prices in 15 years and creates a real problem for farmers as they plan their crops for the coming season.

• (1030)

The second part of the crisis is the fact that on Monday of this week, the Government announced that it was lifting the moratorium on the Farm Credit Corporation loans. If the first of those can be said to be due to international markets, and we certainly recognize that international markets are important and that the price of grain is determined on international markets, the second of those is the direct responsibility of the Government. The Government chose the worst possible time, both financially and psychologically, to take that kind of action. It completely undercuts the confidence not only of farmers in their own abilities but it also undercuts the confidence of the financial community in the farmers to whom they will be extending credit. They see that the Government itself is not standing behind farmers.

When the Hon. Member for Bow River (Mr. Taylor) spoke, he said that the problem relates back to the high interest rates that were a result of the previous Government. I remember when the Bank Bill was introduced by the previous Government. At that time, the New Democratic Party introduced amendments that we hoped would help to bring this matter under control. The Conservative Party supported the Government rather than the progressive amendments that would have done something about high interest rates. It is a little late for the Hon. Member for Bow River to complain about high interest rates.

The Hon. Member said that they might have to bring back the Bank Act and take a look at it. It comes up for review every 10 years. We hope that this time, Conservative Members might take a little more progressive approach to the Bank Act than they have so far. Every relationship I have seen between the Conservative Party and the Canadian banks does not give me very much hope and I do not think it gives the farmers of Canada very much hope either. I doubt the Hon. Member himself has much hope since, knowing his background, I believe that he does not have any great love for the banks.

The final part of this crisis is the refusal of the Government to guarantee that prices paid to farmers this year will be no less than what they were last year. If there was such a guarantee, the farming community would at least know that there would be a floor beneath which it would not have to sink. The Hon. Member for Bow River said that the Government will come through at the proper time and in the proper way. This is the proper time. Farmers are facing the crisis now. They have to make decisions about their crops now. They face this huge question mark now.

We heard the Prime Minister (Mr. Mulroney) speak for 35 minutes. It had been hoped that intervening as he did in such an emergency debate, he would have had something to say. It was hoped that he would have announced the reconsideration of the decision to lift the moratorium on FCC loans or that he had decided to institute deficiency payments. That would have given a real sense of hope and confidence to the farmers. Instead, we listened to 35 minutes of diatribe against the Opposition and then a long list of some of the things the Government has already done. We heard the suggestion that this was an international problem that had to be solved on the international stage. We agree that international efforts are required to solve this problem but it also requires some immediate short-term action that will help farmers right now.

The Minister of Indian Affairs and Northern Development (Mr. McKnight) said that the lifting of the moratorium was an expression of confidence in the farmers and accused us of not having any confidence in them because we wanted to see that moratorium kept in place. What nonsense. It is as though a swimmer had decided to swim across a lake, a storm comes up and the driver of the boat that had been guiding the swimmer suddenly says that he is confident that the swimmer could make it to the other side of the lake and then takes off and leaves the swimmer by himself. That kind of confidence is not really very helpful. We need the kind of confidence that stays with the farmer, the kind of confidence that tells the farmer that we believe he can make it and we will stay with him every step of the way until he does make it. That is the kind of confidence the Government should be showing in farmers rather than the kind that abandons them. I say to the Hon. Member for Bow River that now is the proper time for the Government to be taking some action.

The House of Commons often suffers from a degree of unreality. I suppose that is perhaps inevitable in this kind of a deliberative chamber but in order to help us keep in contact with the reality that is facing Canadians from coast to coast, we are given good travel budgets, phone privileges, mailing privileges and constituency office budgets. That should help us keep in touch with what our constituents are thinking.

I know my colleagues from Saskatchewan and Manitoba have been bringing the needs of the western economy and prairie farmers before the House because of the representations they have heard from their constituents. I presume that at least some Conservative Members have been availing themselves of the resources available to them to hear what their constituents have to say about the real problems they face. I presume they even try to raise some of these issues in caucus. Why has the Government not acted? Why has the Government chosen this particular time to lift the moratorium on Farm Credit Corporation loans? Why has the Government refused to give the kind of guarantee to farmers that would enable them to go ahead and plant with hope and the confidence that they will be around next year at this time?

As I was preparing for this debate, it occurred to me that it has been exactly 49 years since my own family left a farm in Saskatchewan. My father had spent 22 years of his young manhood on that farm and my mother had spent nine years there. They literally had to walk away because of a combination of poor crops caused by rust, dust, grasshoppers and Russian thistles, low prices and a Government that either did not care or could not help. They literally walked away with nothing but a few possessions. Today's details are different but the basic issue is the same. The family farm is threatened and the whole economy of the prairie provinces is under threat.

Just three or four years ago, one of my brothers-in-law who was a farmer in southern Alberta faced this same situation. Because of over-expansion, high interest rates and low commodity prices, he found that he had to sell a family farm and go into another business. Of course, he was not unique nor was my father. I represent a riding in British Columbia in which there are hundreds of retired prairie farmers. Some of them retired after good years, some, like my father, got out because they were literally forced out by poor crops and worse prices.

We face a very serious situation. The Government is refusing to take action to address it. The Government is relying on the fact that it did some things in accordance with its election promises but it is not meeting this current crisis. That is what we must emphasize over and over again. In this respect, the Government is following the same line it is taking with other primary producers.

• (1040)

We have seen the bungling on the softwood lumber issue. The Government was completely incapable of standing up for the interests of Canadian lumber producers. As a result we now have a 15 per cent tax on softwood lumber products. That can perhaps be managed by some producers when markets are buoyant, but it will decimate the interest once there is a bit of slack in the market.

In the same way we have seen the Government's refusal to really come to grips with the needs of the fishing industry. We have a decline in our small craft harbours program. Officials have come before the committee and testified that in order to meet the needs of small craft harbours they need literally millions of dollars. Some $127 million a year is needed and they are getting less than $50 million. we are going to have to shut down small craft harbours across Canada because the Government is not taking seriously the need to maintain an infrastructure for one of Canada's primary resources.

We have seen the back down by the Government in its dealings with France over St. Pierre and Miquelon, refusing to stand up for the needs of Canadian fishermen. We have seen the destruction of habitat while the Government brings in what it calls a no net loss habitat policy which allows fishery habitat to be traded off to other industries. The result is the destruction of valuable fish habitat. We have seen the postponement of promises to create a salmonoid enhancement program.

We see one area after another where the Government is abandoning the primary resources of our country. The latest issue of course is the sell-out of Dome. We are no longer going to maintain any kind of Canadian ownership or control of that very important company. We have to ask why. What are the Government's priorities? Of the 137,000 jobs created last year all but 5,000 were in the Province of Ontario. We certainly have nothing against Ontario. That province needed 132,000 jobs. More power to them. Yet we need jobs in British Columbia. They need jobs in western and Atlantic Canada and in Quebec. Why do we not have policies that would help the economy right across the country?

Getting back to the issue at hand, we need a commitment by this Government to keep the family farm as a workable, economic unit. The land will not go away. Even if some of the people currently farming that land go bankrupt and are forced off the land, even if commodity prices are depressed, at some future time the land will be important and someone somewhere will be interested in farming it. However, unless the Government takes action now the people who are going to be farming it will not be the family farmer. It will not be the people who have invested their lives, the welfare of their families, their savings, their energy, their hopes and their initiatives into building up a farm. They have seen all that destroyed by a combination of international commodity prices and a non-caring Government. It will not be those people on the land.

What we are asking as a Party is that the Government should take action. It should recognize the situation of Canadian farmers, see it as an emergency. Now is the time when the Government should be taking action, not six months from now. Give farmers a chance now so they can plan their crops properly.

It is interesting that some of my colleagues have already pointed to the element of stress in the life of Canadian farmers. They pointed out that the picture of an idyllic life on the farm is completely false. Growing food, they conclude, is one of Canada's most stressful occupations. The stress is chronic and dangerous. The *Western Report* of January 12, 1987, says that the study revealed that stress symptoms such as headaches, marital problems and irritability were three or four times more prevalent in the average farmer than in an RCMP officer three days after being involved in a shooting.

What is more, the stress on the policeman is transitory, a one-time event, but for farmers the stress just goes on and on. We are talking about stress on our primary producers, the people we require to produce food not only for Canada but for other parts of the world. These are the people we look to to earn primary income for Canada. We are abandoning them in a time of difficulty. They are always under some stress. Now they are under particular stress and we are abandoning them.

For our part we call at the very least for an immediate government commitment to provide grain farmers with a guarantee that total grain receipts for crop being planted now, the 1987-88 crop year, equal those of the 1986-87 year. The Government should not lift the FCC moratorium until it

announces a deficiency program for the upcoming crop year and addresses the broad question of Canadian farm debt, which is about $25 billion across Canada.

I urge the Government to recognize the seriousness of the situation we face now. It is not a question of rhetoric. It is an emergency out there on the farm. It is not good enough to simply reiterate what has already been done. Let us have some action now.

Mr. Murray Dorin (Edmonton West): Mr. Speaker, I am pleased you were able to recognize me today because I think this debate, more than any of the debates we have had recently, clearly demonstrates what our Government has done, is doing, and intends to do in comparison to what some speakers on the other side have had to say.

I would like to first address a couple of the issues raised earlier in the debate by the Leader of the NDP (Mr. Broadbent) and the Right Hon. Leader of the Opposition (Mr. Turner). The Leader of the NDP complained about the Government bailing out the banks. He said that Government had $1 billion for the banks but nothing for the farmers. I would like him to know that we did not bail out any banks at all. Those banks are gone. They are dead. They are in receivership. The people we reimbursed were the people in western Canada who had money in those banks and organizations such as municipalities, school boards, credit unions, the City of Grande Prairie, hospital boards, co-ops and farm businesses. These were the kind of people who needed support.

We recognized that the economy was in a sensitive situation. The western economy could not stand the blow of losing $1 billion. We came to the aid of the west when it was needed because those organizations and groups depend for their revenue on people who pay property taxes, farmers and others. That is their only source of revenue. We recognized that so we supported them and the farmers. The Leader of the New Democratic Party should recognize and understand that. The fact that he does not clearly demonstrates that he does not understand the west or farmers, and probably never will.

• (1050)

I will say a little more about the Leader of the Opposition. If there was ever a speech from Bay Street, we heard it this morning. He told us something about nominal interest rates and real interest rates, trying to suggest that the interest rates of today are somehow higher than the interest rates of 20 per cent, 25 per cent, and 30 per cent which we had three and four years ago when the Liberals were in office. He made some kind of argument on inflation, nominal interest rates and real interest rates.

The fact is that while you can listen to some ivory tower economist or Bay Street lawyer, to the farmer "interest rates" means what he pays out in cash. To the farmer cash is cash and money is money. If your payments are half today what they were five years ago that is all that matters. Frankly, it does not matter one bit to the farmer whether some Bay Street lawyer or ivory tower economist from the New Democratic Party tries to tell us that interest rates of 10 per cent or 12 per cent are really higher than interest rates of 23 per cent because the farmer knows better.

This debate demonstrates the kinds of people there are in the two Parties. Part of the problem with the Liberal Party is that they do not have any members who understand farmers and the west. They never have. The problem with the Liberal Party is that they cannot assemble enough members of their caucus who know something about agriculture to have a game of checkers.

A Member has just handed me some figures on interest rates and I will read them into the record before I go on. The prime rate today is 9.25 per cent, the FCC rate is 10 per cent, and the Farm Improvements Loan Act rate is 10.25 per cent. In 1981, when the former Government was in office the prime rate was 22.75 per cent, we had a 20-year FCC rate of 16.75 and the Farm Improvements Loan Act rate was 23.75. That is more than double what they are now. Where were Hazen Argue and the Leader of the Opposition then? Well, we know where the Leader of the Opposition was. He was on Bay Street. He was the one collecting these interest rates.

I want to talk about farming and agriculture in the west. We have heard from many Members on our side today, from farmers and Members from agricultural ridings. I happen to represent a city riding, but I can remember my roots. I can tell you a little about my roots to illustrate that while some of us may represent people in cities today we know what it is like to live on the farm.

I spent my first 17 years growing up in a place called Bruce. Those of you who read *Quorum* may have noticed an article a couple of weeks ago about a visit paid there by Don Mazankowski, the Member of Parliament for that area, as well as John Wise. They addressed a group of 300 farmers in a little community of only 75 people. The commitment of the Government is illustrated when the Minister of Agriculture (Mr. Wise) is prepared to meet with people in such a small community and tell them about the Government.

During the 17 years that I spent there my father was a machine dealer, a hog buyer and a cattle buyer. We did a little farming as well. I shovelled my share of fertilizer and grain and some of that other stuff, too, at least enough of it to give me some experience in how to handle some of the things which the Opposition throws at us from time to time.

For your benefit, Mr. Speaker, I would indicate that I got to know the present Deputy Prime Minister (Mr. Mazankowski), the Member of Parliament who represents the area where I grew up, a long time ago. I met his wife even earlier than that. She was the nurse in the delivery room when I was born.

I was in Prince Albert just about three years ago in early July when the Conservative Party, then the Opposition, unveiled its program for western agriculture and western farmers. There were 53 or 54 items in that program. I was in Camrose last week in the riding of a prominent western

Member, the chairman of the Alberta caucus, Arnold Malone. There were many farmers there. I was reviewing that program and saw that 44 of those 53 points have been addressed in the time since we have been in office. The other nine are currently at some stage of development.

The Government has always been aware of the needs of farmers and agriculture. We have a long history of involvement. The importance of maintaining a strong and dynamic agri-food industry has always been well understood by my Party. Indeed many, perhaps the majority, of agricultural institutions which all farmers and all Members of this House will be familiar with were brought forward by Conservative Governments, including that of Mr. Diefenbaker. The Canadian Wheat Board, the Farm Credit Corporation, crop insurance, the Agricultural Stabilization Act, ARDA, and the PFRA are primary examples of our concern for Canadian agriculture.

I want to make it clear, however, that these institutions and organizations and legislation are only support mechanisms. They were never intended to interfere with farmers' personal freedom and responsibility for their own success.

Any farmer is aware of the harsh realities of agricultural life. He knows that farmers have to be careful, have to be frugal, and have to work hard and live within their means because of the narrow margins, the traditionally poor returns on capital, and the terrible risks which farmers face both through natural hazards and market risks. The market-place is no less threatening to farmers than flood or drought or frost.

Each farmer must take primary responsibility for coping as best as he can with these hazards. Farmers understand that there is no escape from these harsh realities and no excuse for bad management. In short, they must carry their own weight, take their own risks, and live with the consequences. Every independent businessman must maintain that sort of attitude toward his or her enterprise.

However, the federal Government recognizes that there are some aspects of agricultural life which are unique; the vulnerability to the weather and to international political and economic forces for example, plus the historically low rate of return on capital, all of which require governments to adopt special programs for farmers. This is not done to guarantee every farmer a living, but to ensure a general environment in which Canadian farmers may prosper and also to ensure that Canadian consumers have a continuing supply of high quality food at reasonable prices, something which is particularly important to Members such as myself who represent urban ridings. In addition, government support to the agriculture industry enhances that industry's contribution to the national economy, for example, its contribution to the balance of trade.

If hard work and farming skills could solve the problem it would be behind us by now. However, farmers know that they have no control over their problems and that is very frustrating for them. The cause, as has been stated here earlier by other speakers, is rooted outside Canada's borders. An international subsidy war between the Europeans and the United States has pushed world grain prices so far down that farmers today cannot even cover the cost of production.

This is an incredibly costly war. Literally billions and billions of dollars are being spent. Canada's treasury simply cannot compete dollar for dollar. However, we are not backing away from the problem one bit. We are approaching the situation on three fronts. First, we are working hard to maintain our current markets for grain and we are seeking new ones. With aggressive marketing we are stressing Canada's strengths: dependable delivery, reliable supply and, above all, high quality.

Under the leadership of the Minister responsible for the Canadian Wheat Board (Mr. Mayer), and even in the face of massive export subsidies, this approach has earned Canada a larger world market share for grain. It is expected to increase to 21.5 per cent for 1986-87.

Our second approach is to fight hard at the international level for fairness in world agricultural trade. Canada pushed successfully to put agriculture on the table in the new round of multilateral trade negotiations. Agriculture is our number one priority in the GATT negotiations, in contrast to the former Government that bargained away, neglected, and ignored agriculture in trade negotiations. If it had not done that and had placed agriculture in the priority position that we have, we would not now be facing these problems.

• (1100)

My colleague, the Minister of State for the Canadian Wheat Board (Mr. Mayer) has met twice with Ministers from the world's leading grain exporting nations. In fact, Canada organized and hosted the first meeting. Canada is also organizing a meeting for late May, which will bring together 14 of the world trade Ministers to deal with the agricultural trade issue. They will consider their collective position to be carried to the Venice Economic Summit of western nations by Prime Minister Mulroney. These initiatives will eventually restore fairness to world grain trade and a realism to world grain prices. But solutions will not come quickly.

That is the reason behind our third approach. We are providing substantial assistance to grain farmers. It is assistance of a size never matched in this country's history.

In the past two years, prairie farmers have received record payments from the Western Grain Stabilization Program and this year's payment will easily set a new record.

We took the initiative to amend the Act so that farmers would receive interim payments in the spring. Those farmers who participate in the program can expect a substantial interim payment to be announced before the end of the month.

In addition, the Special Canadian Grains Program, the billion-dollar package to which has been referred in this debate, was $1 billion in direct cash to grain and oil seed farmers who have been hurt by the international subsidy war.

Alberta farmers will get more than $265 million of that amount. So far, we have mailed cheques for $76 million to farmers in Alberta, and the final payment is going out in May.

The program is going well. There are some hitches and some concerns, but we are dealing with them. We will resolve them.

In the meantime, Charlie Mayer and John Wise are continuing to consult with farm organizations—

Some Hon. Members: Order.

The Acting Speaker (Mr. Paproski): Order, please. Would the Hon. Member resume his seat for one moment? He has done this throughout his whole speech, but I hope he will mention Ministers only by their portfolio. It is not necessary to name them. The Hon. Member for Edmonton West (Mr. Dorin).

Mr. Dorin: Mr. Speaker, I apologize for that oversight. As you know, I prepared quickly for this debate. I scribbled a few notes and was not as careful as I should have been.

Mr. Waddell: Say hello to your mother.

Mr. Dorin: I do not know if she is watching. She is probably working.

Mr. Robinson: She just joined the NDP.

Mr. Dorin: Not likely. You do not know my mother.

All of us agree that seeding decisions must continue to be based on the market-place, not on the expectation of what sort of formula may be used for future government support. To the extent possible, any program that we devise must be market-neutral.

Farm leaders were instrumental in putting together the formula for the billion-dollar program. We will continue to meet with them to discuss further options. The bottom line is that our grain industry must be maintained. We must emerge from the current problems in a strong international position.

Because Canada, especially western Canada, is in the grain business and we intend to stay in it, it is important to work on all of the three fronts I have mentioned. We are in the grain business to stay. We will hold on to our markets and build new ones.

The Government of Canada intends to stand firm behind our farmers. That is a commitment we have backed with action in the past. It is a commitment that we will back with action in the future. Farmers want results, not rhetoric. They have been getting results, not rhetoric.

This morning we heard some examples of what we have done. In the time I have remaining I want to mention one or two of those examples.

Members have talked about the Special Canadian Grains Program. The total of western economic support for farmers during 1986 was an average of $21,500 per commercial farmer, not including that special billion-dollar package. That is a significant amount that is unmatched. That amount indicates the support and commitment of the Government to western farmers, Canadian farmers and agriculture in general.

I could go on to list 40 or 50 other initiatives we have taken in the last two and one-half years, but I believe that you have signalled that other Members want to speak. I am pleased to have an opportunity to hear them because we want to know what the Opposition has to say. We know that when people compare what we have done to the initiatives and programs the Liberals have brought forward in the past couple of weeks, they will realize who is on their side, and who supports and understands them.

Mr. George Henderson (Egmont): Mr. Speaker, I want to take part in this debate because it deals with the most serious farm crisis that western farmers have probably witnessed since the Depression.

I heard a number of Members opposite say that many of us in the Opposition should probably not speak on farm policy. They suggest that since 20 of their back-benchers and Cabinet Ministers are farmers, they are the most knowledgeable about agriculture.

Mr. Dorin: Mr. Speaker, I rise on a point of order. I never suggested that members of the Opposition should not speak. In fact, I encourage them to do so because the more they speak the better we look.

Mr. Henderson: Mr. Speaker, I was not in the House to hear all of the Hon. Member's speech. I was not referring to him, but to other Members whom I heard during the night and this morning. The message came across quite clear, as it does daily in the House, that they believe we on this side of the House should not become emotional about our agricultural sector because we do not understand it. I suggest that members of the Opposition should check our backgrounds more carefully.

The Hon. Member for Sarnia—Lambton (Mr. James) said today that he was brought up on a farm, was involved in the agricultural industry and knew a great deal about that industry in Canada. I do not doubt that the Member was very sincere in what he was saying.

However, I want to tell him that I have a similar background. I was born in 1935 in the Province of Prince Edward Island. I grew up on a family farm and probably milked as many cows—by hand—as any Member of Parliament here today. I know a little about the black flies in the summer and cows swishing their tails when we tried to milk them. Of course, those were the days before milking machines; farmers have progressed a great deal since then. In 1935, the year I was born, my father's total income for the year was $366. When he passed away a few years ago, we still had the old receipts, bills and mortgages which were paid by my father, who was trying to hold on to a family farm on a total of $366 a year and raise a family of three as well. He also looked after my grandmother. At that time there were no senior citizens,

homes and the grandparents lived with the son and his children. So I know a little bit about hardship and a little bit about agriculture. Indeed, I dabbled in cattle, operating a small beef herd for many years up until the time I was elected to this House in 1980. My son is still operating the family farm which goes back to my grandfather, some 140 years ago. So before we start commenting on whether or not someone is qualified to speak, we should check their background.

• (1110)

I must say that I am very pleased to see lawyers, veterinarians, doctors and former school teachers take part in this debate because I think they also have a deep interest in our agricultural sector. I want to also point out that the debate which has been going on since eight o'clock last night is not just a debate about western farmers. Yes, that is where the crisis is today but I remind all Hon. Members—and they have heard me on the subject many times since I became a Member of Parliament—about the plight of our potato farmers in the Province of Prince Edward Island. For the last three years, up until this year, we have had a crisis situation in our potato industry. This year the price is a little better. Farmers are certainly able to meet their costs and to pay off a few of their debts.

I just came back from my riding where I talked to a number of farmers. One individual in particular told me that he is going to show a bit of a profit this year and will be able to pay off a few of his bills but his problem is that he is getting himself into a situation where the banks may foreclose on him. They could not do it last year because he was so far in debt. They knew there was nowhere else to go. The problem is, in some cases, when one has a heavy debt load and gets near a point where one's assets cover one's debts, that is when the banks get a little shaky and can foreclose very quickly. We have seen a lot of that in my province over the last four or five years.

This is what is happening in western Canada today, and it is happening not only in western Canada. The lifting of the moratorium on foreclosures by this Government is going to have a tremendous affect on eastern Canada, Ontario and the west, as we mentioned before, because of the decline of world market price for grain. It is down 18 per cent this year and was down 20 per cent last year. that is 38 per cent below what it was in 1985.

There is no question about what is taking place. One does not have to be a Philadelphia lawyer to figure that one out. Whether one is a farmer, a lawyer, an economist or a dentist, it does not make much difference. It is very simple arithmetic and certainly everyone in Canada can understand it. I hope that everyone in Canada does understand the serious situation in western Canada. More than that, I hope the Prime Minister and his Cabinet, his inner circle, will understand. We know there was $1 billion put in place last year to help the grain farmers, particularly those in western Canada. That was appreciated. I think I would be less than honest if I said anything different. It was a help. However, government Members say to us: "Look what we have done for farmers". That $1 billion was set aside for the farmers, we agree, but why was the $1 billion put in? It was because there was such a serious crisis. If the money had not been put in most of the farmers would have been gone. Any government with any compassion would have done that, and should have done more.

What we are saying in this debate today is that the Government must move and move quickly not only to put in another $1 billion but to ensure that farmers in western Canada and right across the country are able to put in their crops this year and be guaranteed a price no less than last year. That is not much to ask.

I have heard people asking why we are always standing up and fighting in the House of Commons and elsewhere for the farmers. The farming industry is the real base of our economy. Any country in the world which loses its agriculture sector is kaput, as they say in Newfoundland. It is gone. We cannot be held hostage to other countries, if we lose our agricultural industry, because that is when Canadian consumers are going to pay through the nose.

We all know that farm prices are far too low and we do not have to tell the farmers how to produce. Canadian farmers are the most efficient farmers in the world—any statistics will tell you that, Mr. Speaker even with all the obstacles they have to face such as climatic conditions and so on. They are the most productive farmers in the world, but they have to be given some least a return on their investment. If we do not do something immediately and disallow foreclosures on farm properties in Canada, I can tell you, Mr. Speaker, we will be in the most serious crisis this country has ever faced. I say that because when a farmer has a large holding of land and goes bankrupt, the price of that property also declines. It affects all the other farmers. Their collateral is gone. That is a very serious situation. It will have a snowball affect. So we must maintain our integrity as a national Government and as Members of Parliament and see this issue very clearly.

I was looking at the May 4 edition of *Maclean's magazine* and came across an article entitled "Down and out on the Farm". This is not news to me, Mr. Speaker. I would just like to quote one paragraph:

> Western farmers can recite a litany of economic misery. In Saskatchewan, which relies most heavily on grain farming, total farm debt climbed from $3.4 billion in 1981 to $4.8 billion in 1985. During the same period net farm income dropped to $699 million from $1.1 billion.
>
> In response, the value of land in southeastern Saskatchewan has dropped as much as 40 per cent in the past three years.

• (1120)

That is exactly what I am trying to point out. We have seen it in my province when we used to pay $1,000 per acre for good potato land. Today and last year some of that land was going for less than $400 per acre. But the farmer had worked for 25 and 30 years on that land. He had put in hard work, blood and sweat. His wife and kids also worked on the farm. The family

farm is not a one-man operation. Farming involves a whole household. If we lose our family farms, if we allow them to disappear, it will be an extremely sad day for us all.

The Government has to come up with a program. It has to do so immediately. It is not good enough to say that when world prices go up in two or three years' time that we will still have enough farmers to produce grain at a good market price. I am as much for free marketing as anyone but there comes a time when we have to stand up to provide from the Treasury some money to help an industry. We had no problem in this Chamber and the Government had no problem when the banks in western Canada got were in trouble. We were there very quickly to help that situation out, to bail them out.

Mr. Blenkarn: Bail who out?

Mr. Henderson: Bail out the depositors. Some of these depositors had millions of dollars on deposit . There was no risk at all and they were receiving a high interest rate. The reason they had their money in those banks was because of the high interest rates they were receiving over and above ordinary bank interest rates. That is the same sort of principle as if I were to go to the horse-races tomorrow and bet on a long shot and lose my money. I could take my ticket back to the Government of Canada and say that I took a chance, I lost, now come up with the money. The Government had no problem coming up with solutions to those types of situations. But I can tell Hon. Members that when our primary producers are concerned, whether it be in agriculture or fisheries, we seem to be very slow in acting. That is disgraceful.

I come back again to the $1 billion payment. I recognize that some people say that this $1 billion was paid out on account of the election in Saskatchewan. I do not know. But whatever happened with respect to the $1 billion we are glad. We support that amount of money going to western farmers. What we are saying is that that was not enough. It is not the farmers' fault that the world price of wheat is down as low as it is. It is the fault of the European Economic Community and the fault of subsidization in the United States.

We have to look at these issues in a clear and concise manner. We have to make up our minds, as does the Government, with respect to whether or not we want an agricultural industry in five years' time or three years' time or two years' time or whether we want to see it disappear. I can tell Hon. Members that I have seen in my own province over the years some of the small family farms that disappeared and went into more corporate-type farming operations. It is a sad day when something like that happens, because when they get into trouble the whole community is in trouble. This happens when we get into specialized commodities. At one time we were very general in agriculture. Certainly, in Atlantic Canada in my province we had beef, pork, grain, potatoes and in the wintertime there was the woodlot. There was some diversification. But when we get into specialized farming in just one commodity and the price drops, as it has dropped for wheat, which is also what happened with potatoes, one is left with nothing. There was nothing to pay off some of one's debts to tide one over.

I know that my time has expired. I am pleased that I had this opportunity to speak out on behalf of farmers as one Member of Parliament among many who understand the agricultural industry and who worked hard at it over the years. I think every one of us in the House of Commons should take a sober second look at what is happening in western Canada today, especially in respect to our agricultural industry. We should once and for all make a commitment here, before this debate is through, that we will support agriculture and maintain the industry. We should commit ourselves to doing our best to create more and better markets. The problem in agriculture today is with respect to the consistency in the market-place. As I said before, there is no problem to produce. The problem is to sell. I fought the Bill which dealt with the demise of Canagrex. It may not have been a panacea for all the ills of the agricultural industry. No one here said it was, at least no one on this side of the House. But anything that helps in creating and developing new markets in agriculture is good. It is good for our agricultural community which is the basis of community life in Canada.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I normally would not be expected to speak on an issue concerning agriculture. Mississauga South is not an agricultural constituency. But I must advise the House that I have been directly and heavily involved in farming for the past 25 years. I am a partner in a very extensive dairy operation, as well as a partner with my son in a fish farm. I have some interests in embryo transfer and the transfer of cattle by air to other parts of the world. That type of activity has made me quite conversant with what is in fact happening in the reality of agriculture.

This debate got off on a very foolish footing. I am surprised it was even brought to the attention of the House. I wish to read into the record an article from the Alberta Wheat Pool magazine dated April 10, 1987. The heading is: "Farm Income Record in 1986". The article states:

> Alberta Agriculture estimates that 1986 total realized net farm income in Alberta was $788 million, the highest level on record, and a remarkable 45 per cent over the 1985 level.
>
> The record was achieved because of lower operating expenses, a healthier livestock sector and substantial government program payments.
>
> Payments under the Western Grain Stabilization Plan, crop insurance and other programs accounted for an estimated 17 per cent of total farm cash receipts in 1986.
>
> Payments in the form of farm fuel rebates, and feed grain adjustment payments and other expense reduction programs reduced total operating expenses by an estimated 12.6 per cent.
>
> Total farm cash receipts for 1986 was not significantly different from that in 1985. Lower grain prices were largely offset by higher government subsidies and higher livestock prices. Total crop receipts were down by 7.7 per cent from 1985 and total livestock receipts increased by 6.7 per cent.
>
> Total operating expenses for 1986 declined by 9.8 per cent. This is the lowest level of operating expenses since 1980.
>
> Net farm income in 1986, which includes the value of inventory change, is estimated to have surpassed all previous records. Record total crop production

in 1986, following two consecutive years of drought has increased the value of inventory change by an unprecedented $582 million from 1985. This, combined with record program payments, has pushed net farm income to an estimated $1.28 billion compared with $457 million in 1985.

Mr. Speaker, where is the emergency? The Leader of the Opposition, totally non-conversant with what has happened, has indicated that the interest rates for Farm Credit Corporation loans are at an all time high. Let's get the record straight. The interest rate on a five year fixed interest term mortgage is now at 10 per cent, compared to a previous rate of 10.75 per cent; loans under the Shared Risk Mortgage Program dropped 1.25 per cent, to 9.5 per cent; the rate for a 10 year fixed term is 10.75 per cent, a reduction of one quarter of 1 per cent; loans with fixed terms of 15 years or more remain unchanged, at 11 per cent.

• (1130)

Under the Corporations Commodity-Based Loan Program, the interest rate remains at 6 per cent for the fully indexed option, while the rate for the partially indexed option has been reduced to 8.375 per cent from 8.50 per cent. And I could go on and on.

Mr. Speaker, the fact is, this Government has made sure that the interest rates charged to farmers by the Farm Credit Corporation are lower than people pay on their homes, lower than business pays on its activities.

If one can borrow long term money at 10 per cent at a time when the prime rate is at 9.25 per cent, that amounts to decent financing—and that is what has been made possible by this Government.

Let's talk about this Government's spending on western agriculture. When we formed the Government in 1984, the federal Government was assisting agriculture in western Canada to the extent of about $1 billion. This year, it is estimated that federal government assistance to western agriculture will amount to more than $3 billion.

It has been said that we are abandoning the farmers. What utter drivel! It is little wonder that we stand in this place today responding to this fool motion, answering this fool's suggestion that there is an emergency.

Yes, there are problems. But, is there an emergency? I say, "no".

We have made sure that the farmers of western Canada have sufficient cash in their hands to plant their crops and to make sure that their bills are paid, they have sufficient cash to run their operations.

It has been said that we should guarantee future prices; that we should intervene in the market-place to guarantee crop prices next fall, next year, the year after and two years down the road.

The farmers today are on their tractors and are planting, and they will be doing so for another month. Assuming they get decent weather and that they are not bothered by hail, drought, flood or insects, they will have a crop; and hopefully farmers right across the world will have a crop. But that isn't always the case.

While the future market may look glum today, it is a market that can turn around in an instant. We have seen it turn around.

Mr. Speaker, you and I were Members of this House in 1972, when there was a limit on how much grain a farmer could sell. Farmers who had grain but no permit to sell sold it under the table for as little as 50 cents a bushel.

We have been here before. We have seen the prices change rapidly.

Sir, it is about time that we all recognized that the real problem in agriculture, and indeed the real problem in business generally, has been too much government interference. We have guaranteed too many things.

We now have a problem in world grain prices because other Governments have subsidized the production of grains. Because of the over-supply, the market balance has been upset.

You and I both know, Sir, that it is the market-place that determines reality. We can wish to our heart's content that the wheat price be set at $8 a bushel or $9 a bushel. We can wish to our heart's content that Ontario corn would sell for $150 a tonne. But in the end, it is the market-place that will determine the price.

We can sit back and pretend that the cost of production is approximately average right across the country. People talk easily about the cost of production. But what in fact is the cost of production? The cost of production can vary dramatically from farm to farm. There are many factors involved, including the individuals working the land, the make-up of the land, the kind of equipment used, the kind of weather experienced, and so on.

Those are the factors that determine the cost of production. One farmer can make money at $90 a tonne for corn, whereas his neighbour couldn't make money at $120 a tonne for corn. And why is that? One has to look at the cost of production. One has to look at what it costs to produce that crop on the two farms.

The attitude that the Government can come in and guarantee the cost of production is absolute nonsense. It is something that varies from farm to farm, from district to district, from farmer to farmer, from week to week, from year to year. It is absolute nonsense to say otherwise.

Farming is the type of activity where you buy retail and sell wholesale. When a farmer is sitting on his tractor planting a crop, he doesn't know whether or not he will have a harvest in the fall. He doesn't know whether a newly born calf is going to grow; and if it does grow and is bred, he doesn't know whether he is going to end up with a heifer or a bull, and how it is going to grade. There are simply too many variables involved. You put your best efforts forward and you take the risk. The world is full of risk.

Let's get down to the real problem that is affecting agriculture right across the country, that being the price of land and what has happened to the price of land in recent times, with the consequent result on net farm equity.

Through the 1970s, the price of agricultural land was bid up far beyond all reality. The Member for Egmont (Mr. Henderson) cited the case of potato lands in Prince Edward Island being bid up to $1,000 an acre. Good potato land near Alliston was bid up to over $3,500 an acre. One wonders why land gets bid up that high. Somewhere along the line, there was a financial system in place that was prepared to put more money into agricultural lands than it should have; and we had people gambling perhaps a bit more than they should have. But that is the way the world goes. People do bid up properties beyond their value. The reality is that the value of the land is only equal to the value of the crops that can be grown on it.

An Hon. Member: Right on!

Mr. Blenkarn: It is worth no more than that. The fact that the crop prices do not reach astronomical prices leads to the conclusion that land prices cannot stay astronomically high. That being so, who is going to be hurt?

Well, the land-owners themselves are going to be hurt, the banks are going to be hurt, the Farm Credit Corporation is going to be hurt. Lenders generally are going to be hurt.

That is what the market does on occasion. Somewhere along the line, you have to wash out some of these ridiculously high prices.

To suggest that we could somehow step in and guarantee some of these inflated values is utter and complete nonsense. It wouldn't do anybody any good. As I said, land is worth what one can grow on it and sell. If one has to plant and grow crops of lesser value, then the land is worth less money.

• (1140)

We have had a few things going for us. Interest rates have dropped, which has helped considerably in terms of financing. We cannot control world prices for commodities, and if the prices of land have to drop, then they will have to drop.

We have incorporated farm review boards and have tried to make it easy for people to settle their claims. A number of banks have taken substantially less than 100 cents on the dollar on their mortgages. They have rewritten their mortgages at less than face value and allowed existing good operators to continue to operate their farms and get them back in shape. They have recognized as lenders that they made a mistake.

The Farm Credit Corporation will have to recognize that it has made some mistakes and will have to take substantially less in some cases than the amount on its books.

Co-ops which advanced money that they should not have advanced to customers are going to have to take less than they have on their books. That is the nature of falling land prices.

However, there is sunshine at the end of the rainbow. The sunshine is that young people entering farming will be able to get in at a decent price level again. As well, people will be able to buy machinery at a decent price level again. The marketplace will work the whole issue through. If we sit back and say that we must maintain a moratorium on mortgages forever and ever, we delay facing the realities of the time. Realities of the time not faced today must be faced tomorrow. When we put a moratorium 19 months ago on FCC mortgages, people were facing foreclosures. Those people are still in difficulty, and to that extent it is time that they perhaps looked at and reorganized their affairs and lifestyle. If it means that some people who have borrowed more than they should must find another occupation or be something other than farmers, sometimes that is the way it has to be. There are other people with experience who want to become involved in farming.

I notice you signalling, Mr. Speaker, but let me indicate briefly that I have been involved in financing for a long time. In my years as a lawyer I only issued a writ of foreclosure on three occasions. However, I was involved in repossessions to settle mortgages on houses, farms, and businesses. The best thing we can do for someone is to say: "You are not going to make it. Let's settle it so you can start a new life, have new prosperity, and have the debt taken off your back". To say that to do some foreclosing or do some pressing on debts which cannot be handled is not to understand the reality of financing.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am honoured to participate in the debate and to speak in favour of the emergency motion brought forward by the Hon. Member for Prince Albert (Mr. Hovdebo). Both that Hon. Member and the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) are agricultural spokespersons and farmers themselves. They have been out there on the Prairies in western Canada with their ear to the ground.

They and most farmers in the country would be somewhat astonished at the chilling remarks just made by the Hon. Member for Mississauga South (Mr. Blenkarn) who really sort of summed it up by saying: "Let the market take its toll". The Hon. Member for Mississauga South did not deal with the cash flow issues facing farmers in western Canada. I intend to do that because farmers who are listening and watching in this debate know the agony among themselves as primary producers of what is really going on out there in the west. They trust that the emergency action taken by the New Democratic Party will in some way alert the Government to what they have been saying to us as we travelled throughout western Canada. Many Members, particularly from the government side, who have spoken in this debate talked about their roots in agriculture. The roots in my family go back over 300 years when my forefathers arrived in the Maritimes from Ireland as spud farmers. There are relatives of mine in almost every province and territory in Canada who are involved in agriculture in some way or another.

In my constituency in northwest British Columbia there is a deep and long-standing interest in what happens, not just in

agriculture, but certainly in terms of grain. We have one of the most modern, state of the art grain terminals in the world at Prince Rupert. With the upgrading of the CN line, people from Smithers to Prince Rupert are abundantly aware of the importance of the grain trade to our constituency and to farmers right across the Prairies. We see those grain cars coming through every day on their way down to Prince Rupert to service not only the Pacific Rim but other markets of the world.

Within my constituency as well there are hundreds of farmers. Most of them are involved in dairy and beef. There is some limited grain production, but principally in northwest British Columbia they are involved in various mixed operations.

I should like to spend a moment referring to the remarks of the Prime Minister (Mr. Mulroney) who spoke in the debate a couple of hours ago. He urged the media to make this issue a front page one from coast to coast in the newspapers and on the radio. Then we heard the remarks of the Hon. Member for Mississauga South who suggested that he was surprised the issue was even brought before the House. We also heard the Parliamentary Secretary to the Prime Minister (Mr. Gustafson), who is from the Prairies himself, saying yesterday as the debate began that there was no reason for it. Earlier this morning the Minister of Indian Affairs and Northern Development (Mr. McKnight) said that it would be lunacy for any further assistance to be provided to the farmers in the West.

Who is really speaking for the Government? Why does the Prime Minister say that this should be a major number one issue, not just in western Canada but right across the country, upon which the media should be focusing and talking about to farmers, banks, machinery producers, and everyone else? That is what the Prime Minister said, but the majority of other Conservatives who have spoken have said that we should let the market take its toll, let the farmers go down, take away the moratorium, and not provide any floor price in terms of grain for the coming year.

One has to wonder who is really speaking for the Government. Because of the announcement in terms of the lifting of the moratorium—and we saw a 20 per cent price reduction last year—we will see a further 18 per cent drop for the 1987-88 crop year. One thing we know is that the Cabinet in the present leaderless Government has overridden the Minister of Agriculture (Mr. Wise) and the Minister of State for Canadian Wheat Board (Mr. Mayer). It certainly did not sound like the view they hold as those who are in most direct contact with Canadian farmers.

The Prime Minister now plans to make a grand tour of western Canada for three days to find out what is really going on there. I am sure that as a result of the emergency debate brought forward by the Hon. Member for Prince Albert there will be farmers at every place he touches down, unless he just touches down briefly for quick Conservative meetings where people are rallied in and rallied out and there is no opportunity for western farmers to have their views heard. I am sure western farmers will try to tell the Prime Minister what they think about what his Party has been saying, that the emergency debate is unnecessary, unwarranted, and so on.

We in the New Democratic Party are calling for a number of things. At the very least, we are calling for an immediate government commitment to provide Canadian grain farmers with the guarantee that total grain receipts for crops being planted in the 1987-88 crop year will equal those of the 1986-87 crop year. That will cost between $1.5 billion and $2 billion.

We heard the Hon. Member for Mississauga South crowing about the lucrative area of agri-business in which he is involved. He said that he was surprised the issue was being raised and that we should let the market take its toll. There are farm families sitting out there in communities—men, women, children, grandparents, aunts, uncles, and other relatives—who are capable of calculating with the greatest of care.

• (1150)

We in this House have a responsibility to dispel the myth that is held in many of the urban areas of Canada, on Bay Street and among certain financial groups, that every farmer in Manitoba, Saskatchewan, Alberta and British Columbia has a huge farm, a huge bank account, a Winnebago, goes golfing for six months in Florida and keeps his feet up the rest of the year just planting a quick crop in the spring and harvesting it in the fall. That is hardly what actually goes on on the farm. Farmers take great care with everything, Mr. Speaker. At this crucial time they determine what to plant, how much to plant, whether or not to fertilize once or twice, what kind of farm improvements to make, whether to do some fencing somewhere, whether to move some of the grain sheds, what kinds of livestock to have, what kind of machinery could be bought, leased or borrowed.

All of these crucial questions are honed with a sharp pencil day after day in trying to figure out where a few pennies can be saved. The Hon. Member for Mississauga South for the Government says some producers can produce corn on a piece of land for $90 a tonne whereas someone on a farm nearby cannot make money unless he is getting $130 a tonne. We all know that, Mr. Speaker. We are talking about the broad issue of what is happening to the farming community in western Canada. We all know that. Members in this House were not all born yesterday. We have seen the Government increase taxes, increase service fees, increase freight rates, bring in Bills C-18 and C-19 which will see the dismemberment of all kinds of branch lines and add a whole new layering of costs to all kinds of prairie producers.

There are some things the Government has been doing that have been worth while. I am never one in this House not to point out the good things the Government has been doing as well as pointing out what it should be doing and should be addressing itself to.

This Government is working hard on the international front to bring peace to the world grain markets. We know what is

happening concerning the subsidization in the European Economic Community to its farmers, and then the rash move by the Republican Government in the United States to bring in the U.S. Farm Bill which provides, in some cases, to some buyers, one bushel free for every three they buy. In some cases it is even more lucrative than that. We know what the impact is on our Canadian farmers.

The sheer illogic of what government Members have been saying has to be pointed out in relation to that. They say, "Now we cannot continue the moratorium. It is creating a credit crisis and so on. Let the market take its toll". This is the same Government that 18 months ago brought it in. Let us take a look at the evidence given by the Farm Credit Corporation on March 27 before this House. With regard to farms with over $20,000 in sales, 8 per cent of those farmers are involved, so of the 171,000, there are 13,680 farmers involved, and 23 per cent of Canadian farmers have major cash flow problems, that is 39,330, for a total of over 53,000 farms in western Canada facing economic difficulties.

The same evidence comes from the Farm Credit Corporation. Six thousand of their borrowers are more than two years in arrears. Twenty per cent are in arrears at some level, 673 farmers were near the foreclosure level 18 months ago when this Conservative Government brought in the moratorium. The situation is worse and it comes up with a totally wrong-headed argument that now all of a sudden a moratorium should not be kept in place. The Government says it will be there forever and ever. What an interesting time it is to pull the plug on the moratorium right at the time when farmers are heading on to their farms to seed and consider what kinds of crops they will be putting into the ground!

We have the statistical information before us, but let us not just think of them as statistics as the government Members seem to want to talk about western farmers. They are men and women out there. My colleague, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), pointed out the stress level that is found in the agricultural community, not just in the grain sector but in the beef sector, the dairy sector and the fruit sector. Throughout the agricultural sector in this country we are finding stress levels that are being studied by physicians far above those that you find in supposedly high stress occupations. As my colleague pointed out, an RCMP officer three days after being involved in an incident involving a shooting has only the same levels of stress that the average Canadian farmer experiences every day. For the Government to put such chilling remarks onto the record saying that this debate should not be going on, it is not an emergency, let the market-place take its toll, is sheer hypocrisy. It is ludicrous and the Government's arguments in this debate so far have been totally illogical.

The Government should not lift the moratorium until it announces a deficiency program for the upcoming crop year and it addresses the broad question of farm debt, which is about $25 billion across Canada, much of which is still held at the high interest rates caused by the former Government, a point made by Members on the other side.

Government Members are always asking, "Where are you going to get the money if you need a couple of billion dollars to help the farmers now so you can put a floor back in the system and maintain some kind of reasonable and reliable financing for those farms?" Let us think back to the remarks of the Minister of Finance (Mr. Wilson) when the Little Egypt Bump came along for the Reichmann brothers in the Gulf deal. He said, "This is terrible". But once the loophole is closed it is closed, but after the cattle have left the barn. They get the billion dollars.

Let us look somewhere else, Mr. Speaker. Let us look at big corporations. There are over $30 billion in back taxes. Why don't we get the Minister of National Revenue (Mr. MacKay) to collect some of the money owing from big corporations, particularly those which are capable of paying readily and easily right now rather than using their capital to gobble up other smaller companies which are proliferating from one side of Canada to the other? Why not collect some of that back revenue?

An interesting point was made at a convention I attended recently in Vancouver, perhaps one on which a lot of Canadians have not reflected. One gas station attendant working in Red Deer pumping gas pays more tax than any one of the major oil companies in Canada. That is a travesty, Mr. Speaker. Any single farmer in Canada pays more taxes than any of the large banks or any of the large oil companies. One bank teller in Regina pays more tax than any of the banks, including the bank that he or she might be working in. There is money out there that can be brought in to address problems which this House must respond to when emergency situations arise.

We are in a world that was crisis-ridden in terms of the availability of protein in particular, but in terms of grain we have to think about what is going on and think about what the Government is saying. The Prime Minister says, "This is a long-term problem. We have to think about currency decisions made in Punta del Este. We have to think about all these international issues". Of course we do, Mr. Speaker. That is why we were elected here and that is why we have a Government. What the Government is failing to address logically in terms of cabinet decisions is what are the effects in Canada of not addressing the ability of the farmers to remain solvent, not addressing the need for farmers to have a floor price whereby they can have reliable information on cash flow so they will know how much fertilizer they can buy, what they can spend on fuel, what they can spend on clothing for their kids, what they can spend on fencing, what they can spend on everything else on their farm. Instead, they are left in a crisis situation.

Let us look at what the farm leaders are saying. Let us have a look at what Wayne Easter, President of the National Farmers Union had to say yesterday. The Prime Minister says that this should be the major issue in Canada, front page, everywhere, a major issue on radio and television. All of his

back-benchers says no, no, no. That is not the case. This is not a big issue. Let the market operate freely. But with what does the Government start this session after Easter? A Bill on hanging. The Government did not start this session dealing with the crisis in agriculture. It started with announcements saying that the moratorium has ended. It is not going to do anything about setting a floor price. As a matter of fact, the Government is going to let it drop another 18 per cent after a 20 per cent drop last year. Here is what the National Farmers Union had to say yesterday as reported in *The Globe and Mail*:

> I just can't understand why he would announce it now, said Wayne Easter, President of the National Farmers Union.
>
> "Normally farmers feel a sense of optimism at this time of year", he said. But this tears the heart out of thousands of farmers".
>
> Mr. Easter noted that the Canadian farm economy has deteriorated steadily since the moratorium was established in 1985.
>
> "I think it's ironic that they are making this announcement on the same day as Parliament opens its debate on capital punishment," Mr. Easter said.
>
> "To lose your farm is the same as capital punishment. When they lose their land, farmers feel that the life has gone out of them."
>
> "Garfield Stevenson, President of the Saskatchewan Wheat Pool, said the termination of the moratorium will cause a further decline in the market value of farmland.
>
> "It's completely irresponsible and just not acceptable," Mr. Stevenson said.
>
> "I thought the Minister had more on the ball than this".

• (1200)

Another spokesperson for farmers, Jack Penner, President of Manitoba-based Keystone Agricultural Producers, said that the termination of the Farm Credit Corporation moratorium will make it more difficult for farmers to get loans from banks and other lenders.

Let us think about what some of the Conservative Members have been saying. The Hon. Member for Bow River (Mr. Taylor) has said that one of the factors involved when farmers are getting credit is the moratorium that is in place. Where do government Members get this airy-fairy idea that everything is just fine in western Canada? Where do they get the idea that the Prime Minister (Mr. Mulroney) can come in here and blow hot air about Punta del Este and all of these other matters for 35 minutes without dealing with the reality of what is taking place on the farms? When there is that stress level, that cash flow problem and those family farms in trouble, the Government has to act. To say it will wait a year or two and then see what kind of consolidation of land base there will be is not good enough.

The Hon. Member for Mississauga South (Mr. Blenkarn) says that this is great because, as existing farmers are moved off the land, opportunities will open up for young farmers. What hypocrisy. Anyone who has read any of the history of Manitoba, Saskatchewan or British Columbia knows that the overwhelming majority of farms are intergenerational. When generations of farmers are driven off the land, we cannot expect someone to pop freshly on the scene to buy a couple of sections of land and suddenly get it going as a major grain concern.

Let me touch on a few of the things the Government has done that have been important, but have not fully addressed the issues before us today. The Government has provided assistance to the farm sector, but it is now saying it will do so no longer. It provided assistance during the Saskatchewan election because the Prime Minister was awakened from his sleep, next to his Gucci shoe parlour, at five o'clock in the morning by Grant Devine saying that he would lose the election, he needed some money. The Prime Minister acted quickly then and made a big announcement of $1 billion.

The crisis is exactly the same now. We are facing major losses of markets to the United States because of the crippling effects of the U.S. Farm Bill and what is happening in the European Economic Community. To simply say that we will let as many farms sink as required over the next couple of years and then come forward with help is hypocrisy. The action the Government took to bring in the moratorium absolutely requires it to maintain the moratorium. The Government that gave $1 billion last year under exactly the same circumstances should give the same kind of money and more to the farming community now.

The Government has consulted farm organizations but it clearly has not listened. It has not heard what farmers have been saying. Simply put, what the Government has done to date has helped a little, and it is doing a little on the international front, but the arguments that have been made in this debate over the last 16 hours demonstrate to me and to every farmer in Canada that it is time to throw the bums out. Conservatives are not representing the farm community. Farmers will wake up and realize it the next time an election is called, and I hope that will be very soon.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I congratulate my colleague and friend from British Columbia who is relieving his frustrations through this primal scream therapy.

Mr. Robinson: It's the farmers' frustrations we are worried about.

Mr. Oberle: All of us are frustrated. I cannot say that I derive any great pleasure or satisfaction from having to rise in the House today to speak on this critical issue. The debate has been going on all night. That points out just how critical we all believe this matter to be. For a moment, however, I thought I was in the wrong place. As I was walking through the Chamber, I saw no one in the benches of the Official Opposition. There is still no one there. Oh, I am sorry, someone is there now.

Of course, it has been a long debate. All of us addressed ourselves to the issues. It is not a simple matter. As you know, Mr. Speaker, I represent an area in British Columbia—

[*Translation*]

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, about the latest comments concerning the attendance of opposition Members, I would point out to the Chair that there are barely five Conservatives in the House—and there are more than 200 of them all told—whereas we have 10-odd opposition Members.

[*English*]

The Acting Speaker (Mr. Paproski): Order. That is not a point of order. However, as Hon. Members know, we have been debating this particular motion all night and we are continuing to do so. We have been debating it since eight o'clock last evening. Hon. Members are walking in and out of the House at this stage of the debate. I would not want anyone to reflect on who is here and who is not. There are Hon. Members behind the curtains and in the lobbies. I know they are all here ready and waiting to debate the matter.

Mr. Gauthier: Mr. Speaker, I appreciate those remarks. Throughout the night there has been on both sides some abuse of the rules regarding reflecting on the presence or absence of Members of Parliament. I know that quite a few members of my caucus are in the lobby and I understand that there are government Members in the government lobby. We appreciate that Members cannot sit here for 24 hours. We also appreciate that some Hon. Members have phone calls to make; we also understand your ruling and we will follow it very assiduously.

Mr. Oberle: Mr. Speaker, if it was perceived that it was my intention to cast any aspersions on members of the Opposition, that was not my intention. Indeed, I said that I myself was out of the House to attend to some urgent business in my office. I merely expressed my fear that I may have missed the debate. Obviously other Hon. Members feel the same pressures after a debate of this length.

I want to point out that I represent an area which is heavily dependent on agriculture for its economy; that is the Peace River country of British Columbia. That area has been a very productive wheat and forage-crops-producing sector, but it is an area that is perhaps suffering more than other prairie regions because it is the newest such area. Some of the area is still being developed. That it has not been settled for very long points to the fact that there is a heavier per capita debt load in the area. Of course, farm financing is the root of the crisis we are debating today.

In the 15 years that I have been here, I have experienced nothing that has caused me more anxiety and pain than this situation. I share with my constituents, my friends and my neighbours the suffering that has resulted from this serious problem.

I deal with people who have inherited farms which have been developed over three generations. Many of these farms were paid off at one point and were debt-free. Often, young farmers who had gone to school came home and encouraged their fathers to get into partnership with them, buy equipment and develop the farms in the modern way. These people then would go to the bank or the Farm Credit Corporation to borrow some money, but they would find after a few years that the roof had collapsed and the land had eroded beneath their new machinery. They would then have to walk away from what their grandfathers had pursued as their first dreams, from a business that had sustained families for a long period of time.

• (1210)

Sir, you cannot explain in words what goes through the minds of these people as they have to make these decisions. All of us deeply sympathize with them. The question is, what can you do about it? What can a Government by itself do about this? In order to answer these questions one has to look at the costs. One has to first understand that agriculture in Canada is an export industry. We are not just feeding our own population. If we were, we would have to decrease our farm output in a major way. We do not have a population base to sustain the farm structure we have in place. Therefore, we are left heavily dependent on foreign trade.

World markets have undergone a critical adjustment in this century. I looked at some statistics the other day and found that at the turn of the century in North America 46 per cent of the people were engaged in the production of food. Today it is less than 4 per cent. Farmers have become more efficient. Research and development has produced better, healthier and faster growing crops. We have improved our market share. We have built on the strength that we have in Canada through improved species to put our land into production and help feed a hungry world.

However, we have become too dependent on world markets and there is nothing we can do about it. We are now in a situation where we are very much dependent on price trends, transportation facilities, climatic conditions, and other similar factors. We are perhaps more dependent than any other country on the policies of other countries and groups of nations who have chosen to pool their agricultural policies to become more efficient and better satisfy their own needs.

What has brought on this present crisis is an agricultural trade war between the European Economic Community and the United States. In attempting to find a long-term solution, as I see it, we should look at what the EEC has done. Certainly it is the cause of the situation we are in right now. Agriculture is perhaps the biggest factor in keeping the EEC together and developing in the way it has in the post-war period. What the EEC leaders said many years ago, as the community came together, is that a farmer ought to be able to earn as much in return on his investment and labour as anyone in any other industry.

There are of course countries that joined the EEC who are as dependent on agriculture as are we in Canada. It would not have been fair if the average income of their citizens was something less than that of the highly industrialized countries like Germany and Austria. So the EEC said it would have to

develop a program that would assure the farm-oriented countries an income comparable to that of the industrialized countries.

They immediately discovered that if you passed along the cost of securing such an income for the farmer to the consumers of the EEC, which would be the obvious thing to do, food prices would have to triple. Those prices were already high in Europe. Consumers were already paying in excess of 40 per cent of their disposable income for food. Therefore it was quite obvious that that could not take place. They could not permit the farmer or the farm dependent countries to increase prices to the consumer. There had to be some kind of subsidy.

The conclusion they came to was very simple. Instead of raising food prices to the point where half the population could not afford to eat, they would have to subsidize the farmer to continue producing cheap food and pass the cost through to the rest of society. They then taxed other industries to support the farm economy.

So far so good. If that were the basis on which the Europeans had developed their farm policies, that would have been fine. However, they should have as well brought in some production limitations and supply management. They did not. Because of the farmer's new-found wealth, production went up to the point where they are now heavy competitors in world markets. They compete with Australia, the U.S., the Argentine and Canada in the production of cereal grains. Had they put some limits on their production it would have perhaps worked, but they did not and now they have a serious problem. The EEC finds it very difficult to sustain this kind of policy.

In addition, they have created an even greater problem for Canada, the U.S. and other countries. The U.S., with its 240 million consumers, could afford to take a very aggressive stance against these EEC policies and subsidize their farmers until they were once again competitive. However, there just is not enough money in our treasury for us to compete with those kinds of measures. We are being ground between the U.S. and Europe as a result. We are sitting between those two millstones and desperately looking for ways to bring some sense to the whole situation.

What are the solutions? First, you have to break them down into the long and short terms. We hear the NDP lamenting the fact that we should be spending another $2.5 billion subsidizing our farmers. We should announce deficiency payments for the next crop year so we create some stability. Yesterday they told us we should borrow $5 billion to buy Dome Petroleum to keep it in Canada.

As I hear these things I ask myself where is the money going to come from? What difference does it really make whether a foreign company owns part of our oil patch or a foreign banker owns the whole country? There is no money tree sitting outside this place. You have to borrow the money, you cannot create it. We are being pushed more and more abroad and offshore in our borrowing. So I ask the question, how can you responsibly mortgage the future of our children by going abroad to foreign bankers and borrowing the money to sustain these programs?

If the farmers need an indication of what they might expect from this Government let them examine the record of the last two years. What have we done? We have tripled the farm support systems that are in place. We are spending in this crop year over $3 billion, which is three times more than the previous Government spent in one year. Let us look at some of those programs. We moved very aggressively to keep the banks honest and to improve the services of the Farm Credit Corporation. We have made deficiency payments of $1 billion for last year's crop. That was not intended to do anything other than permit the farmer to put his crop in the ground this year. Then we will see what happens as we go along. We will see where we are in the fall. We will see if our efforts in the international arena, in GATT, our discussions with the industrial countries, discussions which we introduced, produce any results.

• (1220)

If farmers want an indication of what they might expect at the end of the next crop year they can examine our record. We shall not sit here and preside over the demise of the family farm, nor shall we preside over the demise of the farm economy, because it is part of our culture, part of Canada, part of our history. We shall ensure that it remains that and that farmers will get a fair shake.

However, it is not easy. There are no easy solutions. Perhaps we ought to look, in a global sense, at what the Europeans have done. Perhaps we ought to remind countries like Japan and some of the Asian industrial countries that they, too, have a responsibility to feed the world. They cannot rely on only the food-producing countries to do that and starve in the process. Perhaps we ought to develop a global scheme similar to that which the European Community has within its own borders. We are working toward that. We have introduced that debate in the national forum.

We have made a deficiency payment of $1 billion. There will be a payment made under the stabilization fund, which all comes from the federal Government. There is nothing left in the fund. There have been transportation subsidies, feed grain assistance, and crop insurance. There are freight rate subsidies and interest subsidies. We have also introduced a Farm Debt Review Board.

When the moratorium was put in place we said that it would stay in place until such time as there were checks and balances and another program in place. We have put another program in place and we are told it is working well. In 80 per cent of the cases which are examined a solution is found which is good for the bank, good for the farmer, and fair to the taxpayer.

We are not going to foreclose on 6,000 farms tomorrow morning. The Minister of Agriculture (Mr. Wise) has clearly stated what the policy of the Farm Credit Corporation will be. We have put in place programs which will permit the farmer,

when all is said and done, to make the transition to another way of life.

As you know, Mr. Speaker, before the Conservative Government came into power a farmer who lost his farm was not entitled to unemployment insurance or any of the benefits to which every other citizen is entitled. He walked away from the farm. He did not even have his house because that was part of the land on which the bank foreclosed. He walked into the city and stood in the soup line without a place to sleep. That has all changed. Adjustment programs have been put in place for the most extreme cases.

There must be more because the adjustments and prices which we are experiencing are not just temporary. The long-term outlook is not that good. We must develop long-term solutions and find different uses for our grain. In Dawson Creek we are building an ethanol plant, with the help of the federal Government. The province has been generous in helping us promote this concept. When it is in full operation it could potentially use all the grain produced on the B.C. side of the Peace River country. It will be converted to ethanol and, hopefully, be used in motor fuels. That is only one solution to which we could perhaps look in the future.

This is not a simple matter. It is a very serious crisis. All of us on all sides of the House recognize this crisis and we welcome the support of the Official Opposition and the NDP in helping to find a solution. There is no doubt in my mind, Sir, that in the short term we will have to find additional resources through the Western Grain Stabilization Fund, and others, to stave off the most serious of the impacts which we are experiencing. However, in the long term Canada has committed itself to taking the lead, to bringing together the producing countries and discussing this serious global crisis with the other industrial countries. We have introduced this debate in the international community and shall pursue it with great vigour.

As the NDP, in particular, points out, we must send out a signal indicating where our farmers will be at the end of the next crop year and what will happen to the crop they will harvest this fall. I cannot predict that at this point. If they need an indication they should review what the Prime Minister (Mr. Mulroney) said in many meetings with farmers before he travelled to Japan to discuss this matter with the seven industrialized countries. They should review the speech which the Prime Minister made early this morning in the House. They should judge us by our performance over the last two years.

They will find that we will be their friend rather than their competitor. We will ensure that Canada remains a strong producer of agricultural products, that we will continue to play a vital role in maintaining a vibrant farm industry, and that we will continue to preserve the family farm which is so much a part of our culture and history.

S. O. 29

[*Translation*]

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, I would like to thank you for allowing me to take part in this important debate which concerns a historic crisis affecting our farming industry, perhaps especially in Western Canada.

The attitude of the government Members in this important debate can be summarized quite simply. Most of them claimed to know all about agriculture. They tried to prove it in various ways. Some said that they had lived on a farm for many years. Others told us that they knew about agriculture because they were married to someone from the farming community. They have quoted all kinds of facts to explain that they know all about agricultural issues. They have also told us that they know all about farming because of their large constituency in western Canada. It is indeed a fact that there are many Conservative Members from western Canada.

This automatically tells us what the most important agricultural issue is in the eyes of the government Members.

First, they told us that they knew all about farming, and then they said that they would explain what they have done for farmers. They listed a whole series of initiatives which they judge useful enough and relevant enough to give farmers hope for the future and security. We have been told time and again that this Government is spending one billion dollars to alleviate the dramatic problems of agriculture, especially in western Canada. In spite of the seriousness of the situation, farmers have been told: Do not worry, we shall take care of the problems; the past is a guarantee of the future; we shall be there to help you.

However, Mr. Speaker, in view of the seriousness of the problem facing these people, it is obvious that we need more than vague commitments. We need clear statements, firm commitments and official guarantees. We are now going through a crucial period in terms of our strategy.

• (1230)

The producers need to know in advance what the future holds for them, and they need to know exactly what the commitments of the Government will be. However, the Government has systematically refused to announce its plans and to give any indication that would enable the producers to face a very uncertain future.

It is as if a worker who needs his car to earn his living were to be told: We have repaired your shock absorbers, repainted your car and fixed your rearview mirrors, but we cannot do anything for you if there was a major problem, with the motor, for instance. This is what the producers need, Mr. Speaker, a commitment that the Government will do something about the sources of the problems facing this essential industry.

Faced with that, I conclude that if one is optimistic, one may believe or feel that one might be entitled to another billion dollars, for instance. But it is my view that in any serious analysis, in any intelligent reflection, producers have every reason to be extremely concerned, and for a number of

reasons. I listened a few moments ago to the Hon. Member for Mississauga South (Mr. Blenkarn) when he said: Listen, the situation is serious, I agree, the problem is dramatic, I acknowledge that, but we must be realistic, the market will have to straighten that up, market forces will have to apply. So what need have I to be more explicit? What need have I to give further details—all this means that those who are having difficulties, those who have accumulated significant amounts of debt will be wiped out by market forces, and they will have—I am using his own terms—to change trades, they will have to redeploy, change direction.

There are thousands of farm producers who right now have enjoyed a breathing space because of the moratorium, who sincerely believed remedial action would be taken, they could relax, difficulties could be met, especially financial difficulties. We have that Member here, who has been in this House for a number of years, who supposedly is well placed to know the concerns and the needs, and this is what he has to say: market forces will have to decide; farming is no exception to rule, we must face up to the fact that the weak will go belly up, to the detriment of bigger ones. These are the facts, and that kind of statement in my view deeply concerned western farmers.

We have another farmer, a Quebec Member this time, the former Parliamentary Secretary to the Minister of Agriculture, the Hon. Member for Bellechasse (Mr. Blais) who stated a few months ago: Farm producers in the near future will have to stop being welfare bums. That statement made a lot of noise, because in fact agriculture is a strategic industry in our economy, and it is an industry that had, has and will have to be supported by the Government, for all kinds of reasons, the two major ones being that it is an industry where participants do not have the ability to make fully informed decisions, the required information including two factors, the first of which of course is wheather conditions, the necessity to abide by nature. This in itself is something of basic importance, because farm producers do not have the ability other businessmen have to take enlightened and intelligent decisions based on all the facts. Producers do not have the capacity nor the possibility to predict what Nature holds for them. This is the first aspect.

The second aspect, Mr. Speaker, is the issue of international markets. At present, international markets are all-powerful, deregulating or, to be more accurate, destabilizing prices so that a country such as Canada has to perform in a very difficult and painful environment. For that reason also, Mr. Speaker, producers cannot take enlightened decisions and plan ahead as businessmen do. They cannot go and see their banker and tell him: "Sir, I cannot meet my commitments. On the other hand, I anticipate a fine season and good revenues." This is precisely what a businessman can do. Thanks to some studies which can be made, he can convince the banker or the bank manager to wait, to make him understand what basically makes sense. The producer cannot do so, because as I mentioned it, he cannot control nature, not to mention international markets. Such being the facts, the banker and the financier is not an ally of the producer but his enemy, because with his conservative mind, the banker will expect the worst. And the worst, given what happened during the past few years, is quite dramatic. And as a result, several farms and facilities are now in very difficult situation.

Throughout that debate, we heard moving testimonies of farmers, of families of producers who are really desperate as there is a very strong possibility that they might lose in the very short term what it had taken them 25, 30, 40 years, and even in some cases, several generations to build.

In view of the attitude of this Government, Mr. Speaker, I think that farmers have every reason to be concerned, to shout aggressively and to demand concrete measures. An in my opinion, the Canadian Government must on the one hand take quick action as I believe it is essential to preserve that part of the market which we could only secure through several generations of work. On the other hand, I also think it is important to fight aggressively, on the international markets of course, while hoping that a relative harmony may be restored at some point. I believe there is a basic need to support producers for reasons which in my opinion are self-evident.

I would be willing to accept a statement like that of the Hon. Member for Mississauga South (Mr. Blenkarn) who said: "Market forces should be allowed to work, and those who cannot compete should get out of the business, consider selling their farm and learn another occupation or relocate themselves"; I would be willing to accept that kind of theory if we were talking on an industrial level, if we were dealing with small and medium businesses. However, let me remind you, Mr. Speaker, that it is an absolute shame to adopt and spread such a philosophy with respect to the agricultural community. We should understand that the agricultural industry is what enables us to feed our society, what provides us with the most basic commodities, those commodities which are essential to the welfare of society. Just on that account, and just to that end, I believe the Government should take an exceptional, distinctive and specific stand with respect to the agri-food sector. I think it is not decent or acceptable to view the agricultural industry as an ordinary economic activity on the same level as any other economic sector. In this respect, and for those reasons, the Government should have a reassuring, comforting attitude, an attitude which would enable producers, in particular western producers who are faced with a tremendous crisis, to look to the future with a maximum of safeguards. The producers who are now having problems should be able to go to their banker and say: Here are the statements of two senior Ministers of the Conservative Government who have made a firm commitment that, if the international problems are not resolved, they will make whatever decisions are necessary to help us. As I have already said, the Government should urgently announce its intentions so that the producers who are in the most difficult position will not make any hasty decisions in the belief that they cannot get what they need, and systematically abandon their farms.

• (1240)

Mr. Speaker, in view of the very vague and confusing commitments made by the Government, I am trying to put myself in the shoes of someone who is affected by the crisis and who wonders: Should I seed, and since the moratorium has now been lifted, should I take the trouble to go to banker and try to get an individual moratorium or to come to some sort of an agreement with him? Should I take all these steps? I have to ask myself these questions. First, it seems that one way to look at the problem is to say that the past is a guarantee of the future. This is a very common attitude which is admittedly acceptable from many aspects. However, if we apply this principle to the present problem, the western producer must still ask himself whether it is worth it to do these things.

Objectively, I believe that he should consider the statement of the Hon. Member for Mississauga who very clearly and honestly said that we have to get rid of the weak and that the market forces must be allowed to take their toll. There have been all sorts of statements to this effect, and we also have to look at the record of this Government after two and a half years.

As far as their achievements are concerned, government Members will naturally tell us, with the figures to support their claim, that they have made so many promises and kept so many of them. As you know, Mr. Speaker, most of these promises were about minor issues. However, if we examine the basic problems of agriculture in the light of Government achievements, we naturally have to look at Canagrex. What has happened to Canagrex? It has gone down the tubes. What was its main purpose? To use the phrase we have heard in all the speeches, the purpose of Canagrex was to develop and identify external markets, which is a basic problem for Canadian agriculture. What has happened to Canagrex? It has simply been done away with.

When Canadian producers analyze what has happened, they must also consider the position taken by this Government with our American neighbours on the infamous 15 per cent tax on lumber.

As my allotted time is coming to an end, Mr. Speaker, I shall try to quicken the pace as I make my last few points.

We have also seen this Government increase inspection costs in what can only be described as a cruel and savage manner. The Government decided, just like that, to ensure that producers will pay for inspection costs: some $30 million were taken away from our producers' ability to pay, to the detriment of course of the quality of our products which always has been our international hallmark. We had a corporation for marketing, and we had good quality. The corporation was dismantled, then inspection costs were increased by $35 million.

Everyone is also aware, since it is in the news, of this Government's disquieting approach to the important matter of free trade. Everybody is concerned, nobody knows for sure what is the right banner. This is a picture admittedly that is somewhat summary. But, on the other hand, we have this Government's sales attitude, a Government that helps the banks that do not have to put up with weather, that have control over shocks, that can plan in the light of financial statements, but that lose $1 billion because of very bad decisions. Very rapidly, on its own initiative, the Government decides to pay $1 billion to a few hundred people. Let me remind you, Mr. Speaker, that in the current circumstances that $1 billion would be most useful.

I will conclude, Mr. Speaker, by saying that in the absence of strong actions, in the absence of clear measures, in the absence of self-evident measures, farm producers and especially western producers—although their concern is shared by Quebec producers—are extremely worried, and I think that as politicians, we should also be most worried in the face of such inaction, such totally irresponsible attitude on the part of this Government.

Mr. Pierre Blais (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I welcome this opportunity to address the subject before the House today. I spent over two years acquiring a wealth of experience in the agricultural industry, and I had the privilege of being raised on a family farm that has been in the same family for over 300 years. I am therefore in a position to appreciate the constraints that have been placed on the agricultural sector over the years.

The Hon. Member for Richmond—Wolfe (Mr. Tardif), who quoted me earlier, and unfortunately I will have to respond from the television screen, referred to an engine breakdown in Canada's agriculture. My father used to tell me, and I came to realize this myself, that the principle driving force behind our agriculture is often the heart and soul of the farmer. And if anything has been lacking for 20 years in this Chamber and in our Governments, it was that very heart and soul. The previous Government which ran the country for twenty years and allowed interest rates to rise above 20 per cent certainly did not have much soul. They were quick to forget it ever happened.

When the Hon. Member for Richmond—Wolfe quoted me earlier on the subject of farm producers who do not want to go on welfare, I was, as so often, quoted out of context, and if the Hon. Member had taken the trouble to make enquiries and meet with farm producers . . . I have 1,300 in my own riding, and I'm certainly not ashamed of that. In fact, I am very proud of the farmers in my riding, Mr. Speaker. I met them, and I spoke and still speak for farm producers who want to make a decent living in Canada and be treated as first-class, not second-class citizens, and that has always been my message, in everything I have said and written. I think the Hon. Member for Richmond—Wolfe should check his sources. These are just a lot of rumours which he took at face value, without checking any further.

Mr. Speaker, never has any Government done as much for Canadian agriculture as this one, and that has been crystal-clear ever since we came to power. When we came to power, Mr. Speaker, the previous Liberal Government had practically broken off every dialogue with the industry, and we know that Canada has 750 agencies involved in the agricultural sector.

• (1250)

Under the previous Government, however, and we remember its arrogance, there was practically no discussion or consultation with the agricultural industry. In fact, that Government went on tolerating a system that literally gouged our farmers with interest rates as high as 20 per cent and even 22 per cent and 24 per cent. Our Government restored the country's economy. It was not just a matter of dealing with agriculture but of considering the economy in general in this country. Our Government restored the economy by dealing with fundamentals, with factors that have a major impact on the economy such as the inflation rate, which was brought back to manageable levels, and also and especially interest rates. How can they say we were insensitive, when today interest rates are down to around 10 per cent?

Mr. Speaker, when I was travelling through my great constituency of Bellechasse during the election campaign, interest rates were the main issue raised by farm producers. In that respect, Mr. Speaker, we have fulfilled our mission and we will continue to monitor the situation very closely. How many millions and billions of dollars can this represent? A drop from 20 per cent to 10 per cent in interest rates on billions in mortgages and various kinds of loans made to Canadian agricultural producers. We are talking about billions of dollars, Mr. Speaker, and it was through the measures we took that interest rates were brought down to levels which agricultural producers could live with. The previous Liberal Government had never been unduly concerned about such issues.

For over two years, Mr. Speaker, I had the privilege—I repeat, privilege—to act as Parliamentary Secretary to both Ministers, the Minister of Agriculture (Mr. Wise) and the Minister responsible for the Canadian Wheat Board (Mr. Mayer). The other privilege I had, Mr. Speaker, was to work for my peers and colleagues as chairman of our Party's agricultural caucus. As a matter of fact, our Party's agricultural caucus alone has more Members than the whole Opposition put together. Never before we took office had a Government spent so much time and energy looking after agricultural interests. The reason is simple: For the first time we had a truly national Government representing all regions of the country, whereas the previous Liberal Government spoke up for central Canada, Ontario and Quebec, completely ignoring the other regions of Canada. It was never in a position to listen to a group of people who, gathered around a table, did represent all regions of Canada. We set things straight. We restored the delicate balance, Mr. Speaker. We are aware of that. Not to mention our many meetings with the leaders of the agricultural community over the past two and a half years. To become familiar with these questions our Prime Minister (Mr. Mulroney) himself went out to see the leaders of the farm community both at their annual meetings and here on Parliament Hill. Both the Minister of Agriculture and the Minister responsible for the Canadian Wheat Board as well as our caucus held several meetings with Canadian agricultural leaders to find out just what their problems were and to gain first-hand knowledge of the agricultural situation in Canada.

There is no ready-made solution. Perhaps it was easier in those days when none of the Liberal Members could represent certain regions of the country. The Government could go about its business with its customary arrogance, totally disregarding these regions. But that is not what we did. We would much rather discuss and consult these people right across Canada with a view to finding solutions which did not come easily but which are already giving obvious results. Besides, the national strategy put forward during the meeting of First Ministers who had mandated the Agriculture Minister to develop an agricultural strategy has been fruitful and an unprecedented consensus has already been achieved about that national strategy. Not a word has been said about this today. They tend to forget it. The Hon. Member for Richmond—Wolfe (Mr. Tardif) would rather dream of statements that go back a few years without even checking his sources.

Perhaps we could, Mr. Speaker, if you would let me, although many of my colleagues have already quoted some figures that speak for themselves about the plight of farmers in Canada... Mr. Speaker, for the past couple of years, $6 billion have been injected in the farming industry through more than 400 separate initiatives in every agricultural sector. That is a lot of money, Mr. Speaker. That is a lot of money and it shows that we have come seriously to grips with the problems faced by the farming community. More than 400 separate initiatives have been taken in the agricultural sector. What is the Liberal record? Let us go back 20 years in the past. Nothing was done.

Mr. Speaker, for the past two and a half years, our Minister in charge of the Canadian Wheat Board has continuously met with wheat producers and their representatives both here and throughout the world, in spite of the inherent problems of that sector. If you set aside any partisanship in this regard, everybody is aware that international trade of agricultural products is a world-wide problem. We are dealing with surpluses. We are faced with countries like Europe and the United States that subsidize heavily the farming industry. Our Prime Minister and our responsible Ministers have already "rung the bell" about that issue and ensured that it is one of the major concerns during meetings between farmers' representatives and Ministers and leaders of the most industrialized countries.

Also we have made sure—and the Liberals never did it in the past—that for the first time, agriculture would be one of the main items on the agenda of economic discussions and especially during the new round of negotiation of the GATT agreements. That is what we have to do, Mr. Speaker. As a priority we must get all parties to sit around the same table. That is exactly what the Minister of State for the Canadian Wheat Board has done on several occasions. He is constantly

travelling the world to try and maintain our share of the markets and we have succeeded repeatedly with several countries, the USSR in particular not so long ago. We are currently negotiating with China and Brazil. Everywhere in the world we are holding on to our share of the market. That was our duty and we defended with the utmost energy our Canadian wheat producers. I have not mentioned yet the money we invested during the last two and a half years.

Let us now talk about farm financing. One of the points I raised during my campaign—another one was interest rates—was the whole question of loans. Farmers were not happy with the loan structure set up by the Farm Credit Corporation. To give you an example, in the whole Province of Quebec, in 1984, there were only 75 loans. It had become laughable. The Farm Credit Corporation was giving out less money than the smallest credit union in my riding of Bellechasse, where there are some 60 municipalities, Mr. Speaker. Consequently, we had to put some life back into the Corporation in order to meet the needs of the Canadian farming community. That is what we did, Mr. Speaker, and I think we did well.

What about the new 10-year loan program of the Farm Credit Corporation, with a financing of $700 million, where payments are based on commodity prices, with a floor rate of 6 per cent. They never mention this program. They never did anything themselves. As for us, over $100 million in loans have already been granted under this program. This has helped to meet a need. The Farm Credit Corporation has already granted six or seven times as many loans as before in Quebec alone. These are the figures. We are therefore meeting the needs of the farmers better than the previous Government had done before the 1984 election. The figures prove it.

What about another initiative, the Farm Debt Review Board? In spite of the concrete action taken by our Government during the last two years and in spite of our lowering the interest rate to about 10 per cent, we found that a number of farm producers had unfortunately not succeeded in recovering from the black period, before our coming to power, or should I say the red period, since they were substantially in the red at the time.

What we have done, Mr. Speaker, is to show some compassion in dealing with the problems of the farm producers who are the most affected by the crisis. This is why we set up the Farm Debt Review Board. Under this compassionate program, local people analyze the files of farm producers and try to find ways to keep them on the farm. We are not trying as you said earlier to get farmers out of farming. That is completely untrue. What we said, and the Opposition should not try to distort our words, was that some farmers cannot remain in business. It would be structurally impossible. We cannot set up individual loan structures for all 280,000 Canadian farmers. We have to set certain standards. However, we have to try to make these standards more flexible. This is what we have done and thousands of farmers have been able to remain on the farm thanks to the Farm Debt Review Board. In some cases, it may happen that some producers, in spite of that, are forced to get out of agriculture. We are all sorry, but there is no choice.

We also established a program to meet those requirements—

Mr. Tardif (Richmond—Wolfe): Unemployment insurance.

Mr. Blais: No! If you had taken the time to read the program we set up, the financial aid program to help make the transition, the relocation, the search for a job and the training of farm producers in other fields. Under your Government, there was no provision at all. Farm producers, being small entrepreneurs, were entitled to none of those programs. We opened the door for them, and the Minister of Employment and Immigration ensured that those programs were made more flexible to meet that need. This is what I call responding adequately to the representations of farm producers. Shared risk mortgage programs—already, a quarter of the FCC current loans are eligible to that program. The $500,000 capital gains program. Yes! They sometimes scoff when we refer to tax reform and ask that such a provision be abolished. But the provision had a direct impact on farm property transfer from father to son, and it enabled many young farmers to get started. It opened the door to young farmers, and this was an urgent request of the farming industry. We responded adequately, Mr. Speaker. There is still more to do. We are aware of it. We established a dairy policy that involves thousands of farm producers, $1,5 billion in that area. This is how we supported farming.

Consultation, Mr. Speaker, and I will conclude on this, consultation since we came to office ensured that this Government's Ministers of Agriculture, that is, the Minister of State for the Canadian Wheat Board and the Minister of Agriculture proper, met regularly with all their counterparts in Canada to find together solutions to the problems that confront us. I urge opposition Parties, both the Liberals and the New Democratic Party, to help us, to sit down with us to earnestly look for solutions to the problems that confront us and to try and forget their partisan attitudes and their narrow-mindedness in order to evaluate situations, and I would say the many benefits we extended to Canadian farm producers.

• (1300)

[*English*]

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I am pleased to rise to participate in this special debate. We have a crisis in rural Canada the likes of which we have not seen since the 1930s. Despite that crisis, we have a Government that has announced that, as of tomorrow, the moratorium on Farm Credit Corporation loan foreclosures is going to end.

Assuming the moratorium on Farm Credit Corporation loan foreclosures ends, the banks and other lenders will take that as a signal that they can be a lot tougher on farmers who are indebted to them—and that would be like putting a skunk into

the hen-house. The banks will be going after the farmers with avengeance.

Mr. Speaker, this Government thought things were so bad a year ago that it put in place a moratorium on Farm Credit Corporation loan foreclosures. Yet this year, with crop prices going down another 18 per cent, it proposes to lift the moratorium.

Some Hon. Members: Shame!

An Hon. Member: It doesn't make any sense.

Mr. Nystrom: Mr. Speaker, that is the kind of Tory logic we had in the 1930s with R. B. Bennett. That is the kind of logic that led to my grandfather saying that "Tory times are hard times".

In those days, the farmers of this country were forced to remove the motors from their cars and hitch their cars to horses, calling them "Bennett-buggies".

As a result of that kind of logic, this country rejected the Progressive Conservative Party for a couple of generations.

What we are seeing now, Mr. Speaker, is a re-enactment of the 1930s. Crop prices have reached the level they were at in the 1930s, while production costs are at the levels of the 1980s.

Mr. Speaker, as the Member of Parliament for Yorkton—Melville, I shall not sit idly by and watch the Progressive Conservative Government of this country destroy the family farm, destroy a way of life—a way of life that my forebears built in rural Saskatchewan and across this great country of Canada as they pioneered this land.

Some Hon. Members: Hear, hear!

Mr. Nystrom: Mr. Speaker, this Government has taken the decision to end the moratorium on Farm Credit Corporation loan foreclosures. At the same time, it has announced that, on top of a 19 per cent rollback in wheat prices last year, this year the Canadian Wheat Board will be paying 18 per cent less on the wheat crop.

Mr. Speaker, we haven't seen these kinds of prices in rural Canada since the 1930s.

For the last 20 years, the people of western Canada have been looking for some fundamental changes in the way this country is run. What they want is fairness from Ottawa; what they want is equality from Ottawa.

Over the course of the history of this country, western Canadians have voted for a number of different political Parties. In the west, we had the formation of the CCF and the Social Credit Parties. Many western Canadians turned to John Diefenbaker and the Progressive Conservative Party.

After 20 long lean Liberal years in western Canada, the Progressive Conservative Party was elected to office in 1984. People had some hope, some optimism that things would change; that there would be fairness, justice and equity for the people of western Canada.

And, Mr. Speaker, what do we get? We get worse times now than we have had since the 1930s, when another Conservative Prime Minister, R. B. Bennett, was the Prime Minister of Canada, and he shafted the western part of this country during the Great Depression.

An Hon. Member: Are you being honest?

Mr. McDermid: Let's talk about the 22 per cent interest rates that prevailed during the term of the last Liberal Government.

Mr. Nystrom: Mr. Speaker, there is great disappointment in western Canada. There is—

An Hon. Member: Nonsense.

Mr. Nystrom: My friend says, "nonsense". One needs only to look at the results of the Pembina by-election in Alberta, a riding that had a Progressive Conservative majority of 30,000 votes reduced to a pathetic 200 votes in the by-election.

An Hon. Member: It was good enough to win.

Mr. Nystrom: They can be as cynical as they wish, but the people of western Canada are speaking, and they are saying "no" to this Progressive Conservative Government.

In fact, the Minister of Labour for Saskatchewan, a good friend of mine and a Progressive Conservative MLA from Melville, said at the recent Progressive Conservative convention in Yorkton that the Prime Minister of Canada (Mr. Mulroney) should go to the west and get his shoes dirty. In that way, he might better understand the problems of western Canada.

An Hon. Member: He should get his Guccis dirty, you mean.

An Hon. Member: He is visiting western Canada next week.

Mr. Nystrom: I do not know what happens to Guccis when one wears them into a barnyard, but I wouldn't want to be around afterwards.

• (1310)

Here is a man, who can build a closet for some 84 pairs of Gucci shoes and whose wife can tear up a carpet three or four times, using public money and using money of people who contribute to the Conservative Party of Canada. That is the kind of man who is the Prime Minister of Canada, and that is why people in western Canada are saying no to the Conservative Party.

Let us look at the headline which appeared in this morning's edition of *The Globe and Mail*: "Getty to caution leaders on western separatism". Premier Getty, a Conservative in western Canada, has said time and time again in the last few months that we have a Government which is so insensitive to western problems that unfortunately some western Canadians are turning toward separatism.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Nystrom: They know that. I know that. The man who had the courage to get up in the House of Commons and say that is the Hon. Member for Edmonton—Strathcona (Mr. Kilgour). He had the courage to get up and say that we have elected a Government which is insensitive to the problems of western Canada and because of that he would wait until the end of June before deciding whether to stay in the Conservative Party.

I know that some long-time distinguished members of the Conservative Party like the Hon. Member for Bow River (Mr. Taylor) must be sitting in the back-benches gnashing their teeth and just cursing the insensitivity of the Government across the way.

Mr. McDermid: You should have heard his speech this morning.

Mr. Nystrom: It is not only Mr. Getty, the Premier of Alberta, who is disappointed with these birds. He said about three weeks ago that he might separate the Alberta Conservative Party from the federal Conservative Party because it is so insensitive. It is not only the Hon. Member for Edmonton—Strathcona. It is also the voters of Pembina, as well as the people of Alberta, Saskatchewan, and Manitoba who are saying that it is time for a change and time to get rid of the Conservative Party which is destroying the country and western Canadian farms.

Mr. Fennell: What absolute nonsense.

Mr. Nystrom: Tory times are tough times.

Some Hon. Members: Oh, oh!

Mr. Nystrom: If John Diefenbaker were alive today, John Diefenbaker would be extremely upset and disappointed about how the Conservative Party has strayed from its roots.

Mr. Fennell: He is turning over in his grave listening to you.

Mr. Nystrom: At one time the Conservative Party was a great nationalist Party. It stood up for a strong Canada.

Mr. Fennell: It still does.

Mr. Belsher: Mr. Speaker, I rise on a point of order. The Hon. Member is now talking about western Canada. I trust that he is not including British Columbia in his harangue at this point in time.

Mr. Deputy Speaker: The Hon. Member for Yorkton—Melville (Mr. Nystrom) has the floor.

Ms. Mitchell: What have they done in British Columbia?

Mr. Nystrom: Mr. Speaker, in British Columbia the Conservative Party is a dismal third, and the Conservatives know it.

Mr. St. Germain: Let's talk about British Columbia.

Mr. Nystrom: If he would get up and fight a little harder for the people of British Columbia, perhaps the Conservative Party would not be third.

Later on today we will have some speeches from the Hon. Member for Vancouver—Kingsway (Mr. Waddell), the Hon. Member for Vancouver East (Ms. Mitchell), and the Hon. Member for Burnaby (Mr. Robinson). They will tell us how the Conservative Party has sold out British Columbia along with its friend, Premier Vander Zalm.

I appeal to my friends in the Conservative Party to wake up. What is happening in prairie Canada is that a way of life is now being threatened like it was in the 1930s.

Some Hon. Members: Oh, oh!

Mr. Nystrom: They are cynical.

An Hon. Member: Sucker.

Mr. Nystrom: "Sucker", he says. Now they are cynical. They should have been with me last Friday in the little town of Danbury in my riding when I met with some farmers. We talked about the problems which they had. They are seeing their neighbours going bankrupt. They are seeing neighbours like Jim Feeley of Preeceville who had an auction sale last Monday. These farmers are seeing farmers selling out because they are not getting the kinds of prices for their commodities which they should be getting, and they are seeing farm input costs going up. They can be cynical if they want.

Mr. Gottselig: What happened last fall?

Mr. Nystrom: Come with me to the city of Yorkton some time. I also met last Friday with three people who run a crisis centre in the city of Yorkton, a place which did not have a crisis centre a few years ago. In that small community in the last year over 1,300 people called the crisis centre. Many of them were suffering from stress. Many of them were farmers with financial problems because of the Conservative Government.

Mr. McDermid: Because their Member of Parliament would not go home to meet with them.

Mr. Nystrom: This Member of Parliament will take on any Conservative in my riding in the next campaign. I invite the Prime Minister to come and run in Yorkton—Melville. We will talk about the problems of real people in that campaign if and when he dares to call it.

An Hon. Member: You should have done your job.

Mr. Nystrom: I hear a British Columbian talking down to us prairie folk once again. I know I am just a prairie boy and a farm boy. I picked up a copy of the Saskatoon *Star-Phoenix*—and I see the Hon. Member for Saskatoon East (Mr. Ravis) is here—which contained the following headline: "Food bank restricts help to those near Saskatoon". The Saskatoon food bank had so many people coming to it that it had to make a decision that it could only give food to people within the near radius of Saskatoon. This is Canada. This is 1987. This is Canada with its resources, yet we have food banks giving food to people because they cannot get money to buy food and we have a Conservative Government which wanted to change things for people in the west.

Mr. Ravis: What has that got to do with it?

Mr. Nystrom: The Hon. Member for Saskatoon is asking what a food bank has to do with assistance to farmers. It is incredible to hear a Conservative Member of Parliament from Saskatoon saying that. John Diefenbaker must be turning in his grave.

Mr. Ravis: What an actor.

Mr. Nystrom: What do food banks have to do with the assets of farmers? If the farmers in our province are better off, everyone is better off. If farmers are better off, there are jobs for people in towns and cities including Saskatoon, and we would not need food banks.

The newspaper indicated that the agency decided and voted at its last meeting to restrict its operations because of heavy demand from rural Saskatchewan, from rural people. That is what it has to do with farm prices, and the Hon. Member for Saskatoon East should know better than that.

Also the article indicated that the food bank was getting people walking in off the street and asking for food. According to the article the director of the Saskatoon food bank said: "It is damn scary. People are having trouble getting food on their table and clothes on their back". If Conservative Party Members think that that is funny and that it has nothing to do with the farm economy—

Mr. McDermid: Be nice, Lorne. Nobody is laughing.

Mr. Nystrom: The Member asked what it has to do with farm prices. It has everything to do with farm prices.

One reason is that we have a Conservative Government which has driven down prices to the lowest level we have had since the 1930s, and we will not stand for it.

Mr. McDermid: What absolute nonsense.

Mr. Nystrom: I hear the Hon. Member saying: "What absolute nonsense". What nonsense is it that people in Saskatchewan are suffering? What nonsense is it that people in my riding are selling out because we have a federal Government which is providing grain prices for No. 1 wheat at $2.99 per bushel, while the United States has a guarantee of $6.10 Canadian per bushel of wheat? What nonsense!

We have a Government which is not supporting farm prices like the Americans and the EEC, and we have Government Members saying: "What nonsense".

Our farmers want a guarantee from the Government of Canada that as a minimum the final income for farmers next year should not be any lower than their final income last year. That is exactly what farmers want.

Some Hon. Members: Hear, hear!

Mr. Nystrom: I will tell you what else our farmers want, Mr. Speaker.

Mr. Ravis: They do not want a socialist Government.

Mr. Nystrom: I see the Hon. Member for Saskatoon East giving me thumbs down, indicating that farmers do not want that. I will remember that as well as I campaign in his riding in 1989.

Mr. Gottselig: All the MLAs in your riding are Tories now.

Mr. Nystrom: The Hon. Member is saying that all the MLAs in my riding are Tories. They were Tories before. That is the biggest thing I had going for me. I have no bigger allies than the Tory MLAs in my riding, because people see them every day and are reminded about the fact that Tory times are tough times. That Party no longer stands for things that John Diefenbaker stood for. The best thing I have going for me is those five Tory MLAs. They will be the biggest asset I will ever have. Those same Tory MLAs are afraid to call the Saskatchewan Legislature into session.

Let us look again at this morning's edition of *The Globe and Mail*. It must be serious if it makes the eastern press. It indicated that Saskatchewan was warned about spending. The Lieutenant-Governor of Saskatchewan is warning that he will take action because the provincial Government seems to be continuing spending indefinitely without approval from the Legislature. We have a Government in Saskatchewan which is spending money without a budget and without calling the Legislature into session. That has never happened before.

They are afraid to face the people of Saskatchewan. They know that Tory times are tough times. We have a deficit now which is larger than we ever had in the Province of Saskatchewan, because of an irresponsible, insensitive Conservative Government. That is why I say the biggest asset that I have in my riding is five Conservative MLAs because when the next federal campaign comes I am sure even the Liberal Party and the Rhinoceros Party will move ahead of them and be my stiffest opposition.

• (1320)

I say to you, Mr. Speaker, that we want a guarantee that next year's price will not be a dollar lower than this year's price. We also want a guarantee that this Government will

come to its senses, and instead of ending the moratorium tomorrow on Farm Credit Corporation loans and throwing over 600 families to the sharks, what I want tomorrow is a guarantee that that moratorium on Farm Credit Corporation loans will continue. In addition, I want a guarantee to extend the moratorium to the private banks and financial institutions so that they will not be able to go out and take away a farmer's land. I see the Hon. Member for Moose Jaw (Mr. Gottselig) is smiling in agreement. I am sure he is embarrassed to be a Member of the Conservative Party because he is afraid to get up in this House and speak to the Hon. Member for Edmonton—Strathcona and talk about the insensitivity of Gucci boy, the Prime Minister and the problems of western Canada.

The Hon. Member for Saskatoon East was shouting from his seat a few moments ago. He said what about the NDP and the CCF. Back in the 1930s when the Bennett administration drove us to despair and into poverty all across western Canada, when we had Bennett buggies and starvation in western Canada, the Saskatchewan people elected a CCF Government. At that time the banks were foreclosing on thousands of Saskatchewan farmers.

What did the CCF do? The CCF brought in the Homestead Act and said that a bank could not foreclose on the homestead of a farmer and take away the farmhouse and the farm from an ordinary farmer and his family. That is what the CCF did with Tommy Douglas. Who opposed that? Members of the Conservative Party. If Tommy Douglas did that in 1944, if he could bring in a Homestead Act to protect the family farm, the family homestead and protect the home for the kids, the wife, and everything else, why can we not do it in 1987? I ask that question of my friends in the Conservative Party. They are remaining silent now because they know if we did that we would be talking to their friends, the big bankers in this country. Of course that is where they get their campaign funds and when the banker says jump, the Conservative Party asks how high?

An Hon. Member: Be honest.

Mr. Nystrom: Honesty again. Take a look at the reports of the Chief Electoral Officer of this country. Take a look at the reports of where the Conservative Party gets its money. The Party that gets the most money from the banks is the Conservative Party of Canada. If anybody wants to challenge that, please get up and challenge it now.

Mr. Rodriguez: Then they lend it.

Mr. Nystrom: That is why the Conservative Party will not stand up for the farmers. That is why it will not impose a moratorium on the banks taking over farmland and that is why we are having more and more farm suicides, depressions, crises, family problems, drug problems and alcohol problems all across rural Canada. That is why for the first time in the history of Canada we have a national Government that is running not second in the polls but is running third in the polls from one part of this country to the other. That has never happened before. The people of Canada are rejecting the Conservative Party.

As I say, there are many things we can do. I would like to see the Conservative Party bring down farm input costs. Why doesn't the Government bring in legislation for generic farm chemicals so we can reduce the price of farm chemicals in Canada? Why doesn't the Conservative Government bring down fertilizer prices in Canada?

Why does the Conservative Party sit idly by when the CTC allows the CNR to charge variable rates, and with variable rates in Canada, which is like free trade and deregulation, the CNR and the CPR will play God. They will decide which community pays which rate and the small communities will be wiped out. Where is the Conservative Party when the CTC makes those kinds of decisions? The Conservative Party is silent. It is silent as it stands on the side of the railways, the banks, and on the side of the big private grain exchange.

The time has come in this country when western Canadians should unite in a crusade to demand our fair share of the national economy, a crusade that says Canadian farmers should receive as much as American farmers, a crusade that says American farmers and Canadian farmers should receive no less than what farmers get in the European Common Market. Why do Conservative Party Members rest content when the Canadian farmer receives $3 a bushel for wheat and the American farmer receives $3 a bushel for wheat and the American farmer receives $6.10 a bushel for wheat. I think that is shameful. I think it is disgusting and I appeal to the Prime Minister of Canada to call an election as soon as possible so the people of this country can vote and elect into office for the first time in Canada a people's Party that represents the ordinary average Canadian and make Ed Broadbent the Prime Minister of Canada.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I have been here most of the morning, and I was here last evening listening to the debate. With this last performance, that is what it was, the Hon. Member should go to Hollywood. The walk would do him good.

Mr. Riis: Go out west. Have you heard of Calgary?

Mr. McDermid: I used to have a great deal of respect for the Hon. Member for Yorkton—Melville (Mr. Nystrom) but after that performance, after the half-truths, the quarter-truths and the no truths that were presented, as well as the rhetoric that came from the Hon. Member, I lost a great deal of that respect. I do not think the people of Yorkton—Melville will really think that that was a great performance. It was 100 per cent rhetoric. It was all nonsense. There were no solutions to the problems, very serious problems which the agricultural community is facing these days.

Mr. Riis: What did the Prime Minister (Mr. Mulroney) do?

Mr. McDermid: As soon as an urban Member from Ontario stands up who does have a rural area within his constituency, the intolerance of the NDP comes forward. "What is a guy from Brampton doing speaking on agriculture?" That was the first thing the New Democrats all started yelling. That is the intolerance of the New Democratic Party. That is what will put them down in the polls come the next election. The Hon. Member talks bravely between elections, but at election time we will see how brave the Hon. Member is.

Some Hon. Members: Oh, oh,

Mr. Riis: What are you going to do about agriculture and farming?

Mr. McDermid: The Hon. Member knows full well, when he says that the Conservative Government had driven down prices, that the farmers themselves know that we have a world commodity price problem on our hands. If the Hon. Member is honest, the farmers have told him, as they have told me, that the high interest periods in the early 1980s when the interest rate went up to 22 per cent were when they got into trouble. If the Hon. Member is honest, he will say that, but he does not say that. He does not tell the truth in his speeches. That is why I lost a lot of respect for the Hon. Member, something I used to have. He is normally a very fair person. His speech today was a bunch of socialist rhetoric drivel. It was nothing more.

The Hon. Member knows that the moratorium on farm credit was put in place until we had a chance to bring in farm debt review boards. They were brought into place.

Mr. Orlikow: What are you smoking these days?

Mr. McDermid: Eighty per cent of the cases that they have studied have been handled successfully.

Mr. Riis: What does that mean?

Mr. McDermid: That means they have refinanced and that they are operating and have reached successful conclusions for the farmers.

Mr. Orlikow: For the banks.

Mr. Riis: Have you talked to a single farmer?

Mr. McDermid: Sure.

Mr. Riis: Table a list of the farmers who have been rescued through this.

Mr. McDermid: I will tell the Hon. Member that I am participating today because I want to talk about—

Mr. Riis: Farming.

Mr. McDermid: No. I want to talk about the long range areas that we in the Department of Trade—

Mr. Riis: It is a crisis now.

Mr. McDermid: Here are the New Democratic Party Members. We sat and listened to the New Democrats speak and we sat and listened to the Liberals speak, but the New Democrats will not give the same courtesy to the Conservatives.

Mr. Riis: Say something.

Mr. McDermid: If you will let me. If the Hon. Member would quit harping and yelling all the time and sit and listen to some facts, I could tell him what the Government and our Prime Minister (Mr. Mulroney) have done.

• (1330)

Mr. Riis: Tell us what you're going to do.

Mr. McDermid: That is exactly what I am going to do if you give me the chance. Would the Hon. Member please keep his mouth shut so I could do it? I would really appreciate it. Just show a little courtesy.

Some Hon. Members: Order.

Mr. Riis: I'm going to listen carefully. Will you?

Mr. McDermid: Thank you very much. This Government has had in mind the interests of the farmer since it first took office.

Mr. Riis: You're going to say what you're going to do now?

Mr. McDermid: That's right. The Department for International Trade was led first by the Prime Minister who met with farm leaders. He did not tell farmers to go sell their own wheat, he did not tell them to go peddle their own implements. He met with them—

Mr. Riis: That's history. We don't need an history lesson.

Mr. McDermid: But you do need a history lesson.

Mr. Riis: We don't need a lecture either.

Mr. McDermid: Members of the New Democratic Party do need a history lesson. After listening to what the Hon. Member for Yorkton—Melville (Mr. Nystrom) just said, it is obvious that they do need a history lesson because he was less than truthful in his presentation.

Mr. Riis: You haven't got a single thing to offer the farm community, admit it.

Mr. McDermid: The Government is leading the world in agricultural matters as they concern the trading nations.

Mr. Langdon: Oh, come on.

Mr. McDermid: The Hon. Member for Essex—Windsor (Mr. Langdon) is making snide comments as well. I read the comments about the Hon. Member who has all the answers to the problems.

Mr. Deputy Speaker: Order, please.

Mr. Orlikow: Mr. Speaker, I rise on a point of order. I wonder if the Hon. Member would permit a question.

Mr. McDermid: Mr. Speaker, I will be happy to answer the Hon. Member's questions if he gives me a chance to make my presentation. After that, I would be happy to answer questions.

As I was saying before being so rudely interrupted by that intolerant bunch across the way, the Prime Minister was the first international leader to bring the problems of agriculture to a major summit meeting. From that point on, the Government has been pushing at every single opportunity to get agriculture to the top of the agenda in the trade discussions, and it is having success.

Mr. Langdon: Were you at GATT?

Mr. McDermid: Let me explain this to the Hon. Member for Essex—Windsor who likes to heckle. I am telling him about our position in agriculture.

Mr. Langdon: I'm just asking you, were you at GATT.

Mr. McDermid: It was our Government and our Minister for International Trade (Miss Carney) who, by the way—

Mr. Langdon: She didn't even get to the GATT meetings.

Mr. Riis: She wasn't even there.

Mr. McDermid: This is the intolerance and insensitivity of the New Democratic Party. The Minister's mother died when she was on her way to the meeting and she had to go home. That is the insensitivity and nastiness of the New Democratic Party. That is a prime example of the way members of the NDP act.

Mr. Langdon: Mr. Speaker, I rise on a point of order. That is a totally inaccurate description of what took place. It is not possible to make accusations like that when the facts are that the Minister was kept in Canada until after the meeting with the premiers on Wednesday—

Some Hon. Members: That's not a point of order.

Mr. Langdon: It's a point of truth.

Mr. Deputy Speaker: I must rule that that is a matter of debate and the floor has been given to the Hon. Member for Brampton—Georgetown (Mr. McDermid).

Mr. McDermid: Mr. Speaker, I would like to draw the facts to the attention of the Hon. Member. The Minister was in the air on her way to Uruguay for the meetings which were still going on when she called home and her mother had passed away. The Hon. Member is being totally unfair.

Mr. Langdon: The meeting was finished.

Mr. McDermid: The real NDP is beginning to show.

I would like to return to what is going on in the department of trade as it relates to Punta del Este, Tokyo, Portugal and the meetings of international trade Ministers that took place in Lake Taupo, New Zealand, where the Minister for International Trade laid out the principles that should affect world discussions on agriculture and trade at this time.

It is a world problem, there is no question about that. Yes, the short-term things must be done and they are being done. The Minister of Agriculture (Mr. Wise), the Minister of State for the Wheat Board (Mr. Mayer) and the others have discussed that. However, I think it is important that the public understand that there must be some long-term solutions to a problem that is not the fault of farmers or of Canadians. It is a world commodity problem that must be tackled and it takes time. That is why we are now getting it to the top of the agenda. This Government is the first Government that feels that agriculture is so important that it has to be at the top of that agenda when world leaders meet and we are getting it there.

Mr. Nystrom: What about Diefenbaker?

Mr. Riis: Who called this debate?

Mr. Nystrom: Don't criticize Diefenbaker.

Mr. Riis: More history.

Mr. McDermid: Members of the NDP quote Diefenbaker quite frequently. They like quoting him better than they like quoting Tommy Douglas. I got a chuckle out of the Hon. Member quoting him again today.

Agricultural policies must become more price-responsive. Support for agriculture should avoid production incentives. The support should be for the farmers, not for farming. Countries should freeze and seek to reduce governmental assistance measures that artificially distort world prices, as we are seeing with the European Economic Community's subsidization contest with the United States. Of course, Canadian farmers are being caught in the crossfire. It is very important that agriculture be kept on top of the international agenda. Countries should not introduce new import barriers not mandated by existing legislation. These basic principles should be implemented collectively. I do not think they can be implemented separately. Those are the principles on which we are working now.

I can tell Hon. Members that momentum is gathering for those kinds of principles. More and more, the Ministers of Trade and heads of state are realizing that agriculture is the number one problem in the world commodity base today and that something must be done about it.

Because of the momentum that was started when our Prime Minister insisted that agriculture get on the agenda of the Toyko Summit, many more actions have been taken by the Prime Minister, by the Minister for International Trade, by the Minister of State for Finance (Mr. Hockin), who also played a very important role in Uruguay, as well as by many

others in the Government. We are making headway on the international scene and we will come to successful conclusions in the negotiations that are going on now.

Mr. Riis: What are you going to do about the farmers now?

Mr. McDermid: The Hon. Member can sit there and criticize the activities of the Government, but I think the Government is playing a leading role in the world. I do not think any Government has consulted more with the agricultural industry, has kept them more up to date about it activities, has taken so much of their advice and has worked so hard with them.

Among all the farm groups and farmers I meet the Minister of Agriculture is held in very high regard. The Government fully understands the problems of agriculture, not like Governments of the past. The Government is taking action. There is no sense in me listing that action in my speech, but this action will continue to take place because the Government is sensitive. Well over $1 billion will be in the hands of farmers within the next five weeks because the Government is taking action. That is a very important impetus for the farm community. They know this Government cares for them. That is why they support us and will continue to support us.

• (1340)

Members of the NDP are great; between elections they are on top. You know what we should have in this country for the NDP; we should have elections between elections so then they might win.

Mr. McCurdy: Let's have an election right now.

Mr. McDermid: Unfortunately for the NDP, but fortunately for the Canadian people, they are not going to have one. I can assure the Hon. Member of that. We have a mandate and we are going to fulfil it. Come election time, when the Canadian people look around and see what this Government has accomplished, they are going to support us. They will support us next time around because they know we are on the right track and we are doing the right thing. That applies especially to agriculture. For once agriculture in this country is at the top of that important pecking order. Previous Governments placed it so far below that it was totally ignored.

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Hon. Member which he indicated earlier he would answer. He is correct when he says that the Prime Minister (Mr. Mulroney) and the Minister of State for the Canadian Wheat Board (Mr. Mayer) and the Minister for International Trade (Miss Carney) have raised a question at international meetings concerning the harm done to farmers all around the world by the tremendous subsidies paid by the American, Japanese and EEC Governments to their respective farmers. Those Ministers have suggested that there is movement, that we are going to see action, that we are going to see a reduction in those subsidies.

Will the Hon. Member tell Members of this House and the farmers of this country when the Government thinks those subsidies will be reduced in a real way? Is it five years from now, 10 years from now, 15 years from now? If it is going to take 10 years, a hell of a lot of farmers in this country will no longer be farming.

Mr. McDermid: I thank the Hon. Member for his question and I agree with him. I cannot give him an answer as to when. I have stated right from the beginning that there are long-term and short-term problems. This is a long-term problem.

Mr. Orlikow: In the long term we will all be dead.

Mr. McDermid: I listened patiently to the Hon. Member's question, perhaps he would give me the courtesy of listening to the answer. Be fair about it.

I wish I could say it was going to be next year. I do not know. All I know is that for once at the OECD meetings coming up agriculture is going to be at the top of the agenda for discussion. It never was before. All countries are now beginning to realize the seriousness of the situation and how it is disrupting the agricultural industry right around the world. They want to do something about it. That is important and it gives hope to farmers. At least something is being done. It was ignored before. It is not any more. This Government is leading the charge and I am proud to be a part of this Government.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, we have heard talk in this House about interest rates and who has done the most for farmers. The debate has been going back and forth across the floor between the NDP and the Conservatives. They are calling each other intolerant. They are so intolerant of each other that they have almost lost track of the issue under discussion. I have heard comments today from speakers blaming—

Mr. Rodriguez: Considering that you have been out for the last 24 hours!

Mr. Hopkins: —the Liberals for high interest rates in the early 1980s. Today, when we have a grain problem, who is the Conservative Party blaming? They are saying this is not a Canadian problem, it is the fault of someone else outside our country altogether. If they want to be intellectually honest in this debate they will fully appreciate and understand that the high interest rate problem they are always throwing up in this House was an international problem affecting every nation in the industrialized world. That is a fact of life. It is not just a matter of debate and conjecture back and forth across the floor of this House.

Mr. McDermid: Tell us how you handled it.

Mr. Hopkins: I was quite interested in hearing the Hon. Member for Brampton—Georgetown (Mr. McDermid) state that the Government was leading the charge on agricultural problems in the world today. We have all heard of the Charge of the Light Brigade. We know what happened to them. The

same thing is going to happen to the Government. When a crisis arises it is not what the Government says it is going to do, but how it handles that crisis that will determine how it is perceived by the Canadian people. The Government has been perceived as incapable of handling such crises.

We have seen all these arguments and debates on free trade. At the time we have an American Farm Bill creating problems for Canada the Government does not want to raise any fuss, simply because it does not want to create bad relations with the U.S.

I seem to be making such an effective presentation here in the House that someone is drilling a hole through the wall up there.

Mr. Gottselig: Someone is trying to get out.

Mr. Hopkins: If that is a Government ploy I wish it would call off the driller. It is up to Mr. Speaker to protect all Members in this House, their rights and privileges. I would thank him for sending someone to ask that Conservative up there to put his bit and tools in the box until after this debate is over.

It is quite obvious that the Government is on the defensive on this issue. That is why it is so arrogant about other speakers. I was appalled this morning to hear a couple of Members get up and talk about members in the Opposition who have no right and no qualifications to speak in this debate. I would simply like to say to them that there are a few of us who have that right and those qualifications.

I have a very deep and abiding feeling for the agricultural problems of this country and for the grain farmers. I grew up on a farm. I lived on a farm for many years. I taught school in rural areas and lived in farming communities, not just in one location but in a few. I go back to the day when my mother and father hardly had a cent to their name, but their name was good. That is what happens in rural communities. That is what happened in those days. The word of people who owned a farm was good. It was as good as a certified cheque.

I can remember an all-day trip of 25 miles to town. You stopped at every swamp along the way to put water in the radiator. My father and mother, as I say, never had any money but they were very genuine, loving people. It is because we had parents like them that we got a solid footing for the rest of our lives. That comes from farm communities.

• (1350)

I can well remember driving up to a gas station with my father in a Model A Ford, asking to have $1 worth of gas put in the car and charging it. There was no question asked. They simply did it. It was fully understood. A good lesson to be learned in this debate is that a person's name is probably one of the greatest assets one can carry in this life. We are again seeing people who are having trouble getting $1 in these times when $1 is not worth very much.

I have stated that I have great feelings for the problems of farmers. There must be some form of debt restructuring worked out. People who have had problems with mortgages in the past, which the Farm Credit Corporation is still holding, should be given the opportunity to repossess their farms and start anew. That is only fair ball. Otherwise, in many of these cases the banks or the Farm Credit Corporation will sell those farms at a loss. Not only will they have lost money on the farm, they will have lost the farmer, who will have lost his livelihood and will have to find another way to make a living.

I can remember very well the days when we drove teams of horses for two, three, or four weeks at a time, from farm to farm, on threshings from early morning until darkness fell at night. Farm women do not and have never received enough credit in this world. When my father and the rest of us were working until dark my mother used to milk every one of the cows by hand, turn the separator, feed the calves, and clean up everything after she had done her own day's work. I say this because I do not want to hear remarks from the other side of the House that no one in the Opposition is qualified to talk about farm problems. That is an arrogant attitude that this place would be well rid of.

During this debate on grain in western Canada the farmer's pride is coming to the surface. He believes his credibility is at stake. When farmers cannot make their payments they tend to blame themselves and feel guilty, even though they are living in an environment over which they seem to have no control. That is the time when the sympathy, the empathy, and the understanding of their financial plight must come to the fore.

The credibility of farmers and their desire to continue to farm will affect the entire community in which they live. It will affect the fertilizer dealer, the farm implement dealer and the local garages. The farm economy reaches into almost every facet of our society. It is not strange that that is so today, because that has always been the case extending back to pioneer days. Fish was a major economic item as was timber and agriculture, and western grain in particular. Western grain was the reason for the great boom in railway building across the west. That is the type of thing which is in jeopardy today.

Parliamentarians should have pride in those three major economic factors which have been the foundation of Canada. We should have pride in the people who built up those farms and who have carried them on, in the people who built up the transportation systems to serve them, and, indeed, the people who are trying to sell grain today.

Why are we pussyfooting around with the American Farm Bill rather than saying up front, as the Government should, that it is absolutely bad international relations for Washington to have brought forward the Farm Bill which is highly subsidizing grain and practically putting the Canadian farmer out of business? If one government is going to do that, another government is either stuck with doing the same thing or it will ignore a large sector of its own economy.

This is the test of the Government. Will it bring in a plan for debt restructuring for the farmers to try to get them over the hump? Will it then become more aggressive in the international market on their behalf? It is all right to stand up in the House and talk about trade talks and how the Prime Minister (Mr. Mulroney) took his efforts to Tokyo or Uruguay, but that is not much help to the western grain farmer today when the Farm Credit Corporation will have the opportunity to foreclose on Friday of this week, two days hence. Banks will move in too, because they will see this as a cave-in of the Government with regard to supporting the moratorium on mortgages. It is a sad day when the Government has lifted the moratorium on farm mortgages without having anything else in place to support the farmers, anything for them to work toward, anything to give them some hope.

I have here a list of the various grain and seed prices, the cost of production and the return from sales. It is sad that the American Farm Bill is subsidizing American farmers and their grain to try to outdo the European Economic Community, which is itself trying to outdo the Americans. Agriculture is so structured and financed by government in all those countries that the only position the Government of Canada can take is to be prepared to fight the international markets. It must get together with international governments and come to an agreement, because everyone is hurting each other.

This is a time for solid leadership in this country and throughout the world on agricultural problems. We do not need the Charge of the Light Brigade, about which the Hon. Member for Brampton—Georgetown (Mr. McDermid) speaks. We need someone sitting at the table with a firm knowledge of the subject and with empathy for the farm community back home which is witnessing tremendously tough times, which is putting in crops, buying fertilizer, and selling the product for far less than the cost of production. The only way the farming community will exist is by being subsidized in the same way as is the European Economic Community and the American farmers.

This is a tough question and the solution is debt restructuring. That is what should be put in place instead of the removal of the moratorium from mortgages with absolutely nothing to prop the farmer up until we get over this international hurdle.

• (1400)

I come back to my original statement that the Government cannot handle these crises in a knee-jerk fashion, as they arise. Governments will be judged on the manner in which they handle each crisis as it arises. The Government has pulled the rug out from under the farmers by telling the Farm Credit Corporation that as of Friday of this week it is free to move into those farms and foreclose on mortgages. Is that the policy of the Government?

During the last election campaign my opponent said that the Conservatives would solve the agricultural problems in Canada in two years. The Conservatives have had almost three years, yet today we see that the farm community is facing a bigger disaster than ever.

People are not impressed when they see the comparison between past issues and present. They are not impressed by the Government passing the buck or by the Government becoming so intolerant that it cannot conduct a civilized debate.

Let us consider other questions relating to the farm community in this country. Let us consider rural post offices as they concern the farm community. The Government does not want to attack the real problem of economics within the Post Office corporation, so it singles out the small postmasters in the small rural communities where they believe there is no clout to fight back. They will force every mail contract to go up for tender. It does not care whether that mail contractor has been doing an excellent job or whether that mail contractor has excellent relations with the people along the rural route. The Government will bring in someone else unless that person is fortunate enough to retain the contract.

The sad part is that rural mail contractors have only recently reached a price which makes it worthwhile for them to operate a rural service. For years, they worked for nothing. I was one who supported them over the years because those who come from a rural riding know the service that they provide and the necessity of that service.

In order to get the message of the farm community across it is necessary to have television and news media that relate to their problems and understand the real crisis that they face. The recent terrible decision by the CRTC to allow John Bassett and his friends to bring in another major television station into Ottawa must be the most inconsiderate and unworthy decision of intelligent people. It will destroy the advertising market and the income that already exists for the mid-Canada television network that has stations across eastern Ontario, northern Ontario, Pembroke, North Bay, Sudbury, and Timmins. Furthermore, it will be to the detriment of the CJOH Station here in Ottawa because it will remove revenue from it.

Mr. McCain: You are really interested in the farmers.

Mr. Hopkins: It is very interesting to farmers because when people want to get news on farm problems in this country it will not come from a major city network bringing it into Ottawa, which is really located in the middle of a large urban area of eastern Canada. I hope that the Government will send the CRTC back to the drawing board to review that case again. I hope that the Government will announce before Friday that it will come in with a debt restructuring program for farmers who are in trouble and thereby show the great empathy which it claims to have for the farm community. I hope it will attend international meetings and tell the leaders of the world that we must come to our senses as leaders because if one subsidizes, the rest will follow suit. The only proper step to take is to agree to bring down those subsidies and let the market stay where it should be. If you are not going to do that—

Mr. Deputy Speaker: Order, please. The Hon. Member's time has expired. Is it the pleasure of the House to allow the Hon. Member one more minute to conclude?

Some Hon. Members: Agreed.

Mr. Hopkins: Mr. Speaker, I will try to be brief, and I thank the House for its consideration.

Let me return to the economic problems and whether the Government has enough sympathy to understand the plight of individual farmers. One need only imagine the farmer who is wondering whether he will even put in a crop, knowing full well that if there is no help coming from Ottawa he will be selling his product for less than it is worth, and if he does not go down now he will go down later. What a future!

When we consider the great contribution agriculture has made to Canada and the contribution we have made in research and development to assist other countries in the world, I think it is time that some of that considerate attitude was displayed at home in dealing with our farmers. They not only have to risk the weather, they must risk dealing with the world market.

I mentioned the European Economic Community. Our farmers also must risk the results of the American Farm Bill, as well as the Conservative Government which promised them everything in the last election. Farmers do not know where they stand today, and I call upon the Government to bring forward a constructive plan that will lay the groundwork to save the farm community in this country. I call on the Government to show some of that empathy because it reflects the heart and soul of the pioneering and modern industries that relate to the agricultural community in this country.

Mr. Fred McCain (Carleton—Charlotte): Mr. Speaker, I listened with interest to the Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) as well as to the Member for Egmont (Mr. Henderson). Both of their speeches contained some rather startling facts.

Let me deal with the Member for Egmont. He was a member of the P.E.I. Legislature and subsequently became a Member of the House of Commons. While I give him credit for having taken some interest in agriculture, when he was a member of the governing party in the Province of P.E.I. and the House of Commons, at no time did I hear him speak up for the farmers when the Liberal policy that was in place was to the disadvantage of his constituency.

The Hon. Member for Egmont spoke of corporate land ownership. Corporate land ownership came about because the Government of Canada, particularly under the leadership of the former Minister, the Hon. Eugene Whelan, ignored some of the very basic and historical policies that had kept the family farm in place. He abandoned price stabilization payments. Historically, price stabilization payments were made before planting. That is the request of the NDP and the Liberals at the moment. They say the farmers should get their money beforehand so that they can plant.

However, I never heard any member of the New Democratic Party bemoan the fact that the horticultural industry could not get price stabilization payments before planting. As I made representations in this House on behalf of the potato industry, about which the Hon. Member for Egmont (Mr. Henderson) and myself are very basically and critically concerned, there was not a squawk when they could not get the money, if they could get it at all, in time to plant. Why then is the New Democratic Party so concerned at this moment of seeking agricultural support when its policy has not been agricultural at any time in a meaningful way, and when it has never supported anyone but the Liberal Party, whether it be in committee or in the House? The NDP objective has been to keep the Liberal Party in power, not that there should be good government in Canada.

• (1410)

I want to say to you, Mr. Speaker, that as soon as one touches on the truth, the chirping from the NDP begins, the interference, the heckling, because they know they are extremely vulnerable historically as it relates to agriculture. The Member from Vancouver who has not been associated with agriculture, laughs. I think that merely emphasizes the lack of concern and knowledge the bulk of NDP Members have as it relates to agriculture. Certainly, with the exception of two or three, those Members are devoid of good advice and have not acted on behalf of agriculture. In the process of my remarks I will emphasize—

Mr. Waddell: I used to own a small herd of cattle.

Mr. McCain: I am not going to pay any attention to those guys, none whatsoever. Let them heckle and show that they cannot stand the truth because that is what they are demonstrating to the people of Canada.

Ms. Mitchell: We can't stand your truth.

Mr. McCain: They cannot stand the truth of the weakness of their historic position and their determined intention to exploit the downtrodden for their vote regardless of what may be the consequence and without having specific suggestions and policy which would correct the position of the downtrodden.

If those Hon. Members want to get down to cold hard facts of policy and become believable, then I think it is time for Canada and this House to pay attention to them. However, in the past they have been grossly supportive of agricultural neglect by the Liberal Party, and only now are they waking up to the fact that historically they have been wrong and they would like to be right for a change.

There was no response from either the Liberal or the New Democratic Party when 10 per cent of all the potato farmers in Carleton—Charlotte and in the constituency of Madawaska—Victoria fell through the economic skimmer. It was then that corporate land holdings began to develop. It became so bad in Prince Edward Island that I believe the Government of P.E.I.

passed legislation to prevent corporate acquisition of land. The little family farm could no longer survive under Liberal policy, yet Liberal policy was supported religiously and without concern for the farmer by the Hon. Member for Egmont and received total support from the New Democratic Party.

Where was the Hon. Member for Egmont, for instance, when feed freight assistance became of very little value to Atlantic Canada? Where was the New Democratic Party? Where was the lady from Vancouver at that point in time? Her voice was not heard.

I would like now to raise a few other questions. Where was the New Democratic Party when apple juice flowed into Canada and we became the gateway to the American market for subsidized product by the European Economic Community for shipment to the United States? Not only did the Europeans export a highly subsidized product and destroy the apple juice industry in Canada, but we were the gateway for damages it might do in the United States, supported, of course, by the NDP with no action by the then Liberal Government. Where was the New Democratic Party and where was the Liberal Government, because they then held the seats in the Niagara Peninsula? Where were they when foreign fruit arrived in Canada at less than the cost of containers and packing in Canada? Where were they as a large portion of the Niagara Peninsula and the Okanagan fruit industry were destroyed because of that? Where were the members of the NDP at that point? They were supporting the Liberal Party, which had a policy to have industrial trade and to hell with agriculture.

Mr. Waddell: Who supported the Liberal Party? What are you talking about, supporting the Liberal Party?

Mr. McCain: Those Hon. Members have now become extremely conscientious in their support of the agricultural community of Canada after ignoring it utterly and completely.

One of the difficulties in Canadian agriculture today was caused by the abandonment of the price stabilization policy which Jimmy Gardiner, who was a good Minister of Agriculture, even if he was a Liberal, conscientiously, assiduously and regularly supported. When that was abandoned, where was the NDP? They paid no attention to the pleas of the Conservative Party on behalf of the fruit and vegetable industry of the Okanagan and the Niagara Peninsula. They were not with it. But I believe they now feel they have an agricultural community which might support them if they could now sham their way in an attack on the Conservative Party while still virtually on every occasion conscientiously voting with the Liberals?

It seems rather unjust that this debate should be taken on without any recognition of the contributions which have been made. Where were those members of the NDP, those heroes of the west today, at the point in time when a shipment of grain went from the European Economic Community and the subsidy paid for that shipment exceeded the price the Wheat Board was paying the western farmer? The subsidy alone exceeded the Wheat Board price for the grains exported on that day. There was not a word of that from the NDP, not a word.

Mr. Waddell: We went to Brussels directly and we protested.

Mr. McCain: Not a single member of the NDP criticized the Liberal Party's stupid trade negotiations which permitted that to happen. But we took their apple juice to the detriment of the Niagara Peninsula.

Mr. Waddell: We ran against the Liberals in the election of 1980.

Mr. McCain: You ran against the Liberals so you could get a chance to support them by your behaviour after you got elected.

I have to say that I have some sympathy with some of the remarks made by the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins). I too saw some of the things he has related in his remarks. However, at that point in time it was the policy of both the Liberal and the Conservative Parties to keep the farmer in his place by recognition of his need with subsidies or price stabilization payments when the market was down. It was the Hon. Mr. Whelan as Minister of Agriculture who abandoned that. It was when the Trudeau Government took over this country that the Minister of Agriculture began to have no voice. That encouraged Canada, province by province, coast to coast, step by step, but not necessarily in order. It encouraged the Province of British Columbia to use its own treasury to support its agriculture. It encouraged Alberta at a later date to do the same thing, and it encouraged production of items which were already in surplus supply in Canada. It encouraged the Province of Saskatchewan to get a land bank and to support the increase in herds, which proved to be absolutely devastating to the cow-calf operation. Where was the NDP at that point in time? They were still voting with the Grits who mismanaged that structure as well. The NDP was still voting with the Grits, and the quicker it is known that this was an act of a chameleon, the quicker the public will know what this show is.

The New Democratic Party has not mentioned that the interest rates for FCC are now lower than they have been since 1979. It is not mentioned that certain emergent loans are made to the farmer at a rate of 2.5 per cent. It has not been mentioned that $750 million was paid out of the grain stabilization fund. It was not mentioned that $1 billion has been paid to the western farmer in addition to that.

• (1420)

Mr. Waddell: Via the Saskatchewan election.

Mr. McCain: Members opposite have compared that with the banks. They have said that we gave more money to the banks than we gave to the western farmer. Mr. Speaker, I ask you if there had been a discrediting of the banking system in Canada from where would the farmer borrow his money? If

the farmer had money on deposit in that bank how would he get it if it were not bailed out? As has been mentioned several times, how would one sit with a multitude of municipalities in Ontario and in the West which had moneys deposited with those banks, and where would one's Party stand on the basis of the policy enunciated in this debate and in others?

I submit that it is ridiculous to compare the idea that banks have been assisted, because agriculture in the west has been assisted to an even greater degree than were the two banks, with a credit liability of all of the banking system of Canada.

Mr. Waddell: Poor banks!

Mr. McCain: Whether they are rich or poor is not significant. Their presence in Canada is indispensable. How the Hon. Member may wish to regulate and control is his baby.

Mr. Waddell: It's the peoples' money that is indispensable.

Mr. McCain: However, the people of Canada cannot get along without a secure banking system as ours has been historically. In fact, it is better than that in any other part of the world. That is a credit rating that we need to have for the nation, for our farmers, our fishermen, our manufacturers and all who are interested in money. That could not be rejected.

Furthermore, the commitment of the Conservative Government has been that it shall not neglect agriculture. It has not neglected agriculture. It will not neglect agriculture. That is the commitment that has been made but that has not been mentioned at any point in time in this or in any other debate.

I say again—and it has been repeated both in attack and in defense—the presentation by both the Liberal Party and the New Democratic Party is totally and utterly misleading. It is recognized by every honest Member of the House that there are some people in the farming community who cannot ever, ever handle the debt load which they have undertaken. None are more willing to admit that than the farmers who have appeared in Saskatchewan before the appeal boards or the farmers who have appeared before other appeal boards under Farm Credit Corporation arrangements. None have been more willing to admit that than the farmer. It is absolutely and utterly impossible that every single last farmer can be held up. It is just not possible.

If members of the NDP want to heckle, let them remember their total inconsistency in terms of their support of the Liberal Party as it governed this country.

Mr. Waddell: We never supported the Liberal Party. What are you talking about?

Mr. McCain: They supported the Liberal Party by their votes in this House in 1972-74.

Ms. Mitchell: Where did you get your facts? Sit down!

Mr. McCain: Members of the NDP supported the Liberals in 1979-80 to the ouster of the Clark administration. They wanted Liberal policies which have by no means produced anything like the assistance the Conservative Government has extended to agriculture on a national basis.

Mr. Waddell: Where is the support of the Liberal Party? Tell us. Give us one vote.

Mr. McCain: Where was the NDP—

Mr. Waddell: We never supported the Liberal Party.

Mr. McCain: You supported the Liberal Party in your votes which ousted the Clark administration. The vote of confidence in 1979-80 is the only one you need.

Mr. Taylor: In bed with the Liberals.

Mr. Waddell: We voted against the Clark Government?

Ms. Mitchell: Tell us about Petro-Canada in 1979.

Mr. Waddell: The people voted against the Clark Government.

Mr. McCain: Do you suppose those fellows are run down yet, Mr. Speaker?

The Hon. Member for Yorkton—Melville (Mr. Nystrom) is quite knowledgeable, I think. I was very disappointed with the Hon. Member for Yorkton—Melville who should be knowledgeable in agriculture by who made a speech which was at best misleading and at worst—I guess I am not allowed to use the language that I would like to use in the House. Let us say that it was misleading and much, much more. It certainly did not depict the situation of agriculture in the west or in any other part of Canada. But the thing his speech did do is to ignore agriculture in every part of Canada except the the grain grower, and that is absolutely and utterly inexcusable. I say that because from Vancouver Island to St. John's, Newfoundland, there are farmers who need recognition, and they shall get it from this Government.

I want to repeat one of the remarks that I have made. If the NDP were conscientiously and historically interested in agriculture, why did it support the Liberal Party which failed to negotiate a deal with the GATT structure and which did not recognize the expenditure of billions of taxpayers' dollars to subsidize agriculture both for domestic consumption and for export? Why did members of that Party not upgrade the Liberal Party at the point in time when that subsidy exceeded the Wheat Board's payments of the day for the export of grain into our own markets?

I have seen hypocrisy, Mr. Speaker, but I submit to you that the NDP at this moment in time on the basis of its history and its present plaintive representations to Canada can very properly be accused on an historic basis of a hypocritical structure and a hypocritical presentation without the facts and of failing to recognize the contributions that have been made. It is quite proper that an opposition Party should ask for more. That, perhaps, may be the exact position that the Opposition

should take. But to fail to mention the assistance that has been extended to agriculture is not good moral behaviour which is expected by the Canadian population from a Party within the House.

When one tries to exploit the farmer when he is in difficulty by an about-face imposition and by a pursuit of the vote and the vote alone, I submit that that is the cruelest exploitation that the farmer of the country has ever experienced as it relates to the Liberals and their historic performance, and as it relates to the NDP and its support of the Liberals.

Some Hon. Members: Hear, hear!

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to have a chance to stand and to speak to this very important topic today. I must say to the Hon. Member who just resumed his seat that I think it is quite an indication that he sees the New Democratic Party as a threat. Indeed, the polls should confirm that for him. I say that because he devoted his whole speech to a listing of references to the NDP. As the hon. gentleman who sits at the Table could tell him, most of the facts were, of course, distorted. However, I will not waste time in refuting them.

I wish to concentrate my remarks today on the impact of the economic situation with which the families of Canada are faced, which is stressful and which has become even more so this week. I would like to look at it from the point of view of the critic of social policy. I would also like to pay tribute to the many, many thousands of farm women across the country who face intolerable stress along with the rest of their families and who are carrying tremendous workloads.

We know that today we are very concerned. In fact, the reason this emergency debate went on all night last night and will continue to go on as long as this Party has speakers to put up is that we are extremely concerned at the announcement made this week that the Farm Credit Corporation will be given information to begin to foreclose on family farms. This comes, of course, as my colleagues have said over and over again, on a deepening crisis, where we have seen prices for Canadian grains plummet by 20 per cent last year, and a further 18 per cent this year.

• (1430)

This must be simply terrifying for farm families who already are coping with unbearable pressures and feelings of hopelessness. It is those pressures and sense of hopelessness that will be the theme of my remarks today.

A number of Hon. Members have spoken from their experience as farmers themselves, or having come from agricultural communities. I grew up in an agricultural community in southern Ontario, and I continue to share some of the very strong feelings that our rural population hold for their communities.

In my remarks today, I shall be speaking to the findings of some very significant authorities. Before getting into the main theme of my remarks, I should like to repeat once again that the New Democratic Party is today calling for a commitment from the Prime Minister (Mr. Mulroney)—and I would hope that this commitment will be forthcoming—that, at the very least, Canadian grain farmers be provided with a guarantee that total grain receipts for crops planted in this crop year will equal at least those of last year, $1.5 billion to $2 billion, moneys which are so essential for our western grain producers.

We acknowledge that the Government is working on the international front, and that many of the problems can be attributed to what is happening on the international front. However, as Canadians, we cannot tolerate this threat to the basic economy of Canada.

As well, we hope that the Prime Minister and his Government will reverse the proposed lifting of the moratorium on foreclosures, at least until a deficiency program has been announced for the upcoming crop year.

It is important, also, to address the broad question of farm debt, much of which is still at very high interest rates, interest rates which were, of course, tolerated and in fact escalated by the previous Liberal Government.

Many thousands—not just a few families, as the Minister said earlier in this debate—of farm families will be adversely affected by the lifting of the moratorium on FCC loan foreclosures. In addition, we know that the banks, credit unions, trust companies, and other lending institutions will follow the lead of the FCC, thus leading to increased foreclosures.

This is a very serious problem. What I should like to do in the remainder of my time is to focus on this problem from the point of view of farm families and farm women. In that regard, I shall have reference to a report presented to the Standing Committee on Agriculture on May 12 of this year. This is a report prepared by Dr. Jim Walker, a research psychologist at Brandon University.

Dr. Walker and his colleagues carried out a very extensive study of farm families. During the course of their work, they heard farmers describe the "heartbreak of trying to cope with impossible economic situations". They heard from farm wives and husbands describing how their marriages are slowly falling apart; they mention the fact that they saw farmers break down in tears while filling out the survey.

In addition to the traditional stresses that our farmers bear, farming has now become an almost intolerably stressful occupation. The policies of this Government do not recognize this, nor do they deal with it. This Government, through its proposal to lift the foreclosure moratorium, is adding the additional threat of foreclosure.

This particular study highlighted a number of stress factors. It is a study that should be of great interest to those who are interested in human nature, human behaviour. The researchers found that rising expenses are at the top of the list when it comes to creating stress, followed by low commodity prices.

The lives of farmers are stressful because of their concern with the continued financial viability of their farm. They find that they have too much to do in too little time, particularly the stressful work at peak times.

These are all situations that cause stress in farm families. But even more important, and I note that this fact has been documented in other reports I have studied, up to 80 per cent of the respondents quoted Government policies and regulations as causing stress. Other factors are long work hours, weather and crop loss due to wet weather, not to mention equipment failure and the Government's cheap food policies. Those are just some of the factors that lead to stress in farm families.

The study to which I have reference was conducted over a year ago. Added to the stresses that those families were facing at that time is the additional stress that the current situation imposes on them. Day in and day out, farmers and their families have to deal with a great number of stresses, many over which they have little or no control. They are powerless to control many of these stresses.

Farmers are strong, independent and resourceful people, and today we see them turning to professional help as they never have before, and all because of the physical and psychological stresses they have to suffer.

I should like to highlight some of the situations outlined in the report. The report cites the example of a Saskatchewan farmer who complains of being under a lot of stress. It quotes him as saying, "I feel I have a lot of stress, and I am always so tired, without any reason". Fatigue is a common symptom of chronic stress. Of those surveyed, 49 per cent reported frequent fatigue.

The threat of stress to the family unit also shows itself in many different ways. One farm wife was quoted as saying, "I was 30 hours a week off the farm. The stress was incredible during peak periods. There is more stress than I can handle. I hope our marriage makes it, but I do not know that it will."

We have physical symptoms within families. I will not go into them. We have reports of serious disruption of sleep patterns, personality problems, health problems. Indeed, these stresses not only constitute a threat to the marital situation, but in fact lead to behavioural problems.

All of these things are related to family stress, stress which is caused by the intolerable economic situation in which our farm families are living.

Another farmer had this to say. "I often wonder what I would do or how our family would manage if we quit farming, or were unable to continue to farm. I am presently 32 years old. I have two pre-school children, and I really do not have any reliable farming future. We are just living to have three meals a day."

The Hon. Member for Yorkton—Melville (Mr. Nystrom) in his speech, spoke of the food banks in Saskatoon, and that is something that is astounding to me. Being from Vancouver I am used to seeing food-banks in that city. That in itself is an immoral and deplorable situation. However, I had not realized that we now have members of our farming communities going to food-banks. The food producers have so little money to buy food for their table that they are now going to food-banks in Saskatoon and are in fact being turned away.

An Hon. Member: Tory times are tough times. Shame on the Tories!

Ms. Mitchell: Getting back to the survey, another farmer is quoted as having asked those carrying out the survey whether they knew of anyone who wanted to buy a half section farm in the south western corner of Manitoba. That was a year, maybe two years ago. It may be that that farm has since been the subject of a foreclosure application, or perhaps it has been sold. In any event, my suspicion is that that farmer has now lost his farm.

It is little wonder that the members of our agricultural sector look to the future in despair. In fact, according to this survey, 11.4 per cent of those interviewed had in fact thought of killing themselves. According to the survey, the rate of suicides in farm communities is extraordinarily high. The instances of suicide in rural areas in Manitoba where the study was done were much higher than in urban areas. As I said, there has been a tremendous increase in people with mental and other health problems.

• (1440)

The report refers to another farmer who put it this way. "Many days I feel I cannot face another day". He indicated that it was extremely stressful to try to make ends meet and hold things together,that he had his best 30 years in the farm, and that if he lost it he would have worked all his life for nothing. Then he asked: "Does this make me a total failure?"

This farmer and his fellow farmers have not contributed to the situation. They contributed labour to their farm operations by working night and day over the years, yet they have no control over the situation. They have elected Members of Parliament from the west and from other parts of Canada to do something about it. The Members in the House can do something about the situation which is hurting these families. I appeal to my fellow Conservative colleagues to get to their Prime Minister today and to do something about it. They have the power to do it.

Some Hon. Members: He was here.

Ms. Mitchell: I hear them saying that he was here, but what did he say? He said nothing. He spoke for 40 minutes and made no commitments to the farmers of western Canada. I think it was absolutely immoral.

I also want particularly to mention the increase in violence occurring in rural communities. I have heard this from many women's organizations. We tend to think of it as an occurrence in urban communities. Transition houses for battered women have been set up. For instance, there is one in Brandon,

Manitoba, which has experienced a 50 per cent increase in the number of women who have sought shelter because of family violence in the rural community around that city. Also there has been a 70 per cent increase in the number of children who are in shelters because of family violence.

I have attended many hearings as my Party's critic for the status of women. Children who are battered now will grow up to be batterers. There are many long-term problems.

I hope Hon. Members will read this excellent survey in detail which was taken in May, 1986 before we had the present punitive policies and lack of action. It concluded as follows:

> We believe the danger signals are all there. We believe it has reached the point where farm stress is killing people. We believe that the risk in the increase in the incidence of rural violence appears great. We believe we owe it to those who feed all of us in Canada to respond with action, with compassion and with humanity.

Again I appeal to the Government, particularly to the Prime Minister and the Minister responsible, to reverse its policies and to respond with action which will relieve the situation today, at least temporarily, until the more complex problems can be turned around. I appeal to the Government to ensure that the foreclosure policy is not allowed to go forward, so that we protect family farms and those who are facing devastating situations in their homes.

I should also like to refer to the Canadian Advisory Council on the Status of Women. We do not usually think of this group being concerned with farmers, but it also talked about over a million people living on farms, less than half of whom are women. It dealt with the financial stress which is pressing in on farm families. Although the report was written a couple of years ago, it indicates that they are experiencing intolerable stress.

The number of family farms decreased by 13 per cent in 1981. While the net farm income in Canada decreased, total farm debt increased by 17.5 per cent over a 10-year period. It is much higher today. The 1984 survey by the Farm Credit Corporation showed that 17 per cent of farms were in severe financial difficulty. Surely it is up to almost 75 per cent today. In 1982, 19 per cent of farm families in Canada lived below the poverty line, as compared with 13 per cent of non-farm families who lived below that level.

I have attended child care hearings and Secretary of State hearings before which farm women have appeared. We have been told that they can hardly find enough money to buy groceries and about the nightmares they have because the bills are piling up. We were also told about the triple burden of farm women. Usually they are working with their partners on the farm in farm activities. Often they must take their children along with them on tractors. They are also carrying on traditional home-making roles in caring for the home and the children. In addition, they are often the ones who must go into nearby villages to work part time or full time so that there will be some cash to put food on the table. We talk about double discrimination and double disadvantage for women; these women are triply disadvantaged.

Let us add to the situation the current drop in farm prices this year, and the fact that there has been no commitment on the part of the Government to help farm families even as much as it did last year. We commend the Government for stepping in last year, but we must have it again this year. There must also be a commitment to do something about the foreclosure problem.

I see that my time is almost up. I had many more comments I wanted to make, but I should like to mention particularly the whole question of child care because it is a very current and important issue. We were told by many farm women, and also studies showed it, that there has been a very high incidence of accidents involving children on farms.

It is very critical that we have a different kind of child care for farm communities, one of the issues which was written up at length in the report of the Special Committee on Child Care. It recommended, in addition to normal funding, that Agriculture Canada should promote the safety of children.

Our own NDP report entitled "Caring for Canada's Children" strongly recommended that the federal Government establish a community initiatives fund which would receive $26 million this year and would be continued over the next five years, so that farm communities could develop innovative child care, such as buses picking up children or child care workers going to the farms. It must be a different kind of care than that in the cities.

In addition, we know that farm women share the concern about general agricultural problems. They also have concerns about equality from the point of view of their role on the farm. A whole new generation of farm women is adamant that they must be recognized as equal partners in both their marriage and their farm business. I am very glad to say that this is beginning to happen, with younger farmers particularly.

Farm women have many difficulties getting financial recognition in their own names. They must have land in their own names. They must qualify as operators. Farm women should be recognized for Prairie Grain Advance Payments and other farm assistance programs. I am glad to say that one of our Members has been working on that.

Stabilization plans and marketing boards should recognize both producers—the husband and the wife. Farm spouses cannot contribute to their own future under RRSPs. We are also very concerned about wages, contributions to the Canada Pension Plan, and unemployment insurance coverage. Rural women want a recognition in matrimonial property laws. I could go on and on and on. Farm women and support groups come out with recommendations and I hope when we have more time we will look at them.

• (1450)

I appeal again to the Government to rescind the decisions it has made that will increase the pressures on farm families, particularly on farm women, and to provide financial assistance, to make sure there will be no foreclosures either through

the Farm Credit Corporation or, even better still, something further.

[*Translation*]

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, thank you for giving me this opportunity to speak in the House today. As a member of the Standing Committee on Agriculture, I have had the honour and the privilege of listening to farmers from coast to coast talk about the problems and challenges they will be facing in the months and years to come. The Hon. Member for Vancouver East (Ms. Mitchell) who spoke earlier mentioned the crisis situation and state of shock being experienced by families in western Canada. I agree, and I share her concerns. In any case, I must admit that unlike her colleagues, she showed some common sense in what she said, except where she referred to day care centres in rural areas. I think that logically, and if we want to be sensible, our priority should be helping farm families and not opening Government-supported day care centres, at a time when families are in such tremendous difficulty.

Mr. Speaker, since we are discussing agricultural problems, I would like to mention to the House that I toured the rural areas in my riding recently and met all the organizations in my riding, from the Outaouais to Mirabel.

I found that in my riding, at Notre-Dame-de-la-Paix which is not very far from here, potato farmers are having serious problems. They know how concerned I am about this, and I would like to remind them today that my riding office and I have taken steps to try and find ways to help these farmers.

Mr. Speaker, I think I can say with some pride that it may be thanks to my efforts that today, the *Office du crédit agricole du Quebec* may be willing to help these potato producers.

Mr. Speaker, I come from a riding that has suffered a great deal as a result of the policies of the previous Government, and I would like to say that once again, we have been able to deal with a serious problem created by that Government. I am referring to the obscene expropriation of Mirabel farmland as a result of which at the time, hundreds of farm families in my riding were uprooted.

Mr. Speaker, the very Liberals who today claim to be the sole defenders of the poor and the homeless had no hesitation at the time in evicting for the purposes of their own shameless liberalism, entire farm families which have never fully recovered from those barbaric measures.

Today, many of these families have gone back to their homes and their land, feeling that at last, a Government has given them their due. Mr. Speaker, the people of Mirabel are no fools. They know that going back to farming after so many years is not easy, and that they will have to think of ways to find a niche within a controlled market such as the market for milk, for instance.

Mr. Speaker, Mirabel farmers have set their sights on objectives that may seem very ambitious today, but I am sure that in the medium and long term they will be vindicated. I am referring to their export projects. The Mirabel UPA is about to develop a unique expertise in international agriculture. They intend to combine foreign expertise with their own and then export their methods to developing countries.

Mr. Speaker, I wanted to emphasize these facts in the House today to indicate to what extent farmers in my riding, in Quebec and elsewhere in Canada can, as the Prime Minister said in his remarks this morning, be ingenious when we give them a chance to show what they can do.

The Government of the Progressive Conservative Party took action. The Minister for International Trade (Miss Carney), bolstered by the Prime Minister's (Mr. Mulroney) leadership, made it a point to give top priority to the agricultural sector because of the war of subsidies between American and European producers which drove prices even further down and threatens our traditional markets. For quite some time now the farm commodity trade has been the weak point of GATT, the General Agreement on Tariffs and Trade, particularly so since 1955 when the Americans demanded exemptions with respect to their domestic production subsidies. The conference held in Uruguay made it possible to reach a compromise so that at least the matter will come up for debate. We are not satisfied with talking about it, Mr. Speaker, we take action.

Since yesterday I have been listening to the speeches of NDP and Liberal Members and I am quite simply bewildered by the paralogism of opposition Members who have the nerve to say that the Conservative Government has killed agriculture. They have the nerve to say that. Mr. Speaker, how can anyone be so blind, how can anyone stand still when listening to so much verbal trickery on the part of New Democratic Party Members who would have Canadians believe that if they were in office—Heaven forbid!—they would have done better than the Liberals. They would do better than the Conservatives or any other Government which would have been in power during times of such serious crisis as the one we are experiencing now. I can hardly wait to talk about such absurdities during the next election campaign. I am really looking forward to the day when the written and spoken press will at long last write and tell the truth about the economic illogicalness of this political Party which would go as far as bringing relations between men and women under state control.

It is unbelievable, Mr. Speaker, newspapers these days are full of articles about the contributions of opposition Members and their insanities. How do you explain the fact that the press does not even bother to mention the interventions of Government Members so that Canadian who are listening to this debate might have a better idea of what this Government has done? There is still room for improvement, of course, and nothing is perfect, as the Prime Minister said in his remarks this morning. Still, for the sake of equity, people must be made aware of our record. Mr. Speaker, I must tell you this, I think this House has become a sick place.

I regret having to say so, because it is incredible that no reference has been made to the tax rebate of 6.5 cents per litre of fuel in addition to a special discount of 1.5 cent granted to farmers as well as mortgages based on primary agricultural products, the setting up of committees to review farm debts, the Canadian rural transition program, reduced interest rates of the Farm Credit Corporation, the Agricultural Stabilization Act, the capital gain exemption of $500 000 on a farm, the Grain Advance Payments Act, the long-term dairy policy. No mention has been made of all that, because there was no scandal to be denounced. They are good news. Special programs worth several million and the most recent program worth 1 billion for grain producers, and I could go on. What is the matter, Mr. Speaker, with our parliamentary system? Lies make the headlines while true facts are not mentioned. People can talk through their hat in this House and any sensational news item is reported and when Canadians are wondering what is going on, we are unable to tell them the truth.

Farming is experiencing a serious crisis. I deeply regret it. Mr. Speaker, I am telling you from the bottom of my heart that we should help our western farmers who are indeed desperate, I know, having read and heard the many representations made. I think it is really unbelievable that because of farm debts, our colleagues representing other provinces should witness the breaking up of family farms which were the cornerstone of our western economy. Mr. Speaker, no government or elected member can remain insensitive to that. That is why we are part of this great country.

• (1500)

It is the "*raison d'être*" of our Confederation. It is in times such as these that we should close our ranks and show generosity. Mr. Speaker, it is nobody's fault in Canada if the Americans and the European Economic Community subsidize unreasonably their respective farming communities, making it possible for purchasing countries to get the lowest prices imaginable.

Mr. Speaker, when our commitee on agriculture visited Washington last year, we met the U.S. Secretary of Agriculture. I asked him the following question: How can you say that you are our friends and extend to us such a warm welcome, when your Farm Bill is causing so much damage to the grain industry which is so dear to all Canadians? The Secretary replied that he understood my point quite well, but that Canadians themselves should try to understand the United States which is faced with huge farm problems.

The Prime Minister of Canada is not to blame. Mr. Speaker, I hope and trust that all Canadian voters, yours and mine, honourable friends, will realize that what the Opposition is saying is sheer nonsense. I am sure of that, Mr. Speaker, and perhaps I mention this unnecessarily, for Canadians are certainly much more enlightened than the Opposition gives them credit for.

Mr. Speaker, it is clear that our trading partners cannot boycott European or American goods which are cheaper than ours just because their subsidies are hurting our farmers. These countries are faced with serious problems too. People are all alike. When we go shopping, what do we do? We choose what is the least expensive. That is quite natural. How can a country as large, but as sparsely populated as Canada compete on an equal footing with the United States where the Government can collect revenues of billions of dollars each time a tax increases by one cent? We have a small population and limited resources. I find it quite incredible that we should talk about nationalizing. A commitment of $1 billion was announced a short time ago. After our Government hade made this commitment, the New Democrats and the Liberals immediately said: Give us another billion! This would make $2 billion. I do not even know where we can find $13 billion to subsidize day care. They speak about billions as though they were speaking about nickels and dimes. We have to be realistic. Matters are getting out of hand, Mr. Speaker. Fortunately, the Canadian public saw what was happening in 1984 and elected a Progressive Conservative Government with a Minister of Finance who knows about figures and who knows that one plus one make two.

To conclude, Mr. Speaker, as I have not much time left, I would like to say that we, in Quebec, were proud to hear the Minister of Agriculture (Mr. Wise) announce a long term dairy policy. We were proud to be able to tell Quebecers recently that, for the first time ever, a Canadian Government had allocated $1 billion to Western farmers. This is not peanuts and this money was being spent in Canada. For the first time ever, $30 million will be spent in Quebec. That is a lot better that nothing! These are real initiatives, Mr. Speaker, these are real policies. We have taken action and we want people to know it. Perhaps more people would know about it if it were not for television reporting which gives the impression that there is no one on this side of the House. Yet, there are 211 of us. We speak, but no one ever reports what we say. The focus is on the Opposition Members who believe that they are the only ones who have anything worthwhile to say. There are limits, Mr. Speaker, and the truth has to come out. This is why I wanted to take part in this debate. I have been a member of the Standing Committee on Agriculture for two years. I have been listening to the Hon. Members and they do not even know what they are talking about. They should come and see what is going on in the Standing Committee on Agriculture. They would realize to what extent Canadian farm groups are supportive of what our Government has accomplished and that they keep on saying so week after week. Listen! I do not know where you get your stories, but if you bothered to drop in during the Standing Committee on Agriculture, you would realize that what you are saying does not make sense.

It was said in the Throne speech, Mr. Speaker—and I am very proud and honored to be a part of a government, of a political party, the Progressive Conservative Party, that does things . . . We do not only talk, Mr. Speaker, we do things. I would like to recall what the former Prime Minsiter said one day in a conversation. Prime Minister Trudeau was so arrogant in those days that he thought that he was the

permanent one man show. No one, he thought, could match his wits an his talent. So, one day, he asked western farmers how it was that they had to sell their grain. Imagine, Mr. Speaker, what brains it takes to utter such absurdities.

So it is easy for someone outside the ring, watching a boxing match—I love boxing—to say: "If I had been in his place, I would have pounced him, I would have done this, I would have done that!" But when you are inside the ring, it is not the same.

I look at the Hon. Member opposite who once was Solicitor General and who must remember from his time in office that things are much easier on the other side where Members can say whatever they want and pick at any small news from reporters who are themselves too busy to make their own research. A reporter I will not identify, Mr Speaker, said that he relies on what Opposition Members say to be part... Reporters have become the Opposition's researchers. Imagine! Opposition Members come to the House saying: "I have learned from a reliable source—" when, imagine, Mr. Speaker, the information appeared in the *Toronto Star*. They hold as the absolute truth whatever is published in the *Toronto Star*.

In conclusion, Mr. Speaker, I say the Government has acted. I am proud of the Prime Minister. For the first time, the agricultural matters are on the GATT table. For the first time, they were discussed when President Reagan came here. There are even some on the other side of the House who have no respect for visitors, who allow themselves to say anything at all, even to interrupt a speech by the President of the United States. That is going too far, Mr. Speaker. There will be an election, Mr. Speaker, and we will see then the effect of their behaviour if they keep this up. It will be fun, Mr. Speaker. I am anxious to start campaigning and reveal the truth.

Hon. Bob Kaplan (York-Centre): Having had the pleasure to hear from beginning to end what the Hon. Member for Argenteuil—Papineau (Mrs. Bourgault) had to say, I intend to address some of the points she raised. I will not try to answer her questions about the *Toronto Star* article, for this newspaper did not seek my advice as to what it should print, and I said what I said to the *Toronto Star* reporter because I believed it to be the truth. The Hon. Member has made a few statements which I should like to repeat, for I believe they are quite funny. First, she said that farmers todays are happier than ever before. They appear before the Standing Committee on Agriculture to say that they are happy. Then she said that they are faced now in western Canada with the worse disaster since the Great Depression of the 1930s. I just cannot see how farmers can be so happy when they are faced, as she said, with the worse disaster since the Great Depression. Third, she emphasized that the Prime Minister can do nothing. Why ask the Prime Minister to do nothing. Canada is a very small country compared with France which is now selling much more grain than Canada, and it is certainly not as large as the United States. Now, Mr. Speaker, I should like to deal with these statements as well as with others.

A final point which she raised is that Parliament is facing very hard times, that we are wasting our time with such a debate, that we should consider other matters and stop talking about this problem for which she feels there is no solution or at least about which the Prime Minister can do nothing.

• (1510)

[*English*]

There are no farms in my riding. There are no farmers living there. I am a city slicker, I suppose you could say. Why would someone from the city want to stand up and participate in a debate like this? I would like to begin by putting a marker on the farming industry of this country on behalf of city people.

We in the cities of Canada are very proud of our agricultural community. We are proud of the fact that this is a great agricultural power. We are disturbed to hear that France now produces more wheat than Canada. We are concerned that the price of wheat dropped 20 per cent this year after dropping 18 per cent last year.

We look across our country and see an industry hurting and people suffering. Yet we hear government supporters saying there is nothing that can be done about it. There is nothing the Prime Minister (Mr. Mulroney) can do. They have given the farmers $1 billion and they should be content with that. That is not enough.

We in the cities of this country are not satisfied and we do not accept the fact that the Government just this week announced that foreclosures will begin on farmers who have defaulted on government-financed loans. We are taxpayers just as they are, but we do not accept that. We do not think the Government should be making the situation of the farmers worse and worse at a time when the Government has failed to announce whether there will be deficiency payments or not. You cannot expect a farmer in this terrible plight to just roll along, as in the 1930s, and go looking for private financing while being unable to tell the banks or the co-ops or the mortgage companies that there is going to be a deficiency payment and what it is going to be.

Another thing we know about farmers is that they are the biggest risk-takers in the public interest in the whole of the economy. I do not know a businessman or a worker in urban areas who takes the kind of risk that the farmer does. He has to decide whether to plant, what to plant and how much to plant. He has to sit back not knowing what his interest rate will be or the exchange rate on the Japanese yen, French franc or American dollar. He does not know what the weather will be. One or two rainfalls at the wrong time can make all the difference. Yet the agricultural sector takes those chances year after year with the backing of the Government, the Canadian Wheat Board and the backing of a certain set of policies which, to a certain extent, subsidize the risk they take. Yet this year, after a terrible year last year, the rug is pulled out from under them by the Government. City people, although we are not direct sufferers in the situation, do not like it, do not agree with it, and do not accept it.

I would now like to come to the Hon. Member's point concerning Parliament. Because there were not many Members on either side of the House at the time, I had the distinction of hearing the whole speech by the Prime Minister this morning.

An Hon. Member: A good speech.

Mr. Kaplan: It was a good speech. You could say it was a speech I listened to from one end to the other. However, what the Prime Minister (Mr. Mulroney) does not realize is that speaking is not good enough. It is not good enough for him to stand up and tell us what is wrong with us. It is not good enough to go on at great length insulting the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). That is not what Canadians want from the Prime Minister.

I agree that Parliament is a place where talking goes on. The opposition Parties talk; they have criticisms, ideas and questions. Yet there is only one Party here that can act—the government Party. After the last election that Party came into office with 211 seats and with promises to solve all the problems of the country, particularly those of the west were there is a deep sense of grievance. The Government brought with it from the west the great hope that its concerns were going to be the concerns of the Government.

I heard every government Member who stood up criticize Mr. Trudeau for asking, why should I sell your wheat? He said it. I read it after he said it. However, the Government of Mr. Trudeau sold wheat. He asked, why should I sell your wheat? He then went on to sell it in record volumes year after year after year. So much for talk. That Government is doing nothing but talk.

The only reason the opposition Parties are dragging this on is to get the Government to do something. What are we getting? The Government is not doing something. It is telling the country how terrible we and the NDP are, how terrible are the policies of the past. The Government is telling the Canadian people how much it loves the farmers. Every speaker has said that the farmers are the backbone of the nation, that we count on the industry, that farmers are needed, that we have a special mandate as a country to produce grain better than other countries who can do it only with subsidies. Yet what are we doing about it? Nothing.

We have to keep this up in spite of the objections of the Hon. Member for Argenteuil—Papineau (Mrs. Bourgault) until the Government stops talking and starts acting. It is the Party with the mandate to act. We are the ones, if you like, with the mandate to criticize, to make proposals, to carry on a debate, to surrender Question Period for a day to make a point. It is the Government that has to act.

We call on the Government to act. Not to tell us things which in its opinion have brought us to the situation we are in, things that we should have done while we were the Government, things that the NDP are doing or not doing in relation to the Liberals.

What does that have to do with the plight of farmers in western Canada who were told by the Government that they would be represented in this House and who have been betrayed in this one week by the opening of the door to a foreclosure process on government mortgages and a refusal to indicate whether there will be a deficiency payment and what that payment is going to be?

This is a terrible time for farmers. This morning my Leader referred to some figures dealing with what it means to a farmer to be paying interest at current rates. Members opposite jumped up and reminded us what interest rates used to be in the past. In some years they have been higher. However, there has not been a year when the real rate of interest paid by farmers over the Consumer Price Index at an annualized rate has been higher. In other words, the real interest rate that the farmers of Canada are paying on these mortgages is very, very high and growing. The Government has to take account of that as well, but it is not doing so. It is not looking at the burden farmers have to bear.

I listened with interest as well to the Hon. Member for Carleton—Charlotte (Mr. McCain) when he talked about how the farm situation was so terrible that we just had to let some farmers go down the drain. He said we just had to recognize that there would be farmers who would go down, family farms which would have to fold. That is just not good enough for the Government. That is fine for him to have as his opinion; people have opinions like that, but that is farmland which can be used.

• (1520)

The process of foreclosure and sale which is now being contemplated by the FCC will only result in some other farmer being on that land after the legal process is over. That is unfair, uncaring and wrong from a Government which made so many promises and has had so much support from western Canada.

The Government must do more. Before this debate is over it must stand up and put something concrete on the table, rather than this continuous criticism of us and this obsession about what is wrong with the NDP. The Government must put something on the table to support the farming industry which put so much confidence and faith in the Government.

I was looking at the story of the sugar-beet industry before I came in here. This is another example of a western agricultural application by a Government which gave that sector so much promise. The Conservative Government claims to be committed to western farmers, yet has still reached no agreement with the Manitoba sugar-beet farmers. They are at loggerheads. The farmers have done no seeding yet this year, or at least they had not a week ago when this material was prepared.

What excuse is there for the Government not getting on with solving the problems of the sugar-beet industry and the other problems which are being referred to by so many of us so well? As I keep saying, we can refer to them but only the

Government can do something about them. The time is now, today, for the Government to do something about them.

The Prime Minister wanted us to realize, and he explained very well, that there are a lot of international problems, that other countries are subsidizing their industry. I am not in favour of a world solution which will result in over-production and over-subsidization. That does not make sense to anyone. I understand that the Prime Minister wants to have such a policy ended in whatever countries practise it. However, Canada must recognize that until that is done, that is the kind of world we are in, that is the kind of international market in which our farmers are producing. If the competition is subsidizing their farmers and their production, I do not see how we can escape helping our own industry in the same measure.

A few weeks ago the most important politician in the world addressed this Chamber; the President of the United States. The United States is a great friend of ours and a great competitor of ours in a lot of industries including agriculture. The Prime Minister has made a great deal of the importance of having a good relationship with the United States and with the President of the United States. Canada has already paid a pretty high price to obtain, for the Prime Minister, that so-called good relationship with the President of the United States.

The United States can be criticized for a number of its policies in the agricultural field, policies which actually violate agreements which the United States has entered into and undertakings which the United States has given. One would have expected that the Prime Minister, who wants to help the agricultural industry in Canada and do no more subsidizing than he has to, would be working hard to get Canada's competitors, such as the United States, to reduce their unfair subsidies and unfair support and trade programs which are damaging the Canadian agricultural industry.

We heard the most important politician in the world stand in this place, make a long speech and say not one word about agriculture, not one word about wheat, nothing to indicate that the Prime Minister of Canada had made the point to him that our agricultural industry was suffering from unfair American policies, or even that the Prime Minister had raised the subject with him.

We know that Canadians have brought a long grievance list to the attention of American legislators. I want to draw your attention to a document put out recently by our Embassy in Washington. It is an unclassified document in which Ambassador Gotlieb makes point after point, in black and white, as clear as can be, ways in which the United States is unfairly competing with the Canadian agricultural industry. For example, with regard to food assistance, Section 616 of the American legislation provides that the American Secretary of Agriculture shall require that, in each food assistance agreement with a foreign country, the recipient country agree to give preference to the United States in future food purchases. That is in violation of a number of international commitments, as the Ambassador says, including the principles of the Food and Agricultural Organization of Surplus Disposal and the Wheat Trade Convention under the International Wheat Agreement.

Did the Prime Minister raise that with the President of the United States when he was in town? We do not know, but we do know that the Americans are not doing anything about it. They have decided not to act and not to respond.

With regard to export enhancement, Section 622 of that same statute would extend the Export Enhancement Program, an export subsidy, for an additional two years, and the Americans are giving it an extra $1 billion in funding. Our Ambassador tells anyone who will listen to him that this measure will continue to depress world agricultural prices and increase the pressure on other countries to strengthen their own support measures. Our Ambassador says that Canada will not allow its traditional markets to be eroded through the use of such export subsidies of other countries, in this case, an export subsidy of the United States.

The Government has failed in many, many ways. It has failed the people who sent it to office. It has failed to keep its most important promises. It has failed to help its friends, because the agricultural industry in western Canada has certainly been a great friend and supporter of the Prime Minister and the Conservative Party. Today is the day that the Government should show that it cares and will not allow this industry to continue to suffer.

I see that my time is up, but I want to assure the Prime Minister that city people will not object and will not complain if he takes steps to bring the agricultural industry of western Canada through these tough, tough Tory times.

[*Translation*]

Mr. Robert Toupin (Terrebonne): Mr. Speaker, I would like to take this opportunity to explain our policies, the policies of the New Democratic Party, with respect to our farmers, both in western Canada and in Quebec.

Following numerous discussions with my party colleagues, I realized that basically, the problems facing Western farmers are the same as those facing farmers in Quebec.

Mr. Speaker, I also realized that my Party, the New Democratic Party, speaks for all Canadian farmers and is a Party that is historically rooted in the agricultural movement.

It is a fact that one out of every four Canadian farmers is facing serious financial problems. Today, and this has been going on for a number of years, we have a very serious crisis facing farm families and entire farming communities. We know that with free trade, the situation can only get worse. In fact, representations made by the *Union des producteurs agricoles du Québec* were most emphatic in this respect. I have met with UPA representatives in my office in Repentigny, the riding of Terrebonne, and also in Ottawa. I can say that their fears are entirely justified, and that as far as our party is

concerned, we fully support their concerns. Free trade will have a direct impact on the entire marketing board system—

Mr. Côté (Lac-Saint-Jean): I would like to ask the Hon. Member for Terrebonne (Mr. Toupin) whether I may ask him a question?

• (1530)

[*English*]

The Acting Speaker (Mr. Paproski): No, I am sorry but I cannot allow any questions at this time. That is not a point of order.

[*Translation*]

Mr. Toupin: As I was saying, Mr. Speaker, free trade will have a direct impact on the whole marketing board system. The direct impact will be felt by dairy producers in Quebec as much as by western farmers who need the Canadian Wheat Board. Free trade will have dire consequences for Quebec farmers in particular. This is why I entertain many doubts, Mr. Speaker, and I should like to say that there has been some double talk from the word go. In Quebec we talk about free trade, whereas the Government of Canada talks about freer trade. To put it another way, from the outset the Conservative Government has been using double talk, referring to free trade in Quebec and to freer trade in the other provinces of Canada.

Second, therefore, like all Quebec and Canadian farmers, I believe that all Canadians are entitled to know the basic facts concerning free or freer trade. Let me explain. Some economists will divide the various industries into 34 groups, more or less. What is needed before we take a position, contrary to what the Conservative Government is doing, is to know for each industry, first what firms cannot survive free trade, what firms or groups of firms will need an adaptation period to survive, and what firms can compete immediately. Then, at the level of each category of business and each particular business, we must know the human costs, which is the most important factor—the number of jobs that will be lost in any given industry, in any group of firms, in any given firm. Also, how many new jobs will be created, in order to make a value judgment.

Mr. Speaker, why have this debate today? Simply because the Conservative Government decided to lift the Farm Credit Corporation's moratorium on foreclosures, which in principle was to be effective this coming Friday.

Now, Mr. Speaker, we know that the banks in turn will now be in a position to foreclose on those farm loans. All they will need to do is follow the example set by the Farm Credit Corporation, in other words this Tory Government.

We also know that the price of wheat has come down 18 per cent this year, after declining some 20 per cent last year, and that, very soon if this is not already the case, prices will no longer cover production costs.

Mr. Speaker, Canadian farmers, Quebec farmers are going through a most difficult period. I feel that as a Government, in the case of such a basic industry as farming, we must take all the steps needed to save our farmers, to save our family farms and to save that industry. We in the New Democratic Party, are saying that the Canadian Government must give farmers the assurance that their return this year will not be lower than it was last year. The agricultural economy of western Canada, the farmers' families and communities of western Canada, must be protected. I can tell you, Mr. Speaker, that Quebec farmers and the Quebec farm community are aware of the seriousness of the situation, not only for themselves, but also for their fellow farmers in western Canada and that they sympathize with them.

Quebec farmers also know that a solution has to be found to the problem of our debt, a $25 billion burden in Canada for our farmers. We know, and they know, that the problem of excessive interest rates for farmers is unjustified. In that respect, I wish to emphasize that about a year and a half or two years ago, in the Finance Committee, at about the same time in the House of Commons, we dealt with a number of specific points with respect to farmers, including Section 31 of the Act which deals with part-time farmers. We had suggested a number of solutions to help them.

There was also the tricky question of funding for Canadian farmers, in particular the matter of interest rates. There had been some discussion on a tax measure, an inadequate one by the way, which had been developed in the United States but which would not have been profitable to Canadian farmers because of a fiscal loss, and which was rejected. We had however suggested a direct approach by saying that to help our farmers, in Quebec as well as in western Canada, the Farm Credit Corporation should be allowed to take direct action by charging appropriate and reduced interest rates.

Mr. Speaker, as I mentioned earlier, one farmer out of four is faced with serious financial difficulties. I ask the Conservative Government: What will happen to them after the moratorium is lifted? What will the banks do? Follow the example of the Conservative Government?

Mr. Speaker, it is obvious that the farmers' debt load is too high. It must be reduced, and that is what our Party, the New Democratic Party of Canada, advocates.

I am proud, Mr. Speaker, to be taking part in this debate today, a debate that went on all night. I may point out that none of the Liberals saw fit to come and defend Canada's farmers, western farmers.

An Hon. Member: Right on!

Mr. Toupin: One of my colleagues says: Right on! And it is the truth.

• (1540)

I also want to say that the problems of western farmers are very similar to the problems of farmers in Quebec. As a French-speaking Quebecer, I also want to say that French-Canadians, including farmers, whether they live in northern

Alberta, Manitoba or Saskatchewan, in Laflèche, St. Paul, St. Albert, Gravelbourg or elsewhere, have not been forgotten by the farmers and the people of Quebec, and that they can count on our support and the support of our Party.

In concluding, Mr. Speaker, I want to say that the New Democratic Party of Canada, that its members, defended the interests of farmers yesterday, last night and today, as they have for so many years, and that we will continue to defend the interests of farmers in the west, in Quebec, in Ontario or in any other province. It is now up to the Government to listen to us and to act accordingly.

[*English*]

The Acting Speaker (Mr. Paproski): Question, question? It being past 2 p.m., Wednesday, April 29, this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 3.44 p.m.

HOUSE OF COMMONS

Thursday, April 30, 1987

The House met at 11 a.m.

Prayers

MOTION TO ADJOURN UNDER S. O. 29

[*English*]

AGRICULTURE

CANADIAN GRAINS CRISIS

Mr. Speaker: I wish to advise the House that there have been consultations with the House Leaders, and it has been agreed that the House should resume consideration of the current crisis facing Canadian grain producers. The question now before the House is that of the Hon. Member for Prince Albert (Mr. Hovdebo):

That this House do now adjourn.

The House resumed consideration of the motion of Mr. Hovdebo:

That this House do now adjourn.

Mr. Speaker: Resuming debate with the Hon. Member for Okanagan—Similkameen (Mr. King).

Mr. Fred King (Okanagan—Similkameen): Mr. Speaker, I am certainly delighted to have this opportunity to join in this debate today.

Mr. Gauthier: Where were you yesterday?

Mr. King: I was frustrated in my desire to speak yesterday by the inability of the Opposition, which raised the question in the first place, to provide a speaker to maintain the debate.

Some Hon. Members: Oh, oh!

Mr. King: It is rather ironic that the New Democratic Party which introduced the debate could not have someone here to carry it on. I am delighted to have this opportunity and I appreciate the effort.

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

Mr. Epp (Provencher): He is still not standing.

Some Hon. Members: Oh, oh!

Mr. Speaker: I am sure that all Hon. Members will want, after all the events of the recent day or so, to hear the Hon. Member for Okanagan—Similkameen (Mr. King). I just want the House to know that I see the Hon. Member for Nickel Belt (Mr. Rodriguez).

Mr. Rodriguez: Mr. Speaker, I am glad that the fog has cleared today—

Some Hon. Members: Oh, oh!

Mr. Rodriguez: —and the view from the Chair is clearer.

I want to point out to the Hon. Member for Okanagan—Similkameen (Mr. King) that, in fact, I was standing in my place yesterday afternoon before we had that six second dash.

Mr. Speaker: The Hon. Member for Nickel Belt has raised an important matter, but I do not think it is a point of order. It is probably a matter for debate. The Hon. Member for Okanagan—Similkameen.

Mr. King: It is not only irrelevant, it is untrue, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. King: I think it ironic that we are here today—

Mr. Speaker: I am sure the Hon. Member for Okanagan—Similkameen really means to say that other Members, remembrance of events past is perhaps not as accurate as they might be. The Hon. Member for Okanagan—Similkameen.

Some Hon. Members: Oh, oh!

Mr. King: Mr. Speaker, I thank you for the revised wording. It would be laughable, if the subject were not so difficult for many Canadians, to hear members of the Liberal caucus sitting opposite talking with such feigned concern about agriculture and about the west.

Even the Leader of the Opposition (Mr. Turner) got into the act, making a case for everything that he failed to do in the period in which he led a Government that totally failed agriculture and totally failed the West in so many critical areas of economic activity. His speech yesterday can only be treated with a degree of cynicism that it so richly deserves. We do not need to go back to former Prime Minister Trudeau's disparaging and insulting remarks to western farmers, remarks that defined his personal attitude and that of the Liberal Party toward exercising some of the responsibility that they had to the west and to farmers. That Government chose to turn its back on both the west and its farmers, just as it did when its

policies brought about interest rates of 22 per cent and higher, which really is the root cause of the difficulties plaguing agriculture and many other segments of our economic society.

Yesterday we heard the Leader of the Opposition complaining bitterly that Farm Credit Corporation rates are averaging 11 per cent. I would like to ask what action came from his Government to help farmers locked into contracts with 16.75 per cent interest. What did the Leader of the Opposition do when it was within his power as Prime Minister to do something to assist those farmers that he is now so zealous in defending? The answer is nothing. Neither he nor the Liberal Government he led did anything. It was the Government of our Prime Minister (Mr. Mulroney) who, together with the Minister of Agriculture (Mr. Wise) looked at those terribly high interest rates that Liberal policy had brought about and who took the action to reduce the rate for all those farmers who were locked in at 16.75 per cent interest. That is only one of the many positive actions which the Hon. Minister of Agriculture has brought to bear on the critical pressures which threaten agriculture in Canada.

If time permits I will talk later about the many varied positive actions which the Mulroney Government has taken in support of agriculture and in support of farmers. The point which has to be made is that every one of these supportive actions by the Mulroney Government could have been taken months and years ago by the Liberal Government which preceded the Mulroney Government. The problems existed then. In fact, it was Liberal policy that produced the most damaging of these problems. The problems existed but the Liberals did not have the will to address them. They refused to accept responsibility when they were in office.

• (1110)

Yesterday the Hon. Member for Bow River (Mr. Taylor) said some things that I think should be noted. He said that when the former Liberal Minister of Agriculture, Mr. Whelan, was asked when the Liberal Government would do something for farmers facing disaster as a result of interest rates that went up beyond 22 per cent, the Liberal Minister of Agriculture responded by saying: "soon, soon". The Liberal Government never did provide the relief that farmers sought.

Mr. Taylor: Soon never came.

Mr. King: The "soon, soon," of Mr. Whelan, the former Liberal Minister of Agriculture, was in reality: "never, never". There was no relief from the Liberal Government under Prime Minister Trudeau nor under the Prime Minister who succeeded him.

I would like to add my voice to that of the Hon. Member for Bow River in evidence that will add to the growing body of cynicism which surrounds the statements made in this debate originating from Liberal benches. Yesterday the Liberal Member for York Centre (Mr. Kaplan) said that "speaking is not good enough and that there is only one Party that can act, and that is the Government". He said that "only the Government can do something".

The fruit growers in British Columbia shower apples upon the Members of the House of Commons annually. I am sure, Mr. Speaker, that you profit and benefit from them. Those fruit growers from British Columbia's Okanagan Valley would say that it is unfortunate that the Hon. Member for York Centre could not yesterday have spoken with some retroactive effect. Where was the voice of York Centre when Okanagan farmers were asking the Liberal Minister of Agriculture, the Hon. Eugene Whelan, to honour the obligations under the stabilization Act which the Act imposes for commodities designated in it?

When I repeatedly brought to Mr. Whelan's attention the matter of a deficiency payment for Okanagan orchardists, a deficiency payment which would be triggered by the disastrous 1983 prices for soft fruits including peaches, apricots and cherries, the answer I received was "no", even though Mr. Gerald Geen, the President of the fruit growers' association, and I raised it personally with Mr. Whelan. The Liberal Government would not make that payment even though disaster faced many farmers as a result of the disastrous prices that returned only 20 per cent of the cost of production to those farmers I represent. Mr. Whelan said in the House and to me: "We aren't going to pay".

Contrast that with the action taken by the present Minister of Agriculture when this Government took office. The Minister of Agriculture reversed that unworthy decision and made that very substantial payment after the people of Canada had the good sense to put the Progressive Conservative Government in place. By that single action, the people of Canada provided Canadian agriculture a benefit unequalled in the history of Canada. Never has agriculture received so much legislative, policy and Treasury attention from Ottawa.

Let me read from the March 1987 issue of the magazine entitled the *British Columbia Orchardist*. The President of the British Columbia Fruit Growers' Association, Gerald Geen, who represents some 2,000 farmers concentrated in the Okanagan, Similkameen and Creston Valleys, wrote the following in response to the $4.5 million payment made recently to apple producers in the area:

> The really good news is that the federal government has just announced that stabilization payments will be made to Canadian apple growers for their 1983 and 1984 apple crops.

He went on to say the following:

> I can tell you that our industry has had very positive support on this matter from the Prime Minister and one of his senior policy advisors who last summer spent two days with me in the Okanagan; Right Hon. Joe Clark, Secretary of State for External Affairs who met with Fred King, Martin Linder and myself last August; Hon. Michael Wilson, Minister of Finance; Hon. Pat Carney, Minister for International Trade; Hon. John Crosbie, Minister of Transportation; Hon. Tom Siddon, Minister of Fisheries and Oceans; Hon. Frank Oberle, Minister of State (Science and Technology), several other key Cabinet Ministers and the entire B.C. Conservative Caucus.
>
> I especially want to recognize the Minister of Agriculture, Hon. John Wise, and his assistant Mr. John Donald, for vigorously supporting our request for stabilization during the last twelve months . . . On behalf of our apple growers,

I want to thank everyone at the federal government level who has in any way assisted our industry in getting this payment. Your efforts are very much appreciated. The forthcoming funds are very much needed by our producers.

I read that into the record because I want to emphasize the fact that despite what is coming from the benches opposite, Canadian farmers know the facts and the facts are that they and their difficulties are receiving more attention from this Government under the Right Hon. Prime Minister, the Minister of Agriculture and the Minister responsible for the Canadian Wheat Board (Mr. Mayer) than any other Government has provided to agriculture in Canada.

On Tuesday of this week, the Hon. Minister of Agriculture was in the riding I represent, Okanagan—Similkameen, to open officially the new $24 million Agriculture Canada Research Centre. More than 1,500 citizens of the area were there to demonstrate the popular support which the Summerland Experimental Station as it was called in 1914 when it was established, has earned from farmers in all of British Columbia.

• (1120)

As I have already mentioned, Mr. Speaker, I have often brought with me apples to distribute to Members of Parliament—

An Hon. Member: And cherries.

Mr. King: And cherries, and apricots, and peaches—

An Hon. Member: And wine?

Mr. King: All of the tremendous produce that comes from the Okanagan Valley. One apple that gets great attention here is the Spartan apple, a strain that was developed at the Summerland Experimental Station. It is a beautiful red apple, a cross between a McIntosh and a Newton. I know that it is one of your favourites, Mr. Speaker.

As I say, the Spartan apple was developed at the Summerland Research Station. You may consider it Agriculture Canada's contribution to your well-being, Mr. Speaker. But that facility is also involved in fruit processing techniques, in controlled atmosphere storage research, and other areas.

I heard the other day about a tremendous new facility that is going up in the Province of Ontario that will keep apples for a full year without deterioration. The Summerland Research Station has been involved in that type of work for 30 years, and such facilities have existed in the Okanagan Valley for 25 years at least. In fact, we have controlled atmosphere storage for something like two million bushels of apples in place in the Okanagan Valley.

The reason the Okanagan is at the forefront of horticultural technology is the Summerland Experimental Station and the efforts that the federal Government has put into research at that facility.

Low volume orchard spraying—something which every environmentalist in Canada should rise up and cheer—also owes its development to the Summerland Experimental Station of Agriculture Canada, as do the new irrigation techniques that are in use.

The Okanagan area has average annual precipitation of only 10 inches. Without irrigation, nothing could be grown. Water for irrigation is a precious commodity and something which must be used judiciously, and toward that end, the Summerland Experimental Station has assisted farmers in the Okanagan in developing water saving techniques.

It is important that we point out what Agriculture Canada is doing for farmers in this country, and particularly the degree of attention the Minister of Agriculture has devoted to research in agriculture.

Let me just take a moment to outline for you some of the programs and expenditures this Government, under the direction of the Minister, has been engaged in.

At Vegreville, Alberta, we had an expenditure of $4.57 million for construction and research into soil quality; in Quebec, an experimental farm complex at a cost of $6.1 million; in London, Ontario, $16 million for an office-laboratory complex; at L'Assomption, Quebec, $8.5 million for research facilities to find alternate crops for tobacco growers; at Big River, Saskatchewan, $1.5 million for expansion of the Provincial Forest Nursery; again in Saskatchewan, $577 million for the expansion of a livestock centre; at the Lacombe Research Station, Alberta, $210,000 for library facilities and a conference room; at St-Jean-sur-Richelieu, Quebec, $16 million for an office-laboratory complex; at Lethbridge, Alberta, $22.3 million on the Animal Disease Research Institute; at Guelph, Ontario, $2.7 million for a new animal pathology laboratory; at St. Hyacinthe, Quebec, $17 million for a pathology laboratory; and in Nepean, Ontario, $33.6 million for an Animal Research Center office-laboratory complex.

When you add to those expenditures the $24 million that has been spent at the Summerland Experimental Station, total expenditures amount to some $150 million. The expenditures of Agriculture Canada on research funding are projected to be $240 million for 1986-87.

To my mind there has been a degree of confusion brought about by the Opposition as to the effect of the lifting of this moratorium. I think it needs to be made clear that the moratorium that was in place is one that applied only to contracts with the Farm Credit Corporation. It did not apply in respect of loans or mortgages held by private sector lending institutions.

The moratorium is unsustainable forever. There is probably no time at which it could be lifted without someone being affected. It is for that reason that it was put into place in the first place.

The Government has now put into place farm debt review boards and the Rural Transition Program, both of which will be effective in easing the problems associated with the lifting

of the moratorium. The moratorium itself was not designed to eliminate these problems; rather, it merely provided some breathing space.

Mr. Speaker, I see that my time is drawing to a close. I wanted to talk a little more about Spartan apples. Given the time constraints, I shall just have to bring you one and demonstrate in that way what it is I am talking about.

The Acting Speaker (Mr. Paproski): The Hon. Member for Kenora—Rainy River (Mr. Parry).

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I, too, am glad today to be able to join in the debate on the motion put forward by the Hon. Member for Prince Albert (Mr. Hovdebo) concerning the crisis in the grain industry—

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

The Acting Speaker (Mr. Paproski): The Hon. Member for Algoma (Mr. Foster), on a point of order.

Mr. Foster: Mr. Speaker, I understood that the rotation for this debate was to go from a government Member to the Official Opposition, and then back to the Government, and then back to the Official Opposition.

The NDP put up a speaker last, and then the House was adjourned. I should think today it would have been appropriate to have gone to a government speaker and then back to the Official Opposition. The Hon. Member who is standing now is—

Some Hon. Members: It would be appropriate for you to sit down. The Speaker is standing in his place.

The Acting Speaker (Mr. Paproski): All I can say is that I call them as I see them. The Hon. Member for Kenora—Rainy River is now being called.

Mr. Parry: Mr. Speaker, a deepening crisis has been developing on Canadian farms over the past two years. Nowhere is this more evident or more serious that in the grain economy of western Canada.

We are, unfortunately, Mr. Speaker, engaged in the world today in a form of trade war that is particularly vicious and one in which Canada is, in one sense, the main victim and, in another sense, has no alternative but to participate.

The export subsidy war between the European Economic Community and the United States has caused prices for Canadian grains to plummet. Prices dropped 20 per cent last year, and a further 18 per cent drop for the 1987-88 crop year was announced by the Canadian Wheat Board last week.

Who among us, Mr. Speaker, could face a cumulative reduction in our incomes over a two-year period of something in the order of 40 per cent? I say that, of course, in the context of a small business operation, which most Canadian grain farms are, and in the context of having fixed costs, many of which have risen dramatically over the years leading up to the drop in revenues. We are all aware of the rising tide in interest rates that engulfed farms in western Canada in the early 1980s; we are all aware of the rising costs of energy, fertilization and labour for farming operations. Yet, while these costs were rising, farmers, for the last two crop years, have faced what can only be described as reductions on a disastrous scale.

On Monday last, with perhaps the worst timing possible, with farmers already under severe stress, the Government announced that on Tuesday, the very next day, the Farm Credit Corporation would once again be permitted to foreclose on family farms. The moratorium that had been in place for 18 months was being lifted.

• (1130)

I should point out that the Farm Credit Corporation is, after all, seen very much as the bellwether and leader in terms of farm lending. Everyone in this House knows what happens when one bank raises its mortgage rates. When this happens all the other banks follow suit. I think it can be anticipated, and the Government must surely expect no other consequence, that other lenders to farmers will take this as a signal that it is again open season on farm foreclosures.

The Government has refused to make a commitment to a deficiency payment program in the forthcoming crop year. It says that those sorts of announcements will come at the appropriate time. That time is now. Farmers are traditionally, and I believe never more than today, plain-spoken people who understand the facts and know what is going on. In plain talk, a deficiency payment program is a subsidy. Some people would call it a hand-out and farmers would much rather make their income on a market system which provides them with a price return for their commodities than accept a subsidy on the production of those crops.

What we are calling for, and not because this Party has any ideological commitment to subsidies, not because we believe that the farm economy and the grain war can be sustained indefinitely in the face of what has been happening, but simply because this Party understands that it is a case of survival for western grain farmers and the western grain industry, is a commitment to provide Canadian grain farmers with at least a guarantee that the total receipts for crops this year will equal those of the last crop year.

In doing so it is obvious, I think, that we ourselves and those others who support such a move are not taking this on as some sort of welfare commitment, but are very seriously addressing the short-term remedy for the Canadian grain farming situation, without which short-term remedy we will never have the opportunity to bring in the long-term solutions which, of course, can be the only solutions for the grain economy.

As Oscar Wilde observed, in the long run we are all dead, but Canadian farmers may not survive the short run. They are very willing to absorb the impact of inflation and the increase in other price factors if only they could have a guarantee from the Government on the revenue return to the farmers.

We are not bringing this motion forward in some spirit of partisan and unreserved condemnation of the Government's total approach to the farm economy because we do understand that there have been some worth-while initiatives introduced and some worthwhile accomplishments. We know that the Government is working hard on the international front. Any Canadian Government would, because the anarchy, the discounting and the marketing manoeuvres that are being carried on at the moment in the world grain market can only lead to further chaos if measures are not taken to restrain them.

We know that the Government understands also that the grain export economy is, if you like, to a large degree the mirror image of the agricultural situation in the Third World and in less developed parts of the Second World. We know, after all, that Canadian grain should never be sold or distributed in such a way as to affect the viability of the Third World farmer because, without the opportunity for the Third World farmer to produce her crop and sell her crop for a cash return, and also to use her crop to nourish her family, those who took that opportunity away would be guilty of a crime against humanity which would have the most profoundly sincere consequences in the Third World.

This Party does not say that the Government has totally failed to assist the farm sector in recent months. We question very much the Rural Transition Program. We know that something useful at least has been accomplished through the debt review boards and we know that the Government has consulted with farm organizations, although often the effects of having listened are more evident in the breach than in the materialization. I return again to the fact that government assistance has not been adequate and will not be adequate without new announcements to ensure the short-term survival of the western grain economy in order for it to be able to take advantage of the opportunities which still exist to be taken advantage of in western Canada.

The alternatives to a deficiency payment program, the alternatives to other adjustment measures, are indeed no alternatives. Without an announcement from the Government we will be looking at widespread bankruptcy. We would be looking not simply at economic dislocation, not simply at unemployment which, after all, is something which, regrettable though it is, many of us have some experience with and which we as a society have measures both to combat and to ease the short-term difficulties therein entailed, but at something as serious as bankruptcy and unemployment. The seriousness is doubled by the very fact that it means the end of a way of life for anyone in western Canada who is forced off his farm by the lack of assistance forthcoming from the Government.

We know that stress increases on individuals in direct proportion to the number and magnitude of changes that they have to undergo in their lives. If we allow the western grain farmer to be subjected to the stress of bankruptcy, unemployment and relocation all at once, we will see people who are stressed beyond belief, stressed beyond the comprehension of you, me, or any of us, and perhaps stressed beyond their limits to sustain themselves in the face of that sort of trial.

We would be looking not only at the disappearance in the less prosperous parts of grain producing western Canada of the farms, but also at the disappearance of the entire rural community. That includes bank branches, lawyers, doctors and the co-ops and credit unions which built western Canada and enabled farmers to build up farm economies in the first place. Perhaps even more serious than those consequences, it would bring about, of course, the complete absence of soil stewardship.

Sometimes when I travel from the farm areas of my riding I travel through farming areas of Manitoba. I am often impressed by the scale of those operations and, in some way, a little envious for my own farmers who must contend with a much smaller market, who are generally much more diversified than farming only a single commodity, whether it be grain or potatoes, and who have themselves been facing many, many trials over the past few years which the provincial Government has been somewhat reluctant to assist them with and which, unfortunately, because they are not grain farmers, federal programs have also not touched on very much either. My farmers are in a serious condition but they understand that because the average western farmer does not have access to alternative employment opportunities, does not have access to the wood lots which are available to northwestern Ontario farmers. It is the western grain farmer who is in the worst situation.

In talking of soil stewardship, let me say that last week-end was a fairly windy one in western Canada. As I drove down the highway I could see topsoil blowing off at a time of the year when it would normally be nicely fixed in place even if it had been tilled. The fact is that when there is an agricultural depression, the future prospects of the agricultural economy are drastically diminished by the farmers' inability to conserve his soil.

• (1140)

The Government has provided some assistance, but on the other hand, it has allowed the input cost to farmers to rise. As a result of the announcement of the discontinuance of the moratorium perhaps during the worst time of the year, in spring, we face a very serious situation.

[*Translation*]

Mr. Speaker, Canadian farmers are saddled with a $25 billion debt. We know—and they know—that the interest rates set by the Liberal Government are too high and that farmers simply cannot survive.

[*English*]

Let me deal with the long run solutions for the farm economy, because without alternative markets for those crops there will be farmers who will go out of production. Some months ago I had the pleasure to participate in the Energy Committee's investigation of fuel alcohol. I was struck by the

strong desire of some sectors of Canadian agriculture to link their grain surplus problem with the country's energy situation, particularly in respect of gasoline supply.

There have been corporate announcements of imminent petrochemical solutions to gasoline lead octane problems, but I believe from the evidence I have seen that there are biochemical and biomechanical solutions available that could utilize grain production in western Canada as a feedstock. This could strengthen the price of grain that is sold for food and thus enable our farmers to dig themselves out of the hole in which they find themselves.

Will the Government let our mostly foreign-owned oil refining industry turn its back on Canadian farmers, or will the Minister of State for the Canadian Wheat Board (Mr. Mayer), who has a grain ethanol plant producing in his riding, take some action to ensure that the octane requirements of Canada's future production streams are met in a way that provides an economic opportunity and future for Canadian farmers?

Fuel ethanol has been available in Canada for six years. It will be one year ago tomorrow that the Standing Committee on Energy, Mines and Resources produced a report that favoured a 5 per cent to 3 per cent blend of ethanol and methanol, not only in order to reduce Canada's reliance on imported additives, but also to help farmers of western Canada with a new crop market. Nothing has been done. We understand that some low-level studies have been conducted within the Canadian Wheat Board, but the fact is that the Government must take action because it knows a solution is available and that there are remedies to help the western farmers with another market for their grains.

The fact is that the Government has sold out the farm economy indirectly to the multinational oil interests. Everyone should realize that there is no free market in petroleum production within Canada. There is no free market in refined gasolines. By making the policy decision that the so-called free market would decide, the Government is on the verge of cutting off a major economic opportunity for Canadian farmers and giving it, instead, to the multinational oil companies. Furthermore, this is in a form that will create very few jobs and will essentially keep that centralized control so much favoured by the multinationals.

We are told that there are imminent investments in the MTBE plant of $275 million each for a plant in western Canada and a plant in eastern Canada, creating 100 jobs each. That is the sort of solution to Canada's octane shortage that this country simply cannot afford because when the remedies are technically available in a new and developing technology that still has its economy of scale and has its efficiency and effectiveness developments before it, we would be very poor Canadians if we were to sell such an opportunity to the already excessively dominated multinational oil industry.

Supply concerns of the 1970s in the United States prompted federal and state tax incentives, and a large independent refining industry controlling half of U.S. capacity, which is something that does not exist here, co-operated with the move to introduce ethanol into the fuel stream. Canadian production today is the same as it was in 1981, unfortunately, when Mohawk Oil recommissioned a 7.2 million litre a year distillery in Minnedosa and began selling that 10 per cent blend. Why is that 10 per cent blend not available right across the country? Why are Canadian farmers being denied the possibility of $200 million, or $400 million or $500 million a year in additional revenue, even just in the short term, with the 5 per cent—3 per cent and 10 per cent ethanol blends that would be marketed and commercialized virtually immediately?

Recent bipartisan moves in the United States Congress and administration may soon mandate oxygenated fuels, ethanol and methanol to help meet the 1987 Clean Air Act standards. That policy is supported by 46 United States Senators, Republican and Democrat, and by Vice-President Bush, who of course has aspirations to the presidency himself.

Whether or not that happens, North American oil refiners have to fill an emerging octane gap, estimated at possibly over $10 billion a year, with lead replacers of their choice and not necessarily the public's choice.

Canadian Government and parliamentary support for pro-ethanol forces in this country as well as world-wide could help tip the scales in favour of the biochemical option for lead removal and to reduce other emissions. Ethanol is a fuel that is well known and presents very few environmental risks. Of course, it has great economic potential.

You are signalling that my time is up, Mr. Speaker. I could have talked for much longer and I hope to have a further opportunity to talk on the possibilities and the potential that ethanol has for Canadian farmers, particularly Canadian grain farmers. More jobs will be created throughout Canada, more Canadian farmers will be able to keep farming and be profitable. International success in ethanol production could help strengthen world grain prices and we could keep the Canadian western grain economy going, if the Government had but the vision to use its legislative powers toward that end.

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, although I acknowledge the vital import of the agricultural producers' great contribution towards feeding Canadians, as well as their right to earn a decent living and to get a fair price for their products, I must admit that the intricacies of agricultural production, particularly wheat, fall somewhat beyond the scope of my expertise. As you would know, Mr. Speaker, I feel more at home when dealing with communications and cultural matters. CBC listeners can often hear programs concerning farmers, and I can assure you that the day-to-day problems of the farm community are often explored not only on these programs but also in the course of educational and regional programs. A current topic has been the 18 per cent drop in the price of wheat and the definite

possibility that agricultural producers may very well lose both their farms and their homes.

Mr. Speaker, you also know that I used to be the critic on the status of women, and we were made vividly aware of the very serious situation of Mrs. Irene Murdoch and the discrimination she experienced when the court ruling did not give her any recognition for all the work she had done, day in and day out, seven days a week. Since then there has been some improvement in the situation of women who happen to be full-fledged partners in the agricultural community.

I believe that we should pay homage to couples, both men and women, and their children who work very hard on farms throughout Canada.

Until now, Mr. Speaker, as a woman living in urban surroundings I was hesitant to join in this emergency debate on the agricultural crisis in Western Canada. But after listening to my colleagues in the House, even though I am not all that familiar with agricultural affairs I can still readily appreciate the human drama being played in Canadian rural homes, their sentiments of fear, anxiety and frustration.

I have often travelled through the countryside with my family to admire the scenery and the wild flowers, to pick up daisies, blueberries, strawberries and raspberries, to buy fresh and tasty farm products, to marvel at the sight of wide expanses of wheat and corn fields. Particularly in the fall, I never get tired of looking at the fairy-tale colours of the trees.

However it never occurred to me that a house-for-sale sign might indeed hide a human drama due to this Government's inadequate farm support policy. Certainly this insensitive policy of the Conservative Government cannot be the result of laziness on the part of farmers, the lack of motivation, the long hours of work, a reduced budget. Quite the contrary, farmers are so anxious and so proud to preserve the heritage which in many cases was left to them by their ancestors that they do not think twice about toiling under very harsh conditions and making do with aid programs which fall far short and might even be described as being totally unacceptable.

Monday's announcement by the Minister of Agriculture (Mr. Wise) that the Farm Credit Corporation of Canada would lift the moratorium declared on September, 1985, with respect to foreclosures on bankrupt farms has created utter distress for hundreds of owners of small and medium-size farms, leading them to despair, family violence and, in some cases, suicide.

• (1150)

[*English*]

It has become quite evident through the course of this urgent debate that a long-term vision of society is absolutely critical in order to arrive at the short-term remedial steps required at this time. If we as Canadians value the family farm, its stability, its place in the grand design of our society, then the necessary fiscal measures must be taken to enable farmers to survive this crisis.

On the international stage the grain subsidy situation is being fully addressed and increased efforts are being made to restore sanity in international grain markets. However, my Leader and my colleagues have tried to make the Government understand that just citing figures and comparing them to those of last year or the year before, boasting about how much more the Government has invested in the West's economy than the Liberals did, are not answers to the family farm crisis. They bring no solace to the individual farmer and the crisis in his family life. The way to demonstrate leadership is not to say: You did not do it and we are doing something. The way to demonstrate leadership is to come up with a plan of action.

We acknowledge that $1 billion was pumped into the agricultural economy last year. I will not go into the way it was offered by the Prime Minister (Mr. Mulroney) as a sort of little lollipop dangled in front of the voters in the middle of a provincial election. It was a needed support. However, because that is true it does not mean other similar steps do not have an ongoing and important place in the plans and policies and political vision of the Government. Obviously it is a Government with no vision and certainly no heart. Farm families are paying a heavy price while the Government dallies and promises schemes for diversification of the economy.

Monday's announcement of lower initial grain prices for 1987-88 indicates that the price of wheat will be down by 18 per cent and that of barley by 25 per cent. When those announcements were made the Government should have given some indication of how it intends to react to this new crisis. My colleague, the Hon. Member for Algoma, has given this House the benefit of his wise counsel, deep commitment to and knowledge of this field. I do not pretend to have that knowledge but why can the Government not listen to our experts? It could take some direction given that it is completely lacking in any ideas of its own.

The Government has boasted of improved federal-provincial relations. If that is true, why does it not sit down with the provinces and co-operatively develop a plan to keep families on the farm in a productive capacity? Why does it not see them through this short-term crisis until it can bring forward that White Paper we have been waiting and waiting for, which obviously has no content, no concept and no political vision? Let the Government at least support the family farm which is such an important part of our heritage and our institutions. Rural family farms are revered institutions in our society. Rural communities and related industries are all in jeopardy. It is not just the farmer who is affected; it is the manufacturer of the equipment the farmer uses and the supplier of seeds and everything else needed in the ongoing operation of a farm.

The reason I am speaking in this debate is that the crisis has far-reaching social and economic implications, not just for the West but for the total economy. As I said, one cannot remain apart. We cannot live in glorious and ignorant isolation from the problems of all Canadians. We are a grand and widespread country. We have regional differences, but we are expected to

address them. That is our social contract and that is what the Government has failed to do.

I think it is important that all Canadians, Francophone and Anglophone in every part of this country, pay attention to this situation. Because you live in one of the metropolitan centres across this land does not mean you can be insensitive to this crisis. We know man cannot live by bread alone, but we also know that bread is the staff of life, and that is particularly true for the western farmer.

If you have listened to some of the root causes of the problem we are addressing, as I have over these last many hours of debate, they sound like the plagues which afflicted the Egyptians: drought, grasshoppers, dust, wind, and locusts. Then we have the heavy subsidization of the U.S. and EEC farmer. We have the astronomical drop in prices, the third straight year of decline, which could mean the total return to producers will be 40 per cent lower for wheat, 45 per cent lower for oats, and barley payments below the 1984 per tonne payment. Flax seed and canola prices are lower by 34 per cent and 32 per cent respectively. One can sense the tremendous tragedy taking place and it is easy to understand the frustration and fear for survival which is being echoed behind the doors of each one of our family farms. It becomes obvious that the responsible, dedicated producers, individual farmers carrying on a family tradition or fulfilling a private dream, watch helplessly as forces beyond their control choke life out of their land and choke and close their visions of the future.

• (1200)

What does this requiem for the family farm mean in human terms? Let us consider what one of the studies that was done and reported has to say about this matter. I am reading to you, Mr. Speaker, from the *Western Report* of January 12, 1987, in which there appears an article entitled: "Farmers Under Stress". There is an interesting quotation from Pliny the Elder who stated:

> The agricultural population—produces the bravest men, the most valiant soldiers and a class of citizens the least given of all to evil designs.

I hope that that continues to be the motto of this sector of our society. I suggest, as the article states, that:

> Blissful, wholesome farm life, replete with golden wheat fields and rosy-cheeked dairy maidens, is the stuff of prose and poetry. In reality, being a farmer has become so trying that two University of Brandon psychologists say it is now more stressful than being a police officer or a multinational corporate executive.
>
> Last winter, Drs. James and Lilly Walker set out to ask 1,200 farmers what effect the poor economy was having on them. Last month the pair released the resultant report, *Characteristics and Correlates of Stress Among Canadian Farm Families*, at a University of Brandon conference called "Hungry for Answers—the Farm Community in Crisis." Growing food is one of Canada's most stressful occupations, they concluded. Declares the duo: "This stress is chronic and dangerous."
>
> The study revealed that stress symptoms such as headaches, marriage problems and irritability were three or four times more prevalent in the average farmer than in an RCMP officer three days after being involved in a shooting. What's more, the stress on the policeman is "transitory," say the authors, a "one-time event." But for farmers, the stress just goes on and on.

The Walkers went on to give some additional notes of the methodology that they used in setting up the 79-question survey which included queries about the weather, social problems like spousal neglect, workload and general worry. The article continues:

> Stress levels were partly measured by awarding points to such frequently troubling things as insufficient cash flow, debt load and rising expenses. Says Dr. James Walker: "Farmers create a lot of their own stress by being worried about the weather and prices."

That is enough for them to worry about without having to worry about poor government policy and inadequate government planning.

The great question which must be asked is the following. What should the Government do? We know that during the course of the last election campaign the Tories presented a series of 20 from-the-heart type promises. I would like to mention just three or four of them. One of the 20 was to allow the Farm Credit Corporation to offer agri-bonds so that farmers will have access to reasonably-priced funds. Has anyone heard of the Government creating agri-bonds? I think not. Another promise was to revise Section 31 of the Income Tax Act to reflect the principles of equity. There have certainly been no principles of equity mentioned in this situation. Another promise was to re-establish a long-term dairy policy. The Government cannot even bring about a short-term policy of crisis intervention, how can it even think in terms of the long term? Another promise was to expand agricultural research and development by providing greater assistance for agricultural colleges, more funding for research and development, and amending tax policy to encourage private sector investment. What has the Government done in this respect? It has closed down research facilities.

One last point I would like to bring to the attention of the House is the Prime Minister's promise to allocate the necessary funding to assist producers in refinancing their loans at current prevailing rates. What the Government has really done is to send a message to the banks to foreclose, instead of having all the banks, as well as the Federal Business Development Bank and the Farm Credit Corporation, support the worker. I have not even mentioned the fact that the Government has abolished Canagrex, a fine Crown corporation created by Mr. Eugene Whelan to market Canadian agricultural products abroad.

The Prime Minister is on his way out west. If he is going to be visiting Red Deer and Lethbridge, Alberta, North Battleford, Moose Jaw and Saskatoon, Saskatchewan, and Winnipeg, Manitoba between Wednesday and Friday of next week, I would like to ask him to deliver the following message on his trip. I suggest he use his marvelous hyperbole in a constructive way at that time. First, let him reinstate the FCC moratorium on farm foreclosures and introduce a proper farm debt restructuring program. Second, let him announce a deficiency program for this year's crop. Third, let him announce the long-promised western economic diversification strategy.

During this debate four Ministers of the Crown have spoken, including the Prime Minister. But not one of them gave any commitment for specific assistance. I suggest the Prime Minister has a glorious opportunity, and we know how he loves photo opportunities, to announce at least those three constructive policies. If he does, I think that perhaps some of the stress, strain and family discomfort and dislocation which has been expressed in the debate over the last two days might well be alleviated. Let him show some leadership.

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I welcome this opportunity to speak on the issues and problems facing the agricultural industry in Canada. Many Members of the House may not be fully aware that we in Atlantic Canada have a very important agricultural industry, including an important agricultural industry in Nova Scotia. In Nova Scotia we have problems in our agricultural sector. In Atlantic Canada we have the same or similar problems to those about which other Members have spoken in respect of western Canada. I know from speaking to members of my caucus from Ontario and Quebec that farmers in both those provinces have serious problems as well. From time to time in caucus we have heard strong and aggressive voices concerning the agricultural industry. Members of our caucus from all provinces bring forward, in an aggressive way, the problems that are facing the agriculture industry in Ontario, Quebec, Nova Scotia, Prince Edward Island and New Brunswick—all the Provinces of Canada. Of course, the motion before us deals specifically with western Canada.

We know what the problem is. However, that is not the issue. The issue is what is being done to address the problem. In this respect I am proud to stand here today to speak on just what our Government has done to address the problems facing the agriculture industry from the East Coast to the West Coast. The commitments that were made and honoured are well known by those in the agriculture industry.

Farmers are convinced that the Prime Minister (Mr. Mulroney), the Minister of Agriculture (Mr. Wise), the Minister of State for the Canadian Wheat Board (Mr. Mayer) and the whole Progressive Conservative caucus are strong allies of their industry. For example, they know that 14 of 16 campaign promises in the Prince Albert statement have been addressed. Farmers know that 414 initiatives having a total value of $6 billion have been implemented by the Government. They know that this is a record after only two and a half years of this Government being in office. They know the mess that was left after 20 years of Government by the Liberal Party. They know that for every 1 per cent drop in interest rates there is a savings to the Canadian farmers of $120 million.

• (1210)

The Canadian farmer knows all about this. He has full confidence in the policies being pursued by our Government. It is ironic that food remains our best buy as consumers. It is ironic that we pay more for a litre of pop than we do for a litre of milk. That is typical of the situation that faces our farms. The farming community faces the situation of rising costs and decreasing revenue. It is a serious problem, Mr. Speaker.

I am going to outline through you, Mr. Speaker, to other Members of the House and to the Canadian public what has been done in two and a half short years to address some of these problems to rebuild the strength of the Canadian agricultural industry. I am going to start by referring to the Atlantic livestock feed initiative. This policy brought in by our Government and an agreement signed just two or three weeks ago between the federal and provincial Governments is an attempt by our Government to establish feed grain self-sufficiency in Nova Scotia and in all of Atlantic Canada. Under this policy, our Government has committed itself to maintaining for a period of time freight rate assistance on grain that moves into Nova Scotia, grain that is important to the beef industry and other livestock industries in Nova Scotia. We have done more than simply continue a subsidy in keeping with our philosophy of developing the regions. We have put in place a series of incentives that will help the Nova Scotia farmer grow his own grain so we will not have to import grain from outside our province. We will create jobs in the grain industry and we will keep money at home, money that until this point in time has been going to another part of our country. It is all relative, isn't it, Mr. Speaker?

Let us look at what was done on the same issue by the previous Government. I will tell you what that Government did. The Liberal Government did nothing over the last 10 or 15 years when the feed freight assistance rate was declining. There was no serious attempt to address this problem of the agricultural community of Nova Scotia. We have been in office but two and a half years and we have responded and put in place a program after consultation with the industry, a program which is welcomed and a program that is good for the economy of Nova Scotia, not just the agricultural sector of that economy.

What about the question of the financial plight of the farmers in this difficult time? What have we done to assist and put in place an equitable forum where their debt situation can be discussed? We have established farm debt review boards. Legislation has been passed to set up farm debt review boards composed of people with knowledge and experience in farming and financial matters. This process has enabled many farmers to remain on the land. It provides an opportunity for independent third party review to the farm community. It assists in setting up voluntary arrangements between a farmer and his creditors to help ensure the survival of the farm business. Surely that is a constructive response to the financial problems facing farmers, giving them an opportunity to have their case presented in an open and a fair way.

What else is there, Mr. Speaker? The reality is that there are farmers who, in the end, want to leave the farm. They want to undergo a transition to another kind of employment. We have responded to this reality and established the Canadian Rural Transition Program. It is designed to help families who have to leave farming because of financial difficulties to make

the transition to new employment and another way of life. The federal Government will provide financial assistance for farmers' transition, relocation, job search and retraining. This is not a program that is encouraging these people to leave the farm. This is a program which has been implemented in response to representations from the people who say, "We are ineligible for many of these programs because we were farmers. We are being discriminated against". We have responded with a sensible program, one that is sensitive and addresses the social needs of these farmers.

What about the financial position of farmers? What happened to them? It was only three years ago that farmers were paying 18 per cent and 20 per cent interest rates when they bought a piece of machinery or farm property. And when they incurred debt, they had interest rates that sky-rocketed. We all remember that. We remember the foreclosures in the Canadian farming industry. You know, Mr. Speaker, and Members of this House know that we now are enjoying the lowest interest rates in almost 10 years. That is in no small measure a result of the economic policies followed by the Government. Since coming to office the interest rate has dropped from 14 per cent to about 11 per cent. That means savings of $150 on a $50,000 mortgage every month. As I said earlier, that is a saving of $120 million to the Canadian agricultural industry for every 1 per cent drop in interest rates. That is of benefit to farmers in Nova Scotia, Ontario, Alberta and British Columbia.

These are policies of general application that have been of enormous benefit to the agricultural community. What we all remember is that the Liberals and New Democrats joined together during the 1970s to follow policies of fiscal irresponsibility that resulted in high interest rates. They just did not drop out of the air. Those high interest rates resulted from the irresponsible management practices of the previous Government, supported by the New Democrats.

What about the National Energy Program? What did the National Energy Program do for the energy costs of western and Atlantic Canadian farmers? Where were the Liberals and New Democrats? We all know where they were. They were closely bound together in support of a policy that not only destroyed a lot of economic activity in the petroleum industry in Canada but put billions of dollars of taxation on all Canadians, including the western Canadian farmer.

Mr. Althouse: Mr. Speaker, I rise on a point of order. I think it is the practice if not the requirement of the rules of the House that speakers tell the truth when they are presenting their arguments. I would caution the Hon. Member to check the voting records before he regurgitates material from PC headquarters.

The Acting Speaker (Mr. Paproski): That is debate. The Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) has the floor.

Mr. O'Neil: Mr. Speaker, I guess the best test of whether or not I say is true is the fact that it is like salt on the wounds of the New Democrats to hear me bring forth the truth in this Chamber today—

Mr. Althouse: You supported the Bank Act.

Mr. O'Neil: —to remind the western Canadian farmers that the New Democrats were responsible along with the Liberal Party for the high interest rates—

Mr. Althouse: No.

Mr. O'Neil: —and the National Energy Program which was a tax burden on Canadian farmers.

Mr. Althouse: That is not true.

Mr. O'Neil: The truth hurts. You hear them, Mr. Speaker. They do not want to hear it.

Mr. Althouse: The Conservatives voted for the Bank Act.

Mr. O'Neil: What can we do, Mr. Speaker, they do not want to hear the truth. The Canadian farmer knows it and the Canadian public is going to hear it.

Mr. McCurdy: Don't get excited.

Mr. Althouse: Look at the facts.

Mr. O'Neil: The farm fuel tax relief program which we implemented was an attempt to reduce the tax burden.

Mr. Gauthier: Kiss and make up, guys.

Some Hon. Members: Oh, oh!

Mr. O'Neil: I am very pleased that the New Democrats are so sensitive because it tells me that it is very much a political issue in western Canada. What is very much a political issue is their support for the policies of the previous Government.

Mr. Althouse: It is a matter of the truth.

Mr. O'Neil: We have responded. We brought in policies that are aimed at reducing the financial burden on these farmers. The farm fuel tax relief program which is a saving of hundreds of dollars to the western Canadian farmer was brought in to address this very severe financial and social problem.

• (1220)

We have responded in a sensitive way to the economic and social problems of the farmer. The previous speaker asked where the long-term dairy policy is. It is obvious that she does not read press releases or newspapers. The federal Government's commitment of $1.5 billion over a five-year period is well known. There is a five-year dairy policy designed to ensure the long-term health of the dairy industry in Canada. We know that a dairy industry exists in all parts of the country and my riding is no exception. In my riding, there is a strong

and viable dairy industry and the dairy farmers that I represent are very supportive of that initiative, as they are of the other initiatives—

Mr. Foster: Cut by $15 million a year, too.

Mr. O'Neil: I hear the Hon. Member for Algoma (Mr. Foster) chirping today, but there was no chirp from him when farmers were paying 20 per cent interest rates, when there was no dairy policy, and when the National Energy Program was sinking the Canadian farmer with high interest rates. He should moo like a cow rather than chirp like a bird. The reality is getting through to the Liberals. It is their record about which we are speaking and which we are showing to be as weak as it was.

What about the capital gains tax exemption? That is something that was long sought by the agricultural industry. Where was it? The Liberals had 20 or 30 years to respond to this need of the Canadian farmer who spent his life building up equity in a business as his pension and who did not want to get penalized when he sold his equity which was built up over 30 or 40 years. Where was the capital gains tax exemption when the previous Government was in power? It could have implemented it but it did not.

Was that tax exemption high on the agenda of the New Democrats? I do not know, but the Canadian farmer knows how much of a priority it was for the two opposition Parties, and he knows also how much of a priority it was for the PC Government when it took over in September, 1984. Farmers know that we implemented a program that responded to their long sought goal.

What about the international situation in the agricultural community? What about the fall of prices which has resulted in some of the uncertainty in the international community? Has this Government responded to that situation in two and a half years? Indeed it has. Canada has been at the forefront of those nations calling for a new set of ground rules for international agricultural trade. We would have had trouble even getting the leadership of the previous Government to talk about farmers, but our Prime Minister at the annual Economic Summit of industrialized nations held in Tokyo last year chose to raise agriculture as Canada's number one agenda item. That was the first time agriculture was raised at such a summit. All leaders agreed that a solution must be found to the international subsidy wars.

Finally, we are trying to get an informal international agreement on agriculture trade practices during the period of negotiation of new GATT rules. This may well take years, but Canada has proposed a number of principles that we hope will result in greater international stability and security in the trade of important agricultural commodities.

Surely it is clear that in two and a half years, our Government has responded in an unprecedented manner to the problems of the agricultural industry. The Government has followed through on a total of 14 out of 16 promises and has provided 414 initiatives valued at $6 billion. The people who must answer today for the problems in the agricultural industry are in large measure sitting on the benches of the two opposition Parties.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, as I am sure you know, those who come from Cape Breton are renowned across Canada and in the House for the eloquence of their rhetoric and the honesty with which they present their points of view. No matter from what side of the House we come, we are often impressed with the clear and compelling way in which they present their cases.

Just moments ago, we heard from the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil), the last of the speakers on the government side. It was unfortunate that we heard from him last and I would hope that the character of that speech would encourage others to present themselves because it has left an awful taste in all of our mouths. This is so because someone who represents Cape Breton has presented a case which is based on such utter and complete falsehood as was the allegation that it was the New Democrats who supported the Bank Act when in fact it was the New Democrats with one lone Tory, the Hon. Member for Bow River (Mr. Taylor), who opposed that Bank Act. I rise now to say that if we are to defend a particular point of view, we must do so truthfully or we do harm to the argument we are trying to present.

I am very, very proud of the fact that the Hon. Member for Prince Albert (Mr. Hovdebo) initiated this very significant debate in the House of Commons. I know that he is a fit representative of the New Democratic Party because this Party is a Party that has its roots on the farm and in the west. However, it also has its roots among the labourers of the city. Because of the initiative of the Hon. Member for Prince Albert and my Party, the concerns of the farm will be clearly dramatized to those of us who live in the city.

I have heard speaker after speaker during the course of this debate suggest that those of us who come from the city should not be involved in this debate because our ignorance would contribute nothing to the expansion of knowledge or information or the solution of the problem that exists in our agricultural sphere. Among that category of Members of Parliament, I may be regarded as an example of urban rot, but I stand here proud to participate in this debate because I think it is about time the people of the city had dramatized for them the situation on the farm. I am sure they share with members of my Party the absolutely compelling point of view that just as we must seek justice and economic security for the people of the city, we must make those people understand that their security, prosperity and justice depends upon economic security on the farm.

When I, as others in the city, eat my shredded wheat, my corn flakes or my meat and drink my milk, I must recognize that all of those commodities are produced as a result of blood, sweat and tears. There is no one who does not understand that

the commitment to the land is something that can only be maintained with a great deal of hard work. I do not think there is anyone who does not know that those who work on the farm rise early and work late. They develop callouses upon their hands in an effort to produce from the land.

There are not too many among us who understand, however, that when we talk about blood, that blood truly exists. There is a higher rate of accidental death on the farm than there is in other areas of labour. As well, of the unnatural causes of death on the farm, one-third are suicides, so great is the stress. When we recognize that in that which we eat there are tears as well, it is another assertion that the stress on the farm has become overwhelming. Why should it not be overwhelming? We realize that in the last crop year, prices were cut by 21 per cent, and this year they will be cut by 19 per cent. I think it is incumbent upon every worker, every business person, every professional in this country to look at their own situation and imagine taking a 40 per cent cut in their salaries or wages. They would then begin to understand the situation in which the farmer finds himself.

• (1230)

When one reflects upon the fact that the dire circumstances in the farming community are made worse by the announcement that effective tomorrow the moratorium on FCC loans will end, we begin to gain a comprehension of the existing situation. How many Canadians recognize that the price of grain, as a result of cuts last year and this decision, is no different from what it was in 1976 and 1977? Yet the cost of doing business has tripled. We then expect the farmer to survive.

I understand, but perhaps others here do not, that there exists in the international market-place a severe set of circumstances which make competition extremely difficult. The EEC is subsidizing its farmers to the tune of about $70 billion a year. The U.S. is subsidizing its farmers to the tune of around $22 billion a year. World prices are thereby reduced. This is something which is not under the ready control of the Government, but we encourage it to persist in its efforts to reach international agreements under GATT which would provide a solution to the problem. However, it is no contribution to the plight of the farmer for the Government to decide that the moratorium on FCC loans will end tomorrow.

I know the Government is claiming that there are only a small number of farmers affected. I have heard both the number 6,000 and the number 600. I have heard that it only involves 50 farmers a month. However, if one opens up *The Toronto Star* this morning—I will readily admit as a microbiologist and biochemist that I do not have the information readily available to me so I must depend upon information supplied by a number of sources—he will find that the assistant manager of the FCC office in Edmonton points out that 10,000 prairie farmers are $227 million in arrears on FCC loans. He says that technically they are open to foreclosure. If one looks at the individual provinces, one finds that 21 per cent of FCC accounts in Alberta and 24 per cent of FCC accounts in Saskatchewan are in arrears. The situation is so severe that one should not be surprised that there are 8 per cent or 25,000 fewer farmers this year than last.

When the Government blithely terminates the moratorium, one must look around to see to whom the Government looks for advice. I watched television last night and saw the Minister of Agriculture (Mr. Wise) claim that all significant farm organizations said the moratorium should be removed. When one examines that statement, as the NDP readily does on all occasions, and checks the facts, we find that the National Farmers Union, the three prairie Wheat Pools, and other farm organizations flatly deny that any such statements were made on their behalf. That they would support the lifting of the moratorium as claimed by the Minister of Agriculture is flatly untrue.

What kind of advice is the Minister of Agriculture following when he chooses to lift the moratorium in the hasty fashion in which he did and without putting in place the necessary steps to ensure the survival of our farm community? If one examines the submission of The Canadian Bankers' Association to the Standing Committee on Agriculture and looks at its recommendations, one finds that its fifth recommendation was that there should be no consideration given to debt moratorium or compromise. It is not to the farmers in trouble that the Government is listening. It is listening to the bankers. That of course is in line with a long, long tradition.

If one examines the other recommendations of the bankers, one confirms the source of the advice and direction the Government receives and according to which it acts. The banks recommended that government transition programs involving relocation, retraining and support be implemented. Get them off the farms. The second recommendation was that farm financial review boards should be restricted to an advisory capacity with consideration to be given to the powers of direct lending or provision of loan guarantees to existing lenders or future lending operations as deemed possible. That is certainly being implemented because in Ontario we find that of 425 cases before the review board, 193 have been completed and only two have signed agreements.

Whose advice is the Government following? Whose pleas is it listening to? It said there should be a great deal of circumspection about the introduction of such programs as agri-bonds. When one considers that the Prime Minister (Mr. Mulroney) and his Government promised the implementation of an agri-bond program and it is yet to be heard from, one confirms the source of advice for the Government and its approach to the problems of farmers.

We understand that the problems in agriculture are complicated. However, it is a sorry state of affairs when we can ensure that arms suppliers are well paid and profits are high, when trillions of dollars are spent on arms which are often given away, yet in Canada the farmers are going to food-banks and thousands starve across the seas. It must be evident that it does not need a great genius to find a solution that

would feed the world and make sure our farmers are fed. However, that is not going to be done by a Government that announces so much negative action, as it has over the last two weeks, while refusing to commit itself to the minimum contribution to an improvement of the lot of the farmer, that being an announcement for the next crop year of deficiency payments at least as high as they were last year.

I hope this debate initiated by the NDP will lead not to continuing partisan conflict in the House but to a creative culmination of an effort to ensure that in Canada we will maintain our farms and our farmland.

• (1240)

It must be clear to those of us in the city that if the farmers suffer and farms disappear, the city person will not be very far behind. That should be the message to all Canadians insisting that justice be accorded to the farmer.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, it is seldom we have debates like the one we are having now in the House of Commons. Canadians who are watching the proceedings, especially those who live in our major cities and urban areas and are not terribly familiar with the problems of the agricultural industry, are problably wondering what is going on.

The main reason why the Official Opposition is firmly resolved to make every effort to focus the attention of the Government and the public in general on this issue is that we have today a crisis situation, a serious and tragic one, which affects all grain producers in Canada, and especially our western farmers.

Why do we have this crisis? The answer is quite simple, Mr. Speaker. Last year, as a result of decisions made by this Government, the price paid to farmers for their grain went down 20 per cent. And as if that were not enough to jeopardize the viability of farming operations, a few days ago the Government and the Canadian Wheat Board announced that prices for the 1987 crop year would go down another 18 per cent. Last year it was 20 per cent and this year 18 per cent. While prices paid to farm producers went down 20 per cent and 18 per cent in two years, input costs have continued to rise, including the costs of various kinds of energy and the cost of chemical fertilizers and pesticides. Production costs are going up while prices are going down, so that grain producers across the country—in fact most grain producers happen to be in western Canada—are facing bankruptcy.

To give some indication of what the drop in prices paid to producers represents, the Leader of our Party, when he spoke in this debate yesterday morning, pointed out that in 1984-85, No. 1 wheat was $170 a tonne. In 1986-87, the price was down to $130 a tonne and this year, the Wheat Board announced that the price for No. 1 wheat would go down further to $110 a tonne. The producer who sees the price per tonne drop from $170 to $110 over such a short period is under considerable financial pressure.

The price of other grains such as barley, for instance, has gone down as well. Mr. Turner told the House about these major price variations. In 1984-85, producers were getting $125 a tonne for No. 1 barley. In 1986-87, the price was down to $80 a tonne.

We heard a few days ago that the price for this year's crop is down to $60 a tonne, which means that in two years, the price of No. 1 barley has dropped from $125 to $60, less than half, so that our grain producers are facing a major crisis. The lower prices they get for their crops this year will make it increasingly difficult for farmers to finance their long- and short-term loans. It puts families, in an industry where most operations are still based on the family farm, under severe financial pressure and physical and moral stress. These farmers do not know how long they will be able to survive, to operate their farms and not only that, to stay in their homes. As though it were not enough to have to worry about the price of grain, farm producers have now been informed that the Government has decided to let the Farm Credit Corporation lift the moratorium on foreclosures.

In 1985, the Government had decided to put a moratorium on the foreclosures that would otherwise have resulted from decisions by the Canadian Farm Credit Corporation. Last week, the Minister responsible announced the moratorium would be lifted, so that we have a situation where in a short period of time, farmers first heard that the Canadian Wheat Board, obviously with the Government's blessing, had reduced prices for their crops, and then that the Government had lifted this moratorium. Less income will make a bad financial situation even worse and, since the Farm Credit Corporation will now be able to seize farms and farm equipment, it only adds to the pressure and puts farmers and grain producers in a practically untenable situation.

Mr. Speaker, the decision to end the moratorium affects not only western producers but also producers in Quebec and other regions. This morning, in *La Presse*, there was a long article by reporter Pierre Gingras describing how a number of Quebec producers might be affected by the Government's decision to end the moratorium on foreclosures on farms whose owners are in arrears on loan payments to the Canadian Farm Credit Corporation. Here is what he wrote: "Over the next few months, once the moratorium has been lifted, about one hundred Quebec farm producers will be getting Farm Credit Corporation of Canada foreclosure notices preventing them from declaring bankruptcy with respect to farms financed through FCC". He indicates as well that the FCC has 74,000 customers, including 7,500 in Quebec.

This decision obviously affects all producers, and this question does not concern only western producers, but Quebec farmers as well.

As a matter of fact, if we look at the overall agricultural situation we can see that western producers have to cope with

falling commodity prices, but eastern producers in general—including those of Quebec since we are part of the eastern region—are hard hit by other economic factors, more especially by the decisions of this Government or its lack of political courage to seek solutions to the extremely serious problems facing our producers.

We have just gone through a spring period and once again all sugar bush owners were able to see for themselves the ravages caused by acid rain. I should think that in recent weeks most parliamentarians have received letters from Quebec's *Union des producteurs agricoles* indicating losses incurred by farmers who run maple sugar operations, losses which can be directly traced back to acid rains playing havoc with our maple forests. As can be expected, they want the Government to take a tougher and more direct approach in its discussions with the United States in an attempt to find a solution to the acid rain problem.

The second stressing situation for both eastern and western producers is that, in view of the free trade negotiations with the United States, they wonder what is going to happen to the marketing boards which regulate production. Of course this concerns our industrial and whole milk producers, our poultry producers and our egg producers because all these commodities now fall under marketing board regulations. These marketing boards may be put on the table in the negotiations with the United States. Several of my colleagues and I had an opportunity to tour the western provinces, and we also met with Maritime, Ontario and Quebec agricultural producers. We got the same message from coast to coast: Ask this Government not to put marketing boards on the negotiation table. Everywhere people told us that giving up the marketing boards would mean a large number of farm producers would disappear, and with them, a rural way of life that has been a part of our society for so many years. Farmers are in a very good position to compare the situation we have now under the marketing boards with the way things were handled previously, when milk, egg and poultry producers were subject to broad market swings, to dumping by the United States and other countries, all of which put them under extreme financial pressure. They do not want to go back to those times.

In this debate, the Liberals are asking for three things. Our Party Leader, Mr. Turner, made this very clear in his excellent speech yesterday, it was repeated by our Party's agriculture critic, and perhaps it would be appropriate for me to repeat our Party's demands at this point. The Liberals are asking for reinstatement of the moratorium on farm foreclosures by the Canadian Farm Credit Corporation. The Liberals want the Government to continue the moratorium so as to avoid putting additional pressure on producers already faced with two consecutive reductions, 20 per cent and 18 per cent, in the price of grain.

Second, we are asking the Government, now that farmers are about to seed their 1987 crop, to let grain producers know what kind of price they can expect for their grain at the end of the 1987 crop year, in other words, to announce immediately a deficiency payment program for this year's production, not last year's but the production for 1987 which farmers are seeding at this very moment.

Third, we ask the Government to deliver on the promises it has been making for the past two and a half years, and I am referring to the promised Western Economic Diversification Strategy.

Mr. Speaker, this debate may seem inordinately long. I know this has exasperated some people, but it is the only way we in the Opposition can show grain producers, both western grain producers and those in the rest of the country, that we are doing our duty, that we are concerned about their situation and that we are acting responsibly by pressuring the Government to take action. We are not only talking about farm foreclosures but about a whole way of life that is being destroyed as a result of this Government's failure to act.

• (1250)

[*English*]

For three days the House has been debating an issue of fundamental importance to every Canadian. It is the survival of our family farms.

No matter where one lives, whether it be in the Cities of Vancouver, Edmonton, Toronto, Montreal, Halifax, or St. John's, every Canadian must be seriously concerned about the crisis facing rural Canada today.

To be objective, part of the problem facing rural Canada is caused by international forces such as the U.S. Farm Bill, with its huge subsidies, that was enacted by the United States to counteract the farm subsidies of the European Common Market. These subsidies must be vigorously opposed by the Canadian Government at every available opportunity. However, many of the problems facing our farmers are made in Canada and are directly the result of the Government's action or inaction.

Surely the Government realizes that one of the greatest crises in Canadian farm history is not going to be resolved by the Canadian Wheat Board cutting not only last year's price of wheat by some 20 per cent, but also cutting this year's price of wheat by 18 per cent.

As if this situation was not bad enough, the Government announced this week that it is lifting the ban on farm foreclosures by the Farm Credit Corporation. At the very time when farmers desperately require stability in their industry, and at the crucial seeding time of the year, the Government decides to choose this time to undermine further the confidence of the farming community by reintroducing foreclosures of our family farms. Moreover, the Government has compounded this deplorable situation by refusing to give a commitment of a deficiency payment for the new crop year this year to our farmers, at the very time when they have to make a decision on whether or not to seed. Surely, even the Government realizes that farmers have a right to know today what return they may reasonably plan to expect on their investment.

Not only has the price of wheat been going down but also decisions by competitors have been creating more problems. Unfortunately, I do not have enough time to read a letter sent by my colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), to the Secretary of State for External Affairs (Mr. Clark) concerning the American Government's decision on the sale of barley to Saudi Arabia. That will create additional problems for our farmers.

There are other problems in western Canada, one of which concerns the sugar-beet industry, particularly in Manitoba. In 1985, the Minister of State for the Canadian Wheat Board (Mr. Mayer) indicated that he would announce a sugar beet policy and that the federal Government would cover debts going beyond 1987. Neither of these commitments have been met. Instead, the Conservative Government in Ottawa continues to haggle with the NDP Government in Manitoba over developing a support program for the sugar-beet farmers of Manitoba. Meanwhile, a whole industry is on the verge of collapse.

If agreement is not reached shortly on this important matter, the Manitoba Sugar Company will be forced to close down, which will put a $90 million industry out of business, wipe out 300 to 400 farmers, and cost up to 500 jobs.

Mr. Mayer: The Liberal Government in Quebec sold out the whole sugar-beet industry.

Mr. Garneau: If the Government of Quebec did that, it is because of the Tory Government that refused to take action. I had the opportunity to meet with the sugar-beet producers in Quebec. The Tory Government refused to give the annual payment beet producers normally receive. That is why the Quebec Government is fed up with the Tory Government. It never happened the year before. The Government refused to make the payment to the Quebec farmers, the beet producers.

Mr. Mayer: Shame on the Liberals in Quebec.

Mr. Garneau: The Tories refused to make the payment. That is why they closed not only in Quebec but also possibly in Manitoba, in your own province.

Mr. Mayer: Shame on the Liberals in Quebec who sold out the sugar-beet industry in Quebec.

Mr. Garneau: When I visited the producers in Manitoba a year ago they were well aware of the fact that the Tory Government refused—

Mr. Mayer: What a windbag.

The Acting Speaker (Mr. Paproski): The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Garneau: Mr. Speaker, the sugar-beet industry is in jeopardy because of the Government.

Mr. Mayer: What a windbag.

• (1300)

Mr. Garneau: The Quebec Government had to make a very important decision which has affected many producers because this Government refused to make the payment that was due to the farmers, not only the Quebec producers but many of the other producers. I met, I don't know how many times, with the Alberta producers here in Ottawa. I also met with them in Alberta.

Mr. Mayer: You should be ashamed of yourself.

Mr. Garneau: I also met with the producers in the Province of Manitoba and they gave us the same message. It is the same message in Quebec, in Alberta and in Manitoba. This Government has refused to make the payment. That is why the Quebec Government had to shut down an industry which had been created in 1945 by a Liberal Government. When I was Minister of Finance in Quebec, we were making those payments. We had to support and we did support this industry. It was done by the Liberal Government. As soon as the Tories came to power we had to shut down an industry which was very viable and created jobs for farmers and other workers.

Mr. Mayer: As soon as the Liberal Government took over in Quebec the first they did was shut it down. You know that.

Mr. Garneau: I just want to say that not only the wheat producers but the sugar-beet producers in Manitoba are in great difficulty. I cannot press the point strongly enough. I would like to urge the Government to make a decision as soon as possible to try to solve a problem which could create additional difficulty for Canadian farmers, particularly western farmers living in Manitoba.

The farmers are also preoccupied by some other policies of the Government, mainly, the tax reform. We met with the Farmers Association whose members come from all parts of the country. They raised very important questions about the business transfer tax. When the price of wheat is going down and we hear from the Minister of Finance (Mr. Wilson) that the business transfer tax will be applied to their products that is another area of concern.

In summary I would like to repeat the three requests the Liberals are making during this debate; first, to reinstate the moratorium on farm foreclosures; second, announcement of a deficiency program for this year's crop and, third, announce the long-time promised Western Economic Diversification Strategy. Those are the three points we want to stress during this debate.

We hope that when the Prime Minister (Mr. Mulroney) goes to western Canada next week he will not bring with him empty promises, but concrete promises. What the farmers in western Canada want to see is cash, not just the Prime Minister of the country.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to get involved in the debate and to make a couple of points with respect to the debate. I think

people who know western agriculture such as the Minister of State for the Canadian Wheat Board (Mr. Mayer), the Minister of Agriculture (Mr. Wise) and many of my colleagues on this side of the House who come from western Canada, realize there are a number of facts we have to get back on the table and see where we go from there.

The first point which has to be made is that western Canadian farmers understand the root causes of the pricing situation in the world today with respect to grains. We know the reductions which have taken place. I think it is important for all of us to know what we are competing with. The Liberal Party said previously, for instance, and the spokesman for the Party with respect to financial matters made the same point again with respect to the barley sale to Saudi Arabia by the United States, that Canada's share of international grain sales is going down. That is not the case. It is quite the opposite. In fact, it appears very clearly today that the sales through the Canadian Wheat Board, Canada's portion of international grain sales, is going up. That is the first point to be made.

The second point we have to make is the pricing policy. I want to note very clearly that we are competing very well in terms of sales. We are competing very well in terms of quality, and we are competing very well in terms of traditional and new markets. What we, as Canadians, are competing against is national treasuries. We are competing, for example, against the treasuries of the European Community. The European Community has made a decision, post-war, that Europe would become self-sufficient in food regardless of the cost to the treasury. That is the first point which has to be made. No one in this House is to blame and no one in Canada is to blame.

I would suggest that no one who understands the international grain market in Canada wants that situation to continue, least of all the Minister of State for the Canadian Wheat Board. That is the first point to be made.

The second point is that we are competing with the United States Farm Bill which was a response by the United States primarily, not totally, against the action of the EEC. The point now is that the United States is spending about $25 billion U.S. in support of grains. That is projected to go to $30 billion U.S. next year, at least that is the estimate. So the question for us then clearly becomes what can the Canadian Government, the Canadian people, do not only to maintain markets, which we have been doing, but also to sustain the efforts of our Canadian grain producers?

I think it is best if we take a look at what some farm leaders are saying. I have been hearing a lot of rhetoric around the House today. I think if we look at what was said by the former Chairman of the United Grain Growers, Mac Runciman, who is a respected person in the grains business, he really describes the contribution of a number of Members on this issue. He said that he used to say when he was Chairman that the grain business was 14 per cent protein, and those of us from the grain belt know what that means, and 86 percent politics, "And the bad news is that over the past number of years—", and I would add during this debate, "—that the protein content of our business is falling fast and the political content is going up", and that is not helping our grain producers. I say that with respect because I think we have to get to some first principles.

The first point the Liberal Party now makes is that we have not done anything. Then when they are challenged in the debate they say: "Well, maybe you have done something but you haven't done enough". That is the point they make. When I take a look at graphs, and this source is Agriculture Canada, and I take a look at federal support of agriculture in western Canada, I see that in 1983 it looks like approximately $250 million. In 1984 it had gone to about $1.2 billion, and I can go to 1987 to the forecast of over $3 billion.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): At least I have their attention now. They do not want to speak about that. Then we take a look at interest rates because they ask what about the moratorium on the FCC. In 1981 the prime rate in Canada stood at 22.75 per cent. That was devastating to grain farmers. It was an incredible figure. This year the interest rate is 9.25 per cent on prime.

Let us look at the Farm Credit Corporation, because the Farm Credit Corporation, as we know, has to pay the average price of the TB Bills. In 1981 it was 16.75 per cent. This year, now today, it is 10 per cent.

Of course, all of us would like to have it even below that but I think it is important to get some of these facts on the table. What I am pleased about is that when I speak to my grain farmers in my riding, they understand. They are reasonable and understand. They do not like the situation but they understand it and want to see where some of the solutions lie. But then we listen to the New Democratic Party.

I come from Manitoba and we have an NDP Government. The last time I looked at the Constitution, agriculture is a shared responsibility, a responsibility shared by the federal Government and the provincial Governments. Members of the Opposition say that there is no money for seeding now.

• (1310)

Mr. Althouse: No, we did not. We did not state that in our motion.

Mr. Epp (Provencher): Do Members of the House, do Canadians, understand that in the next five weeks, that is, between today and roughly the end of May, $240 million will go to grain producers in Manitoba alone under the Western Grain Stabilization Act and the Special Canadian Grains Program? That money for Manitoba to be given in the next five weeks is equal to the total given to Canadian grain farmers in the whole of 1983. If that is not enough evidence for Members opposite, and maybe it is not, then let us take a look at Manitoba's contribution. I said that this is a shared responsibility.

Do Hon. Members know what the total budget of the Manitoba Government is for agriculture for next year? It is $84 million. Yet Members opposite have the gall, the audacity to come in here and say that we are not doing enough. If we are not doing enough then where is Mr. Uruski? Where is Mr. Pawley?

Mr. Althouse: It's 30 per cent higher than the previous Tory Government gave.

Mr. Epp (Provencher): The Hon. Member likes to interject. Let us talk about Saskatchewan. I could talk about the Hon. Member's province too. Let us compare these figures to the figures of Premier Blakeney. Hon. Members will see that they pale by comparison. The point is that members of the NDP like to make great pronouncements but they hate facts. They do not like facts.

Mr. Althouse: Saskatchewan is all loans.

Mr. Epp (Provencher): They say that they are in favour of the farmer. Let us look at that situation. Let us look at what the Government has done in this regard. I cannot go through the whole list but I will give Hon. Members a few examples of what the Government has done. Canadian farmers have been begging for and wanting an exemption on capital gains. Why? Because they say that the proceeds from the sale of their farms is their only contribution to their retirement funds. They say that when they retire that is all they will have. What is the position of the New Democratic Party with respect to capital gains?

Mr. Althouse: Look at Saskatchewan. It was the first place to give an exemption.

Mr. Epp (Provencher): Members of the New Democratic Party want to abolish it.

Mr. Althouse: Saskatchewan gave an exemption 10 years before you guys.

Mr. Epp (Provencher): They do not want farmers to have capital gains.

Mr. Rodriguez: That is not true.

Mr. Epp (Provencher): Even as they see farms going down in price members of the NDP want to tax the Canadian farmer on that. That is the position of the NDP.

Mr. Althouse: It is not!

Mr. Epp (Provencher): They hate it when they get it, but they love to dish it out.

Mr. Althouse: It's too bad you don't know the policy. You should check your facts.

Mr. Epp (Provencher): What about other issues? What about the federal sales tax on farm fuels? Measures were taken in that regard. What about the establishment of the agri-bond program? It was done.

Mr. Foster: It was not done.

Mr. Epp (Provencher): What about the assistance to farmers by the FCC? That was done.

Mr. Foster: Get your list straight. We know you don't know anything about it.

Mr. Epp (Provencher): I could go on and on and on. The point is this. Members opposite like to talk both ways.

Mr. Foster: Tell us about those agri-bonds, Jake.

Mr. Epp (Provencher): They like to say, yes, reduce the deficit, reduce the interest rates, reduce that liability and at the same time raise prices beyond anything that taxpayers have the ability to meet.

I want to talk about sugar-beets today because I know what is happening in sugar-beets. We have a tripartite agreement with Alberta. The Quebec Government decided to get out. There was no tripartite agreement. It was the Liberal Government in Quebec that did it. Now let us talk about Manitoba. In Manitoba we are negotiating, trying again one more time to negotiate a tripartite agreement. But Manitoba does not want to be part of it. How can there be a tripartite agreement in that case? What is happening in Manitoba, and we know it very clearly, is that Members of that Government ask why they should support sugar-beets when they are not grown in areas they represent in the Legislature. That is how political it has become in Manitoba.

Mr. Althouse: They said you did not keep your word in the 1984 agreement. Why should they sign another one when you did not keep your word on the last one?

Mr. Epp (Provencher): I enjoy the Hon. Member's rhetoric. I am glad I finally got his attention.

What it really boils down to in terms of the grain industry is this. Is there a possibility, if the pressures are international, to get what I think of as subsidy programs by the EEC and as a result of the U.S. Farm Bill turned around? What have we done? What we have done is this. The Prime Minister (Mr. Mulroney) has taken the lead, both nationally and internationally. That work has been very closely co-ordinated with the Minister of Agriculture and the Minister of State for the Canadian Wheat Board. What have they done? They have visited countries that are involved in grain production to try to discuss the issue and to try to come up with some *modus operandi* whereby we will not all drown in subsidies. That is what they have tried to do.

There is not only that. The Prime Minister in negotiations at the summit has been able to bring forward agriculture as Canada's number one issue. It is the first time that a Prime Minister, a leader, has made agriculture the number one issue on a country's agenda. Happily, it is being accepted by other

countries as being sufficiently important internationally to examine at the summit. I think almost all Governments know that we cannot continue to drive down prices artificially by subsidy and then somehow have a viable agricultural community.

Farmers do not want to have subsidies. They do not want to come cap-in-hand to the Parliament of Canada for money for a commodity which they are producing and for which they should receive a fair return every time there is a crisis. Those are the realities. The NDP can argue all it wants. Those are the facts.

Let us now consider the moratorium. It is interesting when we consider the moratorium and farm financing to consider also a Bill passed by the NDP Government of Manitoba which would remove, for example, chattels against any loans taken for farm purposes. The Government there wanted support for such a proposition. However, a great many farmers were against it. It is quite evident why they were against it. It is because farmers see very clearly that they need a consistent line of credit with banking institutions in order to keep their operations going. They are in the business of agriculture. So what they were saying in Manitoba is that it might be a well-intentioned Bill, it might even be a Bill which is seen to be "against the banks", which is popular from time to time on the Prairies, but upon closer analysis they were concerned because the last thing they want is the cutting off or a reduction of that credit or the ability to obtain credit.

That is why the federal Government came in with a farm debt review board to see if we could not work out a common position, not only on the Prairies, but a common position by which all farmers could continue to operate while not jeopardizing their ability to obtain credit and the loans of the banking institutions could be repaid.

I would now like to talk about a press release put out by the Canadian Cattlemen's Association yesterday in which it is agreed that the moratorium had to be lifted. It points out that there has to be caution taken, obviously, so that people are not put into a situation whereby they will lose their farms. The Ministers have very clearly stated that that will not be the case.

What was involved was two types of payments. There were payments to financial institutions, including banks, credit unions and the FCC on the one hand, while on the other hand there were those who had the ability to pay at least something who chose not to pay in the hope that, perhaps, there would be an amnesty or whatever. It was not fair. It was not making the credit situation any better. Those are the situations, and I do not think we should put it any other way.

• (1320)

I am absolutely convinced, Mr. Speaker, that this Government's support for agriculture is very sound. I have already given examples of that, such as the FCC, the capital gains tax exemption, the fuels tax credit, the Special Grains Program, the Western Grain Stabilization Act amendments, and others.

The Minister responsible for the Canadian Wheat Board announced just a week ago that there would be another $705 million allocated for payments under the Western Grain Stabilization Act.

I was in Manitoba during that period of time and had occasion to speak to the grain farmers. They knew what the situation was, and they also knew about the payments under the Western Grain Stabilization Act. They were pleased that the two announcements came in and around the same time. It provided them with some form of assurance in respect of their crops.

I am pleased with the way in which our farmers have been reacting to the situation. Quite frankly, trying to create an even larger crisis than all of us recognize already exists because of world pressures is not doing anything at all to help the farming community.

I remain convinced that we must come to an international agreement, an international consensus, an international recognition that the kinds of subsidy programs now in place internationally are going to continue hurting our farmers, our economies, our international relations. It is for that reason that it is critical that the Prime Minister and others take this issue to the summit table. It is absolutely critical.

I am not using that argument to deflect what the Government should do, what the Government is doing, what farmers are doing; but, we all recognize that that is the absolute requirement.

I do not know whether or not Hon. Members recognize it, but 80 per cent of Manitoba's agricultural production must find a market outside Manitoba. Without access to the American markets, all of the subsidies in the world, all of the agreements in the world will be of absolutely no value. If we do not have access to international markets, the agricultural industry will suffer.

Of course there has to be protection in terms of supply-management and commodity prices—and we all recognize that. Everyone understands that. No one is blind to that. But, I wish, once and for all, that the Opposition, who can be as critical as they wish, would at least base their criticisms on fact. They can be as critical as they wish, but their criticism should be based on a recognition of the world situation. They should at least on occasion tip their hats to the reality that exists on the Prairies.

We hear a lot about western alienation. I think this debate on the western grain situation should demonstrate for all of us exactly how much Canadians of one region need Canadians of other regions.

Today it is the west. With the dairy policy, it was primarily Quebec. Both policies were right.

It is time that Canadians, no matter what the pressures, no matter where their region, recognized that we are one country,

and they do. While we will fight for our regional positions, there is an over-riding larger consideration, that being the ability of Canadians from one region, as the tugs and pulls and pressures come, to help Canadians in trouble in another region. That is how this country has been built.

If this debate teaches us anything, it is that we are only strong when we recognize the need to work together.

I am pleased, Mr. Speaker, that my colleagues in government from other than the prairie region have gained an appreciation of what is happening on the Prairies, and I am particularly pleased that they have shown a willingness to approve costly measures to assist in the situation.

All we on the government side ask is that there be a recognition of those facts and that there be a critical analysis of what else could be done, rather than making politics more important than the health of the grain business.

Some Hon. Members: Hear, hear!

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, it has been roughly thirty-seven and one half hours since I entered the Chamber to participate in this debate. With a short break that allowed some of us to catch a reasonable night's sleep, we now have the opportunity to continue the debate.

It is a very important debate. Quite frankly, it is a debate about the future of the Canadian farmer; it is a debate about the Canadian grain situation, about the family farm. It is not a debate, as some in this House would have us believe, particularly those on the government side, solely about the western Canada situation. There are farmers in Atlantic Canada; there are farmers in Quebec and Ontario; there are farmers on the Prairies; and there are farmers in British Columbia—and all are impacted by the decision of this Government to lift the moratorium on foreclosures.

It reaches out to those who are not directly tied in with the Farm Credit Corporation, that institution being the key element in this debate because of the decision to lift the moratorium on any foreclosures by it. But, as we all know, Mr. Speaker, in this market-place environment, if there are restrictions on one element, then, *ipso facto*, there are restrictions on the other sectors as well, the banks and the credit unions.

I wish to commence my contribution to this debate by reminding the House and those who have followed it of the steps taken to trigger the debate.

The first step was taken by my colleague, the Hon. Member for Prince Albert (Mr. Hovdebo), that step coming in the form of a letter to the Speaker of the House of Commons, dated April 27 last.

I should like to take a few moments to read that letter into the record. Over the course of the debate, it has become apparent that there is a misconception on the part of some as to what the intent in requesting this emergency debate was.

S. O. 29

The letter reads:

April 27, 1987

The Hon. John Fraser P.C., M.P.
Speaker of the House of Commons
Room 222-N
House of Commons

Dear Mr. Speaker:

I am writing this letter to notify you that tomorrow I intend to rise under the provisions of Standing Order 29 to seek leave to adjourn the House for the purpose of considering a question of urgent and pressing necessity. That issue is the current crisis facing Canadian grain producers.

At the moment there does not appear to be any opportunity in the immediate future to have these issues brought before Parliament for a full and open discussion. Recent developments have however brought an urgency to this issue that might not have existed before. These include the following;

(1) Last week the Canadian Wheat Board announced that the initial price for Number 1 Canadian wheat would be 18 per cent lower than last year's price. This follows on last year's price which was about 20 per cent less than the year before. Taken together this is a very substantial drop in the price that grain farmers will be guaranteed for their crop and it will mean hardship for many farm families across Canada.

(2) It was announced today that the Farm Credit Corporation moratorium on farm foreclosures was being brought to an end as a result of a decision of the Minister of Agriculture. This will mean that for those families who cannot absorb the fall in the price of grain announced last week, bankruptcy will be the only option left open to them. This is indeed a sad situation and a direct attack on the viability of the family farm, particularly in Western Canada.

(3) At this time of year when prairie grain farmers are engaged in planting this year's crop it is extremely important that they have an idea as to whether or not they can expect a deficiency payment this year. So far the government has refused to give them its assurance.

Mr. Speaker I believe that these are sufficient reasons for granting a request for an emergency debate. The problems in the economy of Western Canada are severe and growing worse. The situation facing the prairie grain farmer needs immediate attention and I believe that granting an emergency debate so that Members of Parliament have an opportunity to discuss these issues would be wholly appropriate at this time.

And the letter is signed by Mr. Hovdebo, the Hon. Member for Prince Albert.

Mr. Speaker, as you know, and as others in this country will be aware, the Speaker did deem the issue to be of an emergency nature and granted the request to hold an emergency debate on it. That debate started at 8 p.m. on April 27 last and went around the clock some 21 hours, to a point yesterday afternoon. This morning, the debate was resumed.

• (1330)

We feel very strongly that this is not just an opportunity to get up in the House to talk about farm issues, the survival of the family farm and various crops. It is not just a reason so we can have something to mail out to our farm constituents. We believe the fundamental purpose of this debate is to focus public attention and, therefore, government attention on the very serious situation that exists in rural Canada.

The moratorium is supposed to come off tomorrow, Friday, May 1, and we are hoping through this combined pressure, through the Members of the House of Commons and through farm groups and citizens across Canada that the Government will reconsider its decision. We hope it will announce some

time today during the debate that, in fact, taking the moratorium off is wrong, and that it will stay in place for a period necessary to ensure that the appropriate mechanism is put in place for debt review and to allow farmers to get rid of their debts. They will not then be under the gun of the Farm Credit Corporation, the bank or the credit union. We are getting that support, Mr. Speaker.

I have two letters here, one which actually came before the debate. It is addressed to the Prime Minister of Canada (Mr. Mulroney). It is from a very important agricultural group in Manitoba, namely the Keystone Agricultural Producers. Mr. Jack Penner, President, wrote the letter with copies to the Minister of State for the Wheat Board (Mr. Mayer) and the Minister of Agriculture (Mr. Wise). I have had the opportunity of meeting with Mr. Penner on a couple of occasions at grain related conferences or Seaway conferences which he and I have attended. I have grown to respect the man. I also know that he has a direct involvement in the politics in western Canada. He has worked from time to time for the Minister of State for the Wheat Board in terms of his own political career. I want to read into the record the plea from the Keystone Agricultural Producers of last week:

> On behalf of grain producers in Manitoba, we call on your Government to announce, as soon as possible, intention to introduce a similar program for the 1987-88 crop year, with support levels at least equivalent to those under the 1986 program.
>
> We feel strongly that any such additional program should be based simply on acreages to keep it production neutral. The farm financial crisis is so serious that we feel action must be taken prior to the end of April to ensure grain farmers and the business community that the Federal Government is supportive.

What did the Government do? It pulled out the rug from underneath those who were able to keep the FCC at bay because of foreclosure. Mr. Penner's letter continues:

> A second important step should be a bold new initiative through the Farm Credit Corporation to save thousands of commercial farms from insolvency. In addition to new loan funds at affordable rates, the FCC should become a full service lender to the farm community. This we feel would provide the assurances required now by the farm community, in times when other lending institutions are threatening to withdraw services.

What does the Government do, Mr. Speaker? It joins in with the threats and pulls the plug. The letter continues:

> The CAP supports the initiative of your government in attempting to persuade the European Economic Community, the United States and Japan to discontinue the current trade war, which is seriously affecting the economies of other grain producing countries. Unfortunately, even positive results from these efforts will be too late to save many thousands of young farmers, with serious detrimental effects for rural towns.
>
> Your immediate and urgent attention to this matter is sought by the farmers of Manitoba.

As history will show, they did not get that support. In fact the opposite occurred.

I have another letter from the President of the Saskatchewan Wheat Pool dated April 28, 1987. It is again written to the Prime Minister. It concerns the emergency debate on the farm economic crisis. Remember, Mr. Speaker, that this is one of the largest pool elevator groups in western Canada, one that has major holdings in Thunder Bay where a lot of the grains it handles are moved through my community. Mr. Stevenson writes:

> Saskatchewan Wheat Pool believes that the rural way of life and related service industries are in jeopardy.
>
> The Pool asks that all Members of Parliament recognize the very critical economic situation confronting Western Canadian families and communities. This crisis has far-reaching social and economic implications for the national economy, as well as for the West.
>
> We specifically recommend:
>
> 1. That programs be immediately developed through federal and provincial co-operation to keep families on their farms in productive capacities.
>
> 2. That early consideration be given to the acute need for a substantial deficiency payment for the 1987-88 crop year.
>
> 3. That government continue its efforts to restore sanity in the international grain market.
>
> Saskatchewan Wheat Pool continues to be prepared to work with government to achieve short and long-term solutions in the interests of the farmers and communities of Saskatchewan and Western Canada.

Those are two comments from two diverse farm groups in western Canada. Both clearly plead to this Parliament, and to the Government of Canada, to do something positive to protect their existence.

What are we talking about in terms of numbers when we talk about farm foreclosures? We have had a number of them quoted in this House. During the Standing Committee on Agriculture meeting on March 24 of this year the following information was given. Eight per cent of our farmers are insolvent. Based on 171,000 farmers that means over 13,500 farmers are considered insolvent. Some 23 per cent have major cash flow problems; that is in the magnitude of 53,000 farmers. Of the Farm Credit Corporation borrowers, 6,000 are more than two years in arrears. Can you imagine if that were one of us and it was a car or a house? It would be gone a long time ago.

There has been some compassion. The powers that have said no, that we should not be pulling the rug out from under these people. Give them a chance to continue to survive. The family farm is part of Canada. Farming is part of Canada. It is part of the reason we exist as a country.

As we developed the CPR west of Thunder Bay we were opening up more and more acres of farmland encouraging people to move out there to develop a sound economic basis to feed our country, to feed North America and finally to feed the world.

It is not just the western producer. It is not just the grain producer. First, in terms of the moratorium it is any farmer in Canada whether in Atlantic Canada, Quebec, Ontario, northern Ontario, New Liskeard, the Sault Ste. Marie area, the Thunder Bay area, the Slate River Valley, in Rainy River, or in British Columbia. All farmers are affected and all farmers are nervous. It is creating a lot of stress in the family, and I will come back to that.

I want to mention that it is not just grain *per se* or wheat *per se*, it is the corn producer, the soybean producer, the small grain producers in central and Atlantic Canada. They are

affected by the deficiency payments. They need to know that when they put their seeds in the ground over the next couple of weeks that they will get enough money for the produce when they harvest it so they can pay the bills for planting and maintaining that crop. They would even like it if there was a little left over to put food on the table. They are not asking for the moon. They are asking for a decent opportunity to make a living in farming. They know the world markets are working against us. They know, whether we have the biggest crop in our history, that because of the international price that that price alone will not allow them to recover the cost of producing that grain.

• (1340)

We know it is a world situation and we have seen the response of the other countries. The European Economic Community is one of the biggest supporters of its agricultural sector in the world. In 1985, it provided support of $2.60 per bushel. That support jumped to $3.13 per bushel in 1986, an increase of 53 cents per bushel. The United States, in its effort to catch up with the EEC, has gone from support of $1.49 per bushel to $3.13 per bushel in 1986, an increase of $1.14. What was Canada's response? Two nickels a bushel is all we upped the ante. How can we help keep our producers producing if that is the kind of nickel and dime commitment we give to them? We are not asking that those figures be matched. We are just asking for sufficient funds for the producers to have confidence enough to survive.

I am not a farmer. I am not much good at even growing a garden other than to do the digging but my roots are in farming. My grandfather and his brothers homesteaded in rural Manitoba in a community now called Angusville which, I am proud to say, is named after them. My father was a farmer until he went off to war.

Many of the people in the community of Thunder Bay and the surrounding area moved to Thunder Bay from western Canada. They followed the grain to the Lakehead. There are literally thousands who work and live in Thunder Bay whose livelihoods depend on the viability of the western Canadian farmer. The fewer farmers there are, ultimately the less grain there is to move through the Port of Thunder Bay. The less grain that moves through the Port of Thunder Bay, the less grain that moves through the St. Lawrence and all the communities along it.

I would like to give the House an idea of the number of communities in eastern Canada that are touched directly by the resourcefulness and skills of producers in western Canada. In Thunder Bay, 2,000 people are involved in the grain-handling sector. Up to 2,000 people work on the lakers taking the grain from Thunder Bay to points along the Seaway. In Montreal, 175 people work in the elevators and their livelihoods depend on western grain. In Sorel, there are 43 people who depend on grain. In Trois-Rivières, there are 50. In Quebec City, there are 105 and in Saint John there are 50. In Halifax, there are 60 people who depend on grain. Here is the rub. In the riding of Manicouagan, there are 194 people, some in Port Cartier, some in Baie Comeau, whose livelihoods depend on grain being produced and sold at a decent price or at the very least sold somewhere in the world.

Yesterday morning at approximately 8 a.m., the Prime Minister spoke in the House. A number of us were quite surprised to see him here. However, we felt good that he was here because it meant the message was getting out. The Government was feeling the pressure and it had to have the Prime Minister respond. He reminded us that he is only a phone call away. Mind you, that was a phone call during an election in which there was a chance there would be a change in Saskatchewan. The Prime Minister wanted to do his best to help out his friends.

Today, yesterday and the day before we have been asking for some very specific assistance for Canadian farmers and the Prime Minister seems to be ignoring those pleas. Perhaps he will get an earful this afternoon when he meets with the premiers. We know that they too have been feeling the pressure. Although their meeting is not to deal with agriculture but with the Constitution, we would be very shocked to learn that they did not raise this extremely important matter with the Prime Minister.

We should not have to rely on phone calls. We should have a Government that is prepared to examine a sector like agriculture in the context of the world market and in terms of the Canadian need and say: "We have to do something, here is our plan. Let us protect those farmers who have loans with the Farm Credit Corporation and by doing so send a signal to the banks". Can you imagine what signal the banks are receiving today, Mr. Speaker? As soon as the foreclosure moratorium stops tomorrow, it will be open season on farmers. There are a lot of them who are in jeopardy.

Once again, it seems that the banks will get their way. Not so long ago, this broke Government that is so concerned about the deficit found $1 billion over a week-end. Now it cannot even say to the Canadian farmers who are under pressure from those very same banks that it will keep the wolf away from their doors and put in place a program that will allow them to get rid of their debt in a realistic way. The Government will not say that it will provide the supports that would ensure at the very least that farmers could get as much out of their products as they put into them.

I appreciate having the opportunity finally to speak in this debate. I had hoped to be the wrap-up speaker, Mr. Speaker, but I am sure you will be disappointed to know that I am not and that there are many more to come.

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I am pleased that I was able to return from western Canada this morning to offer a few comments on this critical situation. I was in Winnipeg last night and at the meeting I attended there were many members of the farming community.

I notice a few of my Tory friends across the way snickering at the fact that the Hon. Member for Saint-Henri—Westmount would rise to speak on a farming issue. I would like to register for the record as probably many people in the House can that I in fact grew up on a farm only a few miles from this city. I spent all the formative years of my life on a small family farm in the Ottawa Valley between Cumberland and Orleans. I do not say that to add credibility to the remarks I will make because they will stand on their own merits. I simply say that many of us in Canada come either from farming backgrounds or have roots in farming backgrounds. I believe that fact reminds all of us of the importance of the Canadian farming sector, the backbone of every nation.

Often we tend to be somewhat complacent about farmers. Over the years, Canadians have grown rather accustomed to having good quality food at reasonable prices with little thought given to where that food comes from. The trials and tribulations of the farming sector, when it encounters them, are often forgotten. I hope that if this debate accomplishes anything, and I am not sure it will accomplish much to change the obdurate attitude of the Government, it will raise the consciousness of Canadians as they sit in their living rooms and at their dinner tables across the country reflecting somewhat upon the critical situation currently faced by western grain farmers and likely to be faced by farmers in other sectors as well.

Not many of us know a lot of rich and wealthy farmers. We know a lot of hard-working, dedicated people who love both the land and their occupation. In many cases farms have been in their families for generations. Others had dreams to be farmers and now find those dreams in jeopardy.

• (1350)

When the Minister of Agriculture (Mr. Wise) spoke some weeks ago in this House he said: "We will spare no effort". He was referring of course to the resolution of the farming crisis in western Canada. You will find at page 5450 of *Hansard* where our Prime Minister (Mr. Mulroney), in response to his own question of whether the Government of Canada would help the farmers of western Canada, that being the content of telephone calls he was allegedly receiving, said firmly: "Yes, we will help the farmers of western Canada". I ask him: What is the help? Where is the help?

We have grown rather accustomed, as has the Canadian public since the Prime Minister assumed office, to great noble declarations, but we have seen little action to give concrete expression to those declarations. At the risk of sounding cynical, it almost looks as though the way the Government and Prime Minister intend to provide that help is to drive many farmers from their farms. It is rather like the Spanish Inquisition where heretics were burned at the stake so they could move on to a better afterlife. More recently you will recall in the Vietnam War that famous declaration of an Army commander who said that he had to destroy a village in order to save it. Is what we are seeing today the destroying of the western farming sector in order to save it? That effectively is all we have seen so far.

It is not fair, and I am the first to acknowledge it, simply to criticize a very difficult situation.

[*Translation*]

It is not fair to criticize without offering alternative and concrete policies to remedy a situation that I, Mr. Speaker, can only describe as disastrous.

[*English*]

What are the problems in the farming sector in western Canada? In fact many of the problems are the same in the rest of the farming community. However, what are the problems that the Government can and should correct? Personally I believe the Government can do a great deal more. The Minister says that no effort will be spared. Let him live up to his word. I have a few suggestions to make.

First, the fundamental problem in the farming sector is the unhappy fact of falling revenue. Revenue has been in a disastrous downward curve. It is falling because of declining grain prices. We then have the convergence of those declining prices on the one hand with increasing input costs on the other. We know that the costs of fertilizer, fuel and labour have increased. An infinite number of costs have increased so as to make that convergence a reality. Most importantly, perhaps, in this current situation, are the financing costs. One of the questions the Government must immediately ask itself if it intends to spare no effort is simply this: How does the Government cushion those input costs, especially financing costs?

I listened to the Minister of National Health and Welfare (Mr. Epp) today, a Minister for whom I have considerable respect. He comes out of Manitoba and should know the situation well. I heard him making some declarations about the uninformed rhetoric in this Chamber. He then went on to make some of the most uninformed and stupid comments I have heard in this House from someone who should know better. He focused, for example, on the question of interest rates and went back to 1982.

Mr. Lewis: Those were sad years.

Mr. Johnston: I invite the Hon. Member for Simcoe North (Mr. Lewis) to listen carefully. He went back and spoke about how high interest rates were then.

Mr. Lewis: Under your Government.

Mr. Johnston: He referred to the prime rate being something like 22 per cent. I do not recall whether it hit that or not but according to the data I have in front of me from The Bank of Canada, StatsCan, the FCC and the Department of Consumer and Corporate Affairs, the prime rate in 1981 averaged 19.29 per cent, and in 1982 some 15.81 per cent.

Mr. Lewis: Averaged?

Mr. Johnston: If the Hon. Member would listen for a change he will be educated on the question of interest rates. To take a prime interest rate in isolation, as the Minister did, is really the height of demagoguery in this Chamber when we are dealing with a serious issue. In 1980 the bank prime rate averaged 14.25 per cent.

Mr. Lewis: Averaged?

Mr. Johnston: If my hon. friend will listen—

Mr. Lewis: Do you have a mortgage at the average rate or the highest rate, Don?

Mr. Johnston: —the FCC loan rate, 15 to 20 years, in 1980 was 13 per cent, or 1.25 per cent below the prime.

Mr. Lewis: Come on, Don.

Mr. Johnston: In 1981, as inflation increased and interest rates went up, the bank prime rate was at 19.29 per cent

Mr. Lewis: You did commercial law just like I did, so, come on.

Mr. Johnston: The FCC rate was at 14 per cent, or more than five percentage points lower than the prime rate. What is the prime rate today? As of last week it was in the neighbourhood of 8.25 per cent. Listen to this. The last Canada Savings Bond rate at which the Government goes out and borrows from the public, the Series 38 through 41, was 7.75 per cent last November. Yet here we have members of the Government bragging about the fact that the FCC rate is now something in the order of 10 per cent, and it was 11 per cent in the first quarter.

Mr. Lewis: Right, we are bragging about it.

Mr. Johnston: The Minister of Agriculture says he will spare no effort. I think one effort he should not spare is to walk over and have a word with the Minister of Finance (Mr. Wilson). That is not too difficult. There is no reason why the Government should be profiting in its loans to grain farmers during a period when grain prices were slashed 15 per cent to 25 per cent this year after an incredible 19 per cent to 26 per cent drop last year.

Exceptional and critical circumstances require an exceptional response from a Government that accepts its responsibilities. Yet we have had no response. We have had people bragging about the level of the FCC rate, which is absolutely outrageous.

I want to pick up the Minister of National Health and Welfare on another point he made. When we talk about costs and interest rates the real issue is the real interest rate. What is the real interest rate? What is the difference between the Consumer Price Index and the interest rate that anyone is obliged to pay? If we look at the situation in Canada we will find that when the FCC was lending at 11 per cent, the CPI annual rate was 3.9 per cent. That means the real interest rate for farmers was 7.1 per cent. The spread was never that high during the most critical periods of the recession in the early 1980s.

Mr. Lewis: The Liberal recession.

Mr. Johnston: I think the Government should absorb some lessons of history and go back and practise some of the policies that the Liberal Government not only preached but followed.

Some Hon. Members: Oh, oh!

• (1400)

Mr. Johnston: It is absolutely outrageous that when input costs are so high and there is one thing about which the Government can do something, namely, interest rates, it does not step in and cushion the impact of those interest rates on the farming community.

Mr. Fennell: Like you did during the early eighties when they were 22 per cent?

Mr. Johnston: Don't tell me I have to repeat it all again. This is like a lesson in—

Mr. Fennell: Spare us. You've embarrassed yourself anyway, Don.

Mr. Forrestall: Would you please be quiet.

The Acting Speaker (Mr. Paproski): Order.

Mr. Johnston: Let me ask a question which I hope the next Tory speaker, if the Government has the courage to put one up, will respond to. Is it an outrageous proposition to suggest that the Farm Credit Corporation, during this critical period, should lend to farmers at the same rate as it borrowed from the Canadian public on Canada Savings Bonds? Is that an outrageous suggestion? I do not think it is.

Mr. Forrestall: Did you ever do that?

Mr. Johnston: I am quite prepared to answer those questions in due course, but I ask the next Tory speaker who has the courage to stand to tell me whether that is an outrageous proposition. We are not impotent.

I referred a moment ago to the circumstances of grain farmers in western Canada who have seen their guaranteed prices fall 15 per cent to 20 per cent in the current year, 19 per cent to 26 per cent last year, and who are faced with interest rates at the level about which we are talking. Not one Member on the other side of this House would have to pay such interest rates on a five-year home mortgage yet our farmers are being obliged by the Farm Credit Corporation to pay interest at this level.

You know a lot about business, Mr. Speaker. Do you know any business which does not have an incredible equity base that could survive a 15 per cent to 20 per cent cut in its prices this year and a 19 per cent to 26 per cent cut in its prices last year? Farms which have a very substantial equity base and those which were inherited through generations and have had

their capital costs amortized may be able to stagger through this period, but they will not get rich. All of the others that have any loans which they have been encouraged to take over the years by the credit corporation will find themselves faced with foreclosures.

That brings me to another question. Why in the name of God would the Government, given the circumstances which the farming community faces, lift the moratorium on foreclosures at this time? Only a Conservative could answer that question and I hope some of them will if they dare to stand.

This issue does not affect only Canadian wheat farmers. This is our great Canadian heritage, our great Canadian asset. Even the farms which survive this crisis are going to watch their assets erode because they have no available funding to do the important things which are necessary to preserve the quality of the farmland in western Canada.

You are familiar with the salinization problems which are taking place, Mr. Speaker. You know of the soil erosion problems. You are from the Edmonton area and you see it. You know how much of our western soil is blown away each year, and know of the expense of introducing the farm technology necessary to prevent that from happening and to prevent the saline conditions from increasing. These all cost money. The people who lose their farms are in one situation, but the people who stay on their farms do no have adequate resources to do the things necessary to preserve our great natural heritage, our great natural resource, for generations to come.

On the input cost side the Government can act, should act, must act. It can act quickly on the issue of interest payments and by getting rid of the ridiculous notion of introducing foreclosures at this time. It is admittedly more difficult on the revenue side because of the international situation. No efforts should be spared.

I realize I only have a brief moment left to speak, but I am sure I will get unanimous consent to continue because the Members are learning something which they obviously have not known before.

There is an opportunity here to do something concrete. The United States and the European Economic Community can be associated with our major problems. This crisis is effectively being driven by a price war. We know from this month's releases by the Embassy in Washington that the U.S. Trade Bill is once again introducing more measures that will be damaging to Canadian agriculture. For example, the Export Enhancement Program is being amended to expand the number of countries which will be offered U.S. agricultural products at subsidized prices. This has a direct impact on the health and welfare of Canada.

I know I have little time left and I want to make reference to a letter which my colleague, the Member for Winnipeg—Fort Garry (Mr. Axworthy), today sent to the Right Hon. Secretary of State for External Affairs (Mr. Clark). He said that it has been brought to his attention that the Department of Agriculture has a new agricultural trade subsidy initiative which will include measures damaging to Canada. They are proposing to include, under the Export Enhancement Program, an offer of 1.25 million metric tonnes of barley to Saudi Arabia. As you know, Saudi Arabia is a traditional Canadian buyer. If this is approved by the trade review committee of the U.S. administration it will mean a loss of $75 million to $85 million to Canadian farmers.

Where will this end? The Minister of National Health and Welfare (Mr. Epp) has said that this is a battle of national Treasuries but the Government has said it cannot afford this fight between Treasuries. What ground will we fight it on? The ground is surely at the negotiating table between Mr. Murphy and Mr. Reisman. Why is this issue not up front? Why is this not the primary item of concern in those negotiations? This is a critical period and we are not told how—

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has more than expired. Does the Hon. Member have unanimous consent to carry on?

Some Hon. Members: No.

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, millions of Canadians who are accustomed to tuning in just about now, especially the good people of Hamilton—Wentworth, may wonder what an MP from southern Ontario is doing participating in a debate on the grains crisis and the lifting of the moratorium on the FCC. It is a monumentally important debate. The Hon. Member for Saint-Henri—Westmount (Mr. Johnston) who preceded me talked about the courage of Tory MPs in getting up to speak. Since this debate began yesterday seven cabinet Ministers, including the Prime Minister of Canada (Mr. Mulroney), and 25 Members of Parliament on this side, I being the twenty-sixth Conservative MP, have entered this debate. The Liberals have put up 12 speakers. That is courage. That shows the commitment we have to Canadian agriculture and to the importance of this debate.

Mr. Gauthier: You have 210 MPs. We have 40. That is proportionately higher. Stick around, we're not finished yet.

Mr. Scott: If the Hon. Member for Ottawa—Vanier (Mr. Gauthier) would stifle himself, I could continue.

• (1410)

The Acting Speaker (Mr. Paproski): I would like to listen to what the Hon. Member is saying. I will listen to all other Hon. Members when it comes their time to debate.

Mr. Scott (Hamilton—Wentworth): This is a monumentally important debate on a national issue. It is not just a western Canadian problem, it affects all of Canada's farmers.

I am delighted to be receiving so much attention from the Opposition because it gives me and other Hon. Members an opportunity to put on the record the importance of this debate.

I repeat that it is not just a western Canadian problem, it affects all of Canada's farmers. There are many small family farms in the 650 square miles of my Hamilton-Wentworth area. That is why Members of Parliament from across Canada feel it is important to participate in this debate so that we can put on the record the Government's commitment to agriculture and to all farmers across Canada.

I cannot help but repeat the reference that the Right Hon. Prime Minister made to one of his predecessors, former Prime Minister Trudeau. We were given an example of his attitude from his famous statement that he made when confronted with not dissimilar circumstances. He said, "Well, why should I sell your wheat?" After the former Prime Minister said that, apparently he was confronted by a number of farm leaders who said his statement was giving them a real headache. Mr. Trudeau then said, "What the hell, it may be a headache for you guys but it is not migraine". That was the attitude that the Prime Minister of the day and the Liberal Government of the day took toward the problems of Canadian farmers.

During the 1984 election campaign we promised a 16-point commitment to the farmers of this country. We have delivered on 14 of them. Since 1984 we have pumped $6 billion in initiatives into Canadian agriculture. The Government has given agriculture a priority that is unprecedented. I believe that our record is second to none. Of course, agriculture means about 1.6 million Canadian jobs.

In the recent Throne Speech we promised to spare no effort in seeking to protect the interests of Canada's farming communities in the face of unfair pricing and subsidy practices conducted beyond our borders. I will return to that question because those pricing practices beyond our borders are instrumental to the whole thrust of this debate.

We are providing the largest farm assistance package ever, with the billion-dollar Special Canadian Grains Program which is putting a billion dollars of new money into the pockets of our farmers. I am delighted that almost without exception every member of the Opposition who has spoken in this debate has recognized the importance of that much needed money to western Canadian farmers.

Our Government, led by the Prime Minister, successfully pushed for agriculture to be included in the negotiations under GATT. For the first time agriculture will be on the table. We are continuing to push for a better mechanism for settling agricultural trade disputes with the United States. Those negotiations are continuing as we speak.

We are seeking secure, reliable access for our farm products. The motion passed in the House of Commons on March 16 supports the negotiation of a trading agreement with the United States which will protect our agricultural marketing systems.

Since we came into office in 1984, we have introduced over 400 agricultural initiatives at a cost of nearly $6 billion. That is over one new initiative for every other working day. I think it is worth putting those initiatives on the record so that the people of Canada understand our commitment to agriculture in general.

We provided $200 billion in drought assistance for the western provinces. We abolished capital gains taxes on the sale of farm land up to $500,000. The House will remember the applause we received across the length and breadth of this country as a result of that move. The NDP voted against it. That iniquitous capital gains tax was imposed on farmers by the previous Liberal Government.

We established farm debt review boards, now operating in every province, assisting financially troubled farmers to come to agreements with their creditors to avoid foreclosure.

Mr. George McLaughlin, chairman of the farm debt review board in Ontario estimates that at least 55 per cent of the cases going to the board are being resolved. That is 55 per cent more cases being resolved, when there had been no hope before.

I think it is important to point out in respect of lifting the moratorium on the FCC that the FCC cannot simply move in and foreclose. The review board gives a stay of proceedings for at least 120 days, which provides some breathing space to farmers who are desperately worried, or worse, when one listens to some of the rhetoric coming from the other side during this debate.

We removed the federal sales tax on farm fuels and exempted farmers from the current excise tax. A rebate program reduced taxes on farm fuel.

A further initiative extended the program to effectively remove all federal sales and excise tax on diesel and gasoline farm fuel until January, 1988. When the excise tax was raised in the 1986 Budget, the exemption was also raised to keep farmers from being affected.

We established an agri-bond program to provide loans at reduced rates to farmers. There was an extension of the small business bond program for two years. Hearings were held on agri-bonds.

A moratorium was placed on FCC foreclosures until programs were operating to assist financially troubled farmers. The lifting of those moratoriums is the subject of this debate, and it is definitely the concern of the Canadian Government to make absolutely certain that through this crisis Canadian farmers are treated with the concern and compassion that any Canadian Government can muster under the circumstances.

An optional shared risk mortgage program through the FCC was announced. A commodity-based loan program was introduced in February, 1986. That rose to $300 million as of April, 1987. The FCC interest rate on five-year fixed term loans is at the lowest level since 1979.

We took action to assist farmers who were locked into high interest FCC loans. A five-year $80-million interest rate conversion program assisting 5,400 FCC borrowers was implemented.

Interest rates are at their lowest level in nine years. Every 1 per cent decline saves Canadian farmers $130 million a year.

We moved to expand the PFRA to national farm and forest rehabilitation legislation, to bring new technology into the hands of farmers and rural residents. A Private Members' Motion on the PFRA was referred to a Standing Committee.

National Soil Conservation Week was proclaimed in 1985, 1986, and 1987. Federal-provincial discussions on the PFRA and soil conservation are occurring on a priority basis.

In June last year we established the farm finance boards and the farm debt review boards were functioning by September 1. Many Members have referred to the Canadian Rural Transition Program which was established to assist farmers who choose to leave the farm to seek other vocations. Every eligible applicant has been assisted since September, 1986, and $46.6 million has been spent in the interest of assisting farmers who want to move to other vocations under the CRTP.

Section 31 of the Income Tax Act will be changed to reflect the principles of equity, neutrality, simplicity and certainty.

In applying Section 31, Revenue Canada officials were directed not to limit declared farm losses when farmers, for economic reasons, are forced to take temporary part-time work off the farm. Interpretation and enforcement of the Act has been relaxed to benefit Canadian farmers. We moved to amend the Advance Payments for Crops Act to double cash advance levels. The Act was amended, doubling the size of loans for advance payments back in June of 1985. Legislation was introduced to the PGAPA to enact emergency provisions more quickly and to ensure more equitable treatment.

• (1420)

We moved to amend the WGSA to make it more responsive to the immediate needs of producers. Amendments to the WGSA triggered a spring interim payment of $450 million in 1985, another interim payment of $580 million in 1986 and an even larger payment is expected for 1987.

We moved to establish a National Income Stabilization Program for the red meat sector. Here is where we get to the Canadian Cattlemen's Association news release. It supports tough decisions by agricultural Ministers, and I quote:

> The Canadian Cattlemen's Association supports the decision of Agricultural Minister John Wise to end the temporary debt moratorium on debts to the Farm Credit Corporation.
>
> The CCA views debt moratoria as a temporary measure and has never supported its use.
>
> CCA President Stan Wilson emphasized, "Our concern is that the distortions caused by debt moratoria do more damage to the farm credit system than any possible benefit to individual farmers".
>
> Mr. Wilson concluded, "As responsible farm leaders, we must do more than continually criticize these actions and decisions of our Ministers".

I hope members of the Opposition are listening. This fellow makes sense. Mr. Wilson continues:

> We need to take more responsibility for contributing to farm policy formation in Canada. It took great courage for both Mr. Wise and Mr. Mayer to make these decisions.

He concludes:

> As producers, we recognize that courage, and support the measures taken.

I can point out to my Liberal friends that that is another kind of courage which the Ministers have and which we as a Government are demonstrating.

In the very few moments that I have left let me point out that in establishing the Income Stabilization Program for the red meat sector, we asked that participating provinces engage in tripartite stabilization and produce between two thirds and the three quarters of Canada's hogs, fed beef and lambs. We are working with producers to establish the marketing system they desire. Tobacco producers asked for, and received, enabling legislation paving the way for a national supply management system. A broiler hatching egg agency was proclaimed in December of 1986.

Potato producers are working with the Government on a proposal for the Potato Marketing Agency. Public hearings are being held. A Government motion was passed in March of 1986 that:

> This House supports the negotiation of a bilateral trading arrangement with the United States—while protecting our political sovereignty, social programs, agricultural marketing systems, the auto industry and our unique cultural identity.

There it is. The fact is that the Government is on record as protecting Canada's agricultural marketing system.

We are re-establishing a long term dairy policy. A new five-year dairy policy was announced endorsing supply management. That involves $1.5 billion in just over five years. We are protecting producers against injury caused by highly subsidized imports. The Government, as I said earlier, at the initiative of the Right Hon. Prime Minister, has made agriculture its top priority for the upcoming GATT talks. The Prime Minister successfully fought to have agriculture put on the table. The Meat Import Act was invoked in 1985 to halt imports of subsidized EEC beef. Legislative action to ensure the Act can be invoked will be taken if necessary.

Corn countervailing duties were made permanent. Grain corn imported from the United States will have a duty of 84.9 cents U.S. per bushel assessed against it.

Let me conclude by saying I have been around this House, either on the third floor in the Parliamentary Press Gallery, or on the second floor of the House of Commons, since 1959. Unless one goes back to the days of the distinguished former Minister of Agriculture, the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) back in 1959, when I came here and watched the Hon. Member in action as the Minister of Agriculture under the Right Hon. John Diefenbaker I do not think one has ever seen Government which has been more committed to Canada's agricultural sector than this Progressive Conservative Government. There is no Ministerial expertise anyone can name in any Government which I have watched since 1959 that can match the concern and confidence of the Minister of Agriculture (Mr. Wise) and the Minister of State for the Canadian Wheat Board (Mr Mayer). There is no

Prime Minister who has demonstrated as much compassion toward farmers or is more dedicated to helping preserve the family farm than the present Prime Minister and the Leader of this country.

This crucial agricultural sector, this sector of the economy, does face difficulties from time to time, just as the energy sector faces bumps as a result of world prices, just as every other sector of the Canadian economy every once in awhile has to ride the roller-coaster of international pricing. However, these crises ride themselves out and I have the utmost faith in the efforts of Canada's farmers, their traditional dedication to the preservation of the family farm, and utmost faith in the realization of this Government that we must be determined to see the family farm through this crisis. We are proud of our record and we intend to build on it.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, when I listen to the Conservatives speaking, I think of the movie "Back to the Future". All they ever do is refer to the golden years of 1959, the Diefenbaker era and the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) who was Minister of Agriculture. I think they should get Michael J. Fox to be their Minister of Agriculture then they could really go back to the future.

We have been told by the previous speaker that the present Prime Minister (Mr. Mulroney) is dedicated to agriculture. All I know is that he does pay for his own groceries, although perhaps not for his expenses for renovations to his house or his Gucci shoes. He does pay for his own food and I suppose that is a step forward.

I suppose Hon. Members are wondering why a Member of Parliament from a working class riding in central Vancouver is rising to speak on an agricultural debate. I pose that question before some Conservative Members start heckling me about it. The answer is that my constituents do have to eat so they are concerned about what is happening on the family farm. Second, my constituents consider farmers as fellow working Canadians, and when one kind of working Canadian is in trouble, all kinds of working Canadians are in trouble.

I suppose our audience today and those people watching us here and on television, must be wondering what is going on? Where is Question Period? Where is the Prime Minister and the Leader of the Official Opposition (Mr. Turner) and the Hon. Member for Oshawa (Mr. Broadbent)? Where is all the action? What is this debate on farming? I was hoping that before he leaves the House the Hon. Member for Hamilton-Wentworth (Mr. Scott), who is the most skilled Member of this House—perhaps not when it comes to debating farm issues but when it comes to imitating politicians—he would entertain us a little with some of his imitations. He is well known for it. He did a good imitation of Mr. Trudeau when he said "Why should I sell your wheat?" Actually, it was a rhetorical question asked by Mr. Trudeau. He said "Why should I sell your wheat?" He then responded "The reason why I should sell your wheat is because . . . " I say that to be fair to Mr. Trudeau, not that we have been in the past or have any intention to be in the future.

• (1430)

I thought that the Hon. Member for Hamilton—Wentworth might have entertained us. He mentioned that his Government had done a great deal in the area of farming, and I followed his remarks closely. He mentioned different agencies, red meat agencies and so on. I got lost, I must admit, although I am sure other people were able to follow. I did write down that a broiler hatching egg agency was set up. I give credit for that being done. I thought that the present Prime Minister just laid eggs. However, I understand this agency was more sophisticated, it was a broiler hatching egg agency.

I would like to return to the present to indicate why we are having this debate today and why there is not a Question Period taking place. I am a neophyte farmer, although I did have a farm once on Mount Lehman Road, in the Fraser Valley. I see the Hon. Member who represents that region is in his place across the way. It was a 20-acre farm on which we had some—

Mr. Nunziata: Marijuana plants.

Mr. Waddell: My friend suggests we farmed marijuana plants, which is not true, although I understand that crop is booming where the Hon. Member comes from. We farmed cows and eggs, if one can farm cows. We also had some experience with the tax system as well, which is why we know where it should be reformed.

I want to say where we are at here. As I understand it, and I will try to make this simple so that even a thick-headed person like myself can understand, we have a deepening crisis developing on the Canadian farm, especially over the last two years. There is a grain export subsidy war going on. In other words, the European Common Market, with a market of 312 million people, is subsidizing like mad by giving grants to its farmers. The United States has also started that up. The Reagan administration gave a great many grants to American farmers. Of course, philosophically, the Americans would like the market to handle everything, they being conservatives, but when push came to shove they gave their farmers a heck of a lot of money.

That has caused the price of Canadian grain to drop dramatically. In fact, it dropped 20 per cent in price last year and will drop a further 18 per cent in the 1987-88 crop year. Those figures were announced by the Canadian Wheat Board last week. This is part of the reason we have an emergency debate here in the House of Commons today.

Yesterday, the Government announced that on May 1 the Farm Credit Corporation will begin to foreclose on family farms. The Farm Credit Corporation lends money to farmers. As we all know, farmers in Canada are constantly in debt, borrowing to buy machinery and seed in order to plant their crops. They receive money later when they sell their crops. A

moratorium was placed on the corporation by the Government some 18 months ago which prevented the corporation from foreclosing on farmers; that is to say, that the corporation would not go around grabbing family farms. So what does the Government do at a time when grain prices will drop another 18 per cent? True to form, the Government hatches another egg. It got rid of the moratorium on the Farm Credit Corporation thus putting many farmers in a panic.

We in the NDP are calling for, at the very least, an immediate commitment by the Government to provide Canadian grain farmers with a guarantee that total grain receipts for crops being planted now in the 1987-88 crop year will equal those of the 1986-87 crop year. That commitment will cost in the neighbourhood of $1.5 billion to $2 billion.

Members opposite say that the Government is working hard on the international front to bring about peace. Hon. Members will recall that I talked about the European Economic Community and the United States subsidizing their farmers, thus forcing down the price of grain. That creates a problem for our farmers. However, I say this to the Government. Be careful. You may be working hard in this area, but it would be wrong to assume that you are really going to get somewhere by trying to wait out the Reagan administration, which will be gone in 1988, or to wait out the European Economic Community. That is a fallacy because measures have to be taken now.

The view of members of the New Democratic Party, unlike the view of members of the Government who think that it is all a problem with the international community, is that as Canadians we can take measures to do things here in Canada.

I remember well Tommy Douglas, whom I had the pleasure of knowing. He once told me here in the House, where he was a Member of Parliament since 1935, that he stood up in the House day after day and said, "Look, we can put people back to work on the Prairies during the Great Depression. We can do things. We can help the farmers and the workers". Day after day the Government would get up and respond, "Sorry, we cannot do anything". Then Tommy Douglas told me that within 18 hours of war being declared Parliament sat all night and into the next day and enacted a series of measures that helped farmers and the workers to get back to work and so on.

We are not in a war today. That was an extraordinary situation then. The fact is something can be done if one has the will. We in the NDP believe that we can do things here in Canada. We do not have to rely on Ronnie Reagan or on the European Community. We acknowledge that we live in a global village, but we should still try to do some things here at home.

The Government has provided some assistance to prairie farmers. It gave them $1 billion, but look at the way it was done. This is the problem the Prime Minister has. A previous Prime Minister, Mr. Trudeau, looked smug for saying, "Why should I sell your wheat?" But the present Prime Minister looks smarmy and opportunistic. He gave $1 billion to farmers. Why did he give it? Because the Premier of Saskatchewan phoned and said, "I have an election going on in which the Conservative Government will be defeated. Please send the money right away". How did he give money to oil producers? By getting rid of the petroleum gas revenue tax. He did not do it right away, as promised. He waited until there was a by-election in Pembina when it looked as if the NDP would win the by-election and, bang, the grant came. Such actions catch up to those who take them. People see this as an opportunistic Government, which is why the Prime Minister's Party is at 24 per cent in the Gallup polls.

The Government has consulted farm organizations. Members opposite have said that. But it does not seem to listen to them. The Hon. Member for Hamilton—Wentworth mentioned the Canadian Cattlemen's Association. Everyone knows that those cattlemen are big ranchers. What about the little guy who owns a small mixed farm and a few head of cattle? He is not represented by that big organization. He does not want to see the end of the moratorium.

Mr. Blenkarn: Cattle people are all in good shape.

Mr. Waddell: They are getting money, but not some of the smaller ones. I used to be a cattleman, my friend, as I said, in a minor way, and we used to always complain. Government assistance, though significant, was inadequate. It also came at an opportunistic and awkward time.

We know that the Government says it is fighting the deficit, but there are other ways of dealing with it. It could put in place a fair system of taxation so that it could collect more money, therefore having more to redistribute to save the family farm. Even while the Government provides some assistance with one hand it seems to take away money from farmers with the other through the imposition of increased taxes, service fees, freight rates and a whole host of other direct and indirect costs which must be borne by farmers.

The Government should not lift the moratorium until, first, it announces a deficiency program for the upcoming crop year and, second, until it addresses the broad question of the farm debt, which is about $25 billion, most of which is still held at the high interest rates that came in at the time the Liberal Government was in power.

I have heard members of the Conservative Party criticize the previous Liberal Government. We all agree that it had its faults. But why do we not get on and deal with the present? It seems to me that the Government can do something.

• (1440)

On April 1, 1985, the Standing Committee on Finance, Trade and Economic Affairs tabled in this House a unanimous all-Party report, a report that contained several recommendations that could have been put in place to assist the agricultural community.

The first of those recommendations was that the Farm Credit Corporation be encouraged to write down loans. Nothing happened.

The second recommendation was that the Minister consider the issue of agri-bonds. Again, nothing happened.

I believe I heard the Minister of National Health and Welfare (Mr. Epp) speak in the House about the Government implementing agri-bonds. But, when and how have they done that? It simply has not taken place. Certainly agri-bonds would be of assistance. It is something that the Government promised at Prince Albert, Saskatchewan during the 1984 election campaign.

Either or both of those suggestions, had they been implemented, would have alleviated the situation somewhat.

An Hon. Member: Oh, come on!

Mr. Waddell: I am trying to be positive. I am merely trying to suggest some action that could be taken.

This morning we listened to the Hon. Member for Okanagan—Similkameen (Mr. King) speak in this debate. He was the lead-off speaker this morning. However, he stayed in his seat yesterday afternoon, leading to the adjournment of the debate. The Hon. Member for Okanagan—Similkameen took the traditional position of the Government side in this debate, that of defending the Government's record.

I managed to search out some material about what was happening in the Okanagan, and according to that material, he takes a different position when in the Okanagan. On one occasion while in the Okanagan he described the situation as being of crisis proportion, and he went on to say, and I quote: "It is the same story on the Prairies. They have the product, but they cannot get the money for it."

This same article goes on to talk about the Jones family. The Jones family bought a farm for $385,000 in my Province of British Columbia, the beautiful Okanagan. That breaks down to a value of $19,000 an acre. Today, that farm is worth $10,000 an acre.

The article points out that there was a federal Government moratorium on farm foreclosures for a year and a half; but that, even with that moratorium, 44 farmers found it impossible, finally giving up their lands to the Farm Credit Corporation.

I listened to my colleagues from the Prairies talking about suicides and depression among members of the farming community. I had not realized how really bad the situation in that regard was.

One of the articles I have here has to do with how the apple growers of the Okanagan were squeezed out of their markets by imports from Great Britain, the Granny Smith apples. We were even serving these apples here in the Parliamentary Dining Room.

When I first became aware of that program through British Columbia television, I made fun of it. It was almost like Mr. Trudeau saying, "Why should we sell your apples?" But in fact I now realize how serious that situation was. The fact is, the British Columbia apple growers had their product squeezed out of the market. We in Canada could have consumed Okanagan-grown apples rather than importing Granny Smith apples from the United States.

In this article, Mr. Jones, the farmer of whom I spoke earlier, says that while he may be walking away from his land, he refuses to stop farming. He says that he will lease his property from the Farm Credit Corporation if it cannot be sold, or find some other leased land on which to work. He goes on to say:

> We have a few options, but we don't know exactly what we will do. The situation will steer the course. If I were to pick up some property, on lease, I would stay farming. I don't have a lot of control over the situation with our debt, so there is not much point in worrying about it. Anyway, if you are a farmer, you get used to disaster.

One can get some glimpse of what it is like for the farmers to have to face these terrible problems, and the determination that they show.

The question I ask, Mr. Speaker, is, why would the Government at this time end the moratorium on Farm Credit Corporation loan foreclosures? That, it seems to me, is the worst kind of action to take at this time. It is indicative of the worst kind of logic, and it is typical of the Mulroney Government to be so insensitive and inconsistent.

According to my information, FCC loans in British Columbia number 448, of which 249 are more than two years in arrears, with a total value of $12.6 million. Does that mean that 249 farms are going to be seized? Again according to my information, 60 farms will be immediately affected by the lifting of this moratorium.

My concluding remarks, Mr. Speaker, will be on quite a partisan note. As I go through this I invite you to guess who wrote this policy. I am about to read the Executive Summary of a report published in May of 1986. This is something that has become the policy of the Government.

It reads as follows:

> The (blank) would recommend:—

And I will fill in the blank once I conclude this portion of my remarks. Once again:

> The (blank) would recommend:
>
> —government transition programs involving relocation, retraining, and support;
>
> —farm financial review boards be restricted to an advisory capacity with consideration to be given to borrowers of direct lending or provision guarantees to existing lenders where future turnaround of the operations is deemed possible;
>
> —continued improvement in farm management and financial information be promoted by creditors and government;
>
> —proposals involving income supports, target prices, agri-bonds, subsidized loans and interest rebate subsidies should only be adopted where long term benefits clearly outweigh the costs and where the application of such assistance is clearly targeted to specific objectives and a designated user group;
>
> —no consideration should be given to debt moratoriums or compromises.

This is the policy of the Government. And who wrote it, Mr. Speaker? The Canadian Bankers' Association has written the

policy of this Progressive Conservative Government, and they are following it. This Government is in bed with the big banks, as it is in bed with the big oil companies in allowing Amoco to take over Dome Petroleum. It ignores the small Canadian oil companies; it ignores the farmers; it ignores ordinary Canadians.

I say, Mr. Speaker, that a government that does that does so at its jeopardy. It is a Government that will be tossed out by the people at the next election. Unfortunately, that is two years away.

I urge this Government to come up with a real farm policy to assist those who are suffering so much. The Government will find support for such a policy in the cities of this country, on the part of those who consume the food and on the part of the working people who sympathize with the farmers.

Mr. Lewis: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) on a point of order.

Mr. Lewis: Mr. Speaker, there have been discussions among the House Leaders, and I think you will find that there is unanimous consent to interrupt the emergency debate on agriculture to deal with four items, as follows: number one, the introduction and first reading of a Bill sponsored by the Minister of National Health and Welfare (Mr. Epp) relating to tobacco products; number two, the tabling of the Standing Committee report on International Banking Centres; number three, the tabling of the legislative committee report dealing with Bill C-41, an Act to amend the Judges' Act, the Federal Court Act, and the Tax Court of Canada Act; and number four, the tabling of a report by the President of the Treasury Board (Mr. de Cotret) dealing with Public Service lay-offs.

Once those items have been dealt with, we will immediately return to the emergency debate on agriculture that is now before the House.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Mr. Gauthier: Mr. Speaker, I can confirm that there have been discussions and we are agreeable to dealing with the four items as outlined.

Mr. Hovdebo: The New Democratic Party also agrees to that, Mr. Speaker.

ROUTINE PROCEEDINGS

[*English*]

TOBACCO PRODUCTS CONTROL ACT

MEASURE TO ENACT

Hon. Jake Epp (Minister of National Health and Welfare): Moved that Bill C-51, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products, be now read the first time and be printed.

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

* * *

COMMITTEES OF THE HOUSE

FINANCE AND ECONOMIC AFFAIRS—SIXTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Finance and Economic Affairs, dealing with international banking centres, in both official languages.

It is the unanimous view of the committee that the real problem in developing international banking centres, as this country could well do, is in relation to the withholding tax, and thus the report makes extensive recommendations in respect of work to be done by the Ministry of Finance in connection with treaties dealing with the payment of money from one country to another through the banks of each country tax free and free of withholding tax. These would be treaties of the same nature as those currently in place in such places as Great Britain, the United States and Germany. We feel there is a real future for Canada, and the report makes those recommendations.

* * *

• (1450)

JUDGES ACT, FEDERAL COURT ACT AND TAX COURT OF CANADA ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Anthony Roman (York North): Mr. Speaker, as Chairman of the Legislative Committee on Bill C-41, an Act to amend the Judges Act, the Federal Court Act and the Tax Court of Canada Act, I have the honour to report the Bill to the House, with amendments.

* * *

[*Translation*]

ADMINISTRATION

REPORT ON REDUCTION IN PERSON-YEARS OF PUBLIC SERVICE

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, on August 21, 1986, I promised the Chairman of the Standing Committee on Public Accounts I would report regularly to the Members of this House on the impact of person-year reduction in the Public Service. Considering this commitment and the statement I made before the House on

March 2, 1987, when tabling the Government's Main Estimates for fiscal 1987-88, I have the honour of tabling, in both official languages, a report to Parliament on the impact of person-year reduction in 1986-87 on Public Service employees.

[*Editor's Note: See today's Votes and Proceedings.*]

MOTION TO ADJOURN UNDER S. O. 29

[*English*]

AGRICULTURE

CANADIAN GRAINS CRISIS

The House resumed consideration of the motion of Mr. Hovdebo:

That this House do now adjourn.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the reason Members in increasing numbers are participating in this debate, whether from rural or urban communities, is simply that we cannot understand why two days ago the Government would announce this rather cruel and insensitive measure to lift the moratorium on farm debt by the Farm Credit Corporation. Many Members got upset because one week after initial grain prices were lowered by 18 per cent, by almost one-fifth, 6,000 farmers who were at risk were put into immediate jeopardy as a result of these two announcements.

We cannot understand these developments. As the Leader of our Party put it in this House yesterday, we want a rationalization of them and we want to have a number of questions answered. As the Leader of the Official Opposition (Mr. Turner) put it yesterday, we on this side of the House believe that we need an announcement now of a deficiency payment sufficient to restore this year's prices to last year's prices and so guarantee to Canadian farmers the same returns as they received last year. That was the first point of our Leader.

Second, we on this side believe that not only must cash flow be maintained so that farmers when they seed, know what to seed and whether to seed, we also believe that the growing credit crunch and the avalanche of debt punishing Canadian farmers should be resolved soon in a meaningful way. We do not find it difficult to imagine that if the Farm Credit Corporation begins to go after certain farmers that that phenomenon will also be adopted as a measure by banks from which farmers have received loans. Therefore it is a measure that is not limited to some 50 farmers a month, which the Minister of State for the Canadian Wheat Board (Mr. Mayer) made reference to two days ago in Question Period, it is a measure that could snowball and become a real threat at this time to the farming community.

The situation is one that has distressed us in the Opposition to the extent that I have just described. I submit that the roots of this decision can be traced back to November 1984 when the Minister of Finance (Mr.Wilson) made his statement at that time. Since then, systematically, one after the other, the Government has managed to alienate, irritate and damage a number of sectors in the Canadian society.

You will recall, Mr. Speaker, for the benefit of the laughing Progressive Conservative Member who just entered the Chamber, when the Government attempted to deindex the pensions of our senior citizens. That was one of the many measures tried by this Government since November, 1984. That measure was stopped, but there were others that could not be stopped and have been implemented. For instance, the imposition of the federal sales tax, that hidden tax which has been increased three times since the Government was elected.

It is not just a matter of deindexation of pensions or the imposition of federal sales tax; what about the restrictions imposed on workers who are unemployed and whose benefits will not be paid until certain severance pay and certain pension payments are exhausted? It is not only the unemployment insurance measures or the federal sales tax, you will also recall the constant and systematic increases in another tax, namely, the gasoline tax. Or, if you like, a measure that was just announced a few minutes ago by the President of the Treasury Board (Mr. de Cotret), the systematic reduction in person-years in the federal Civil Service. This is another form of penalizing the public by way of reduced services to people who need federal services, in any daily aspect of life, from the applicants of Canadian citizenship to those who seek guidance and counselling in our employment centres, to those who apply for immigration, landed immigrant status, reunification, or sponsorship of a family member abroad, those who have to wait for weeks and months before they can be given an appointment.

It is these delays and the slowness of the federal machinery in implementing programs that exist and are approved by this Parliament that are the long-term, slow but inevitable result of measures introduced by the Government. We must see this measure that we are debating now for the second day with understandable outrage within the context of a general policy that the Government announced and somehow forewarned us and the public about way back in November, 1984.

In the case of the farming community, having suffered the reduction of 18 per cent in prices and, while attempting to survive despite that, being given this additional kick with the suspension of the moratorium, we see the farming community in a form of crisis that has been exacerbated by these measures we are debating today.

In essence what is emerging in the farming community, east and west, is a crisis that also includes a phenomenon that has been examined and identified in the last five years twice by Ottawa in a variety of ways. I am referring here to a problem which the farming community has to face and would like to resolve, if given the assistance that it requires by Ottawa, namely, soil erosion.

• (1500)

The House will recall that five years ago the Senate Committee on soil erosion produced a report entitled *Soil at Risk*. That was the first indication of awareness at the federal level of an issue that needs attention in order to facilitate a rather difficult transition problem in the farm community. Chaired by Senator Sparrow, the 1984 report brought up a number of interesting facts. One was that lost income to farmers as a result of soil erosion amounted at that time to $1 billion across the nation. That is an amount that has a staggering impact when heard for the first time.

Two years later, the Science Council of Canada followed up on this study and became preoccupied with the same issue. The Council felt that the farming community needed attention from the Government in Ottawa, in a variety of ways, never anticipating that the kind of measures we are debating today would be in store.

In 1986 when the Science Council reported, it estimated that the loss per year to the farming community by way of soil erosion had risen to the staggering figure of $1.3 billion annually. The Council also attempted to estimate the losses associated with soil degradation per hectare and even to define it in terms of net farm income. The figure the Science Council produced is worth tabling. Its conclusion was that the loss to the farmer per acre in 1986 was anywhere between $20 and $25 and the impact of soil erosion on net farm income amounted to some 38 per cent.

An additional refinement of these studies on soil erosion was conducted in southwestern Ontario. Here it turned out that soil erosion caused a 30 per cent to 40 per cent decrease in corn crop yields. We were told that the loss of one inch of soil could reduce wheat yields by 1.5 to 3.4 bushels per acre. We are dealing with a situation—the roots and causes of which would take some time to define—that, if anything, should demand the intervention of the federal Government in order to reverse a trend and help the economy and the income of Canadians whose livelihoods depend on soil and its tillage.

The studies to which I have referred have pointed strongly to the necessity of soil conservation. Last April, the need for a national strategy on soil conservation was defined at a meeting which included farmers, agricultural scientists, business men, policy makers and environmentalists from all provinces and regions of Canada. They met in Saskatoon to develop a so-called framework for a national action plan for soil conservation.

The most pressing issues limiting the effectiveness of current soil conservation efforts were identified at the meeting. One was production or the lack of environmentally sound and economically viable production systems supporting soil conservation. The second was technology transfer or the lack of co-ordination and the negative perception of conservation as an added cost rather than a long-term benefit. The third was marketing or the lack of strategies to decrease uncertainty of product prices and increase efficiency consistent with sound conservation practices. The fourth was research or the requirement for increased co-ordination and collaboration among federal and provincial Governments, universities, agricultural colleges, industries and farmers, a role that could be played very strongly and centrally by the federal Government. The fifth was education or the need to create an awareness of conservation among the general public and particularly the young and an increased emphasis on conservation practices for students of agriculture. Finally, there were the environmental effects, or the deteriorating quality of surface and ground water by sediments, nutrients and pesticides that are transported from agricultural land because of poor soil conservation. This must be understood, quantified and become the object of alternative policies as early as possible.

I would like to refer the House to a study conducted by Dr. D. A. Rennie which in 1985 estimated the cost of erosion to farmers in western Canada alone. He came to the conclusion that this amount would be some $440 million. To that he added the loss of organic matter amounting to some $326 million per year, and the cost of salinity amounting to some $212 million, for a total loss to western Canada alone of $978 million per year. This has been translated into 16.7 per cent of operating costs or to some 79 per cent of farmers' net income.

When we approach the question of the economic cost of soil degradation on a province-by-province basis, we come up with interesting figures which add up to a different total but, nevertheless, to a figure that has been worked out with great care, I am told. In British Columbia, the estimated annual economic cost of soil degradation amounts to some $45 million, in Alberta to some $429 million, in Saskatchewan to some $560 million, in Manitoba to some $21 million, in Ontario to some $90 million, in Quebec to some $114 million and in Atlantic Canada to some $23 million, for a total of $1.283 billion per year. As I mentioned earlier, this kind of degradation includes erosion, organic matter loss, acidification, salinity, drainage and compaction.

This over-all picture must be defined within the framework of this debate because it is an added economic crisis faced by farmers at the present time. One would have thought that a Government worth its salt would try to come to the aid of the farmer by realizing that when revenue is declining and there are gluts on the market, this could be the appropriate time for Government to provide certain incentives and economic shock absorbers to facilitate the initiatives required to bring the viability of soil back to where it was decades ago before intensive cultivation took place.

• (1510)

I want to reiterate what the Leader of my Party said in this House concerning the Liberal position in this debate. We want the Government to announce a deficiency payment sufficient to raise the return this year to farmers equal to last year's return. We want the Government to do it now so that farmers have some assurance that when they seed they will receive a

return that will cover at least the cost of production. That is a very reasonable position.

In addition, we call for a rationalization of farm debt and revocation of the decision by the Minister of Agriculture (Mr. Wise) to lift the FCC moratorium.

Having said that, I would like to conclude by saying that if this debate is proceeding at the rate it is, with interventions from the most unexpected quarters, and I can assure you that there are not many farmers in the riding of Davenport, it is because we are profoundly upset. We do not understand the logic or politics of this decision. That is why we are rising in increasing numbers on this motion. We feel a strong message has to be sent to the Government on the eve of the Prime Minister's visit to western Canada. We hope that this debate will have some effect and register some messages with him so that next week he will have something to say to the farmers, east and west, which is sensible, humane, and takes into account their incredible economic plight.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I welcome this opportunity to take part in this debate on agriculture. The NDP referred to the urgency of this debate. I think it is high time we gave some recognition to the progress this Government has made in two and half years, compared with what the previous Government was able to do in 20. I also think it is high time we reminded opposition Members and the Canadian public that in two and a half years, this Government has fulfilled more than three quarters of its election promises. Earlier, I heard the previous speaker for the Liberal Party talking about the moratorium that was being lifted. Did it ever occur to them that a moratorium was necessary because of the poor administration of the previous Government, when interest rates for farmers went as high as 16 per cent?

When we came to power we had to deal with this problem. The previous Government never had the courage to face up to the banks and deal with the situation, and say they were going to introduce a moratorium until interest rates got back to levels that were reasonable and acceptable to farmers. During the election campaign, we talked about getting back to an average rate of around 10 per cent.

Well, we did it in two and a half years. We got back to an acceptable interest rate, and it is entirely normal we should consider lifting the moratorium. The Government, however, is not abandoning farmers in the process. On the contrary, it has taken steps to ensure that regional panels will examine, on a case by case basis, the situation of farmers who are in difficulty despite a return to normal interest levels. I am surprised that Members of the previous Government should be demanding reinstatement of a moratorium they never had the courage to introduce.

I am also surprised at the comments of the Member of the New Democratic Party who spoke earlier. In concluding his speech, he said that he could see nothing positive in the Government's actions. Since they are so blind to the obvious, Mr. Speaker, I would like to take advantage of the opportunity I have been given today to speak to this honourable House, and remind the Hon. Member and his colleagues of what the Government has achieved in the past two and a half years. It has been two and a half years since we came to power, after an election campaign in which we produced a document where our objectives were clearly defined. Nearly 75 per cent of those objectives have been met. I may therefore remind him that if he is looking for positive signs, there are plenty among the achievements I am about to mention.

At the same time, I take great pleasure in greeting our farmers in the riding of Richelieu. During the last election campaign, when I was canvassing door to door and at riding meetings, I found they were desperate and depressed because of the crushing pressures of interest rates and also because of the lack of a long-term dairy policy.

There are 800 dairy farmers in my riding who were looking for this kind of stability. There are also pork producers who were absolutely debt-ridden, and who today are all smiles. There are also sheep farmers and grain producers who were suffering again as a result of falling prices, and who were saved by the billion-dollar subsidy. Once again, this Government has acted responsibly.

The farmers I met last week at a meeting to discuss free trade, among other things, told me how pleased they were with everything the Government had been able to do for them in the past few years because, in 1984, the Farm Credit Corporation rate was 16 per cent.

I may also recall the problems farmers were having as a result of oil prices. In fact, it was the previous Liberal Government which brought down the previous Conservative Government during an historic vote in December, leading to an election that cost taxpayers $105 million, and all because of a promise that the 18 cent increase would be scrapped. And lo and behold, less than six months later, we had an increase of over 65 cents. In fact, our Party admitted during the election campaign that the price of oil was having a serious impact on Canadian farmers. Today, thanks to our Government's action, farmers have had some respite as a result of price controls, a drop in the price of oil and fuel tax rebates, either in the form of income tax rebates or direct refunds.

In 1984, Quebec farm producers were hoping to receive compensation for the 1983 drought. The previous Government had flatly refused to make any compensation payments or even listen to these farmers explain the problems they had in 1983 because of the drought. However, thanks to the new Government's awareness of these problems, millions of dollars were set aside for this purpose. In my riding alone, $1,200,000 in compensation payments were paid in connection with the 1983 drought. I think that can be seen as a very positive measure benefitting Canadian farmers, and especially those in Quebec.

Farmers had been waiting five years for a permanent dairy policy. They got one in less than a year with the Conservative Government elected in 1984.

The Liberals set up a Crown corporation, Canagrex, which, instead of helping farmers, has been a constant drag on their budget. Our Government has done a great deal for Canadian agriculture, directly contributing to the survival of many farmers.

I would also like to take this opportunity to say what the Opposition is afraid to mention, and I am referring to all the help we have received.

Signing the five-year policy cost the Government $1.5 billion. It was a commitment that was difficult to meet, in the knowledge that we were embarking on free trade discussions, but we nevertheless wanted to provide guarantees for our dairy producers.

The $500,000 capital gains exemption. This program has made it possible for farmers to sell to their sons or neighbours without having most of their profits taxed away. This program has made it possible for farmers to pass on the family farm to the next generation, something they wanted for many years. The capital gains tax exemption has had an extremely positive impact on the number of young farmers which has increased to twice or three times the number noted in the five or six years previous.

The Opposition was against this measure even before it was introduced, but nevertheless, it has been very successful. The Opposition talks a lot about morality. I suggest we call it political morality, and I think that political morality is reflected in acceptable interest rates. It means helping young people who want to take over the family farm. It also means a drop in the unemployment rate and investors who are investing in Canada as never before. Political morality is not the morality of the individual but the morality of a Party that takes charge and defends the interests of all Canadians by increasing their well-being.

For instance, FCC interest rates which were at 16.75 are now below 10 per cent. And we have all the case-by-case studies to help individual farmers.

The Minister of Agriculture (Mr. Wise) introduced 6 per cent programs for farmers in financial difficulty. Is that not an example of the positive factors the previous NDP speaker was looking for?

We introduced a shared-risk mortgage plan at a rate of 9.75 per cent. These measures had been called for by the Opposition, both by the NDP and the Liberal Party. We implemented these measures and today, they tell us we have done nothing positive. We set up a farm debt review board, and in my riding, a dozen cases have already been dealt with successfully, thanks to this board.

Mr. Speaker, we also introduced a diesel fuel tax rebate. Our farmers had been asking for this for years. It means that now they can get a refund, which will help them cope with their debt load and expand their operations. That was another concept people had been talking about for years, but the previous Government never had the courage to put it into practice.

We have compensated Quebec producers for crop losses, as I said earlier. In my riding alone, producers received $1,200,000. We have signed federal-provincial agreements with several provinces, including agreements worth $35 million with Quebec. Under the previous Government, misunderstandings and petty quarrels about protocol and precedence were the order of the day, and while constitutional debates and those same petty quarrels made the headlines, farmers were left to their own devices. All that changed when this Government came to power, and today, farmers are delighted with programs that are bringing in $35 million more for Quebec. I meet these people every week-end and talk to them in my riding. In fact, my riding has the largest number of dairy producers in Canada: 800 farms. These people say they are satisfied and, in fact, delighted with the attention they are getting from the present Government, which listens to them and consults and lives up to their expectations.

We have given $1 billion to help grain producers, and for the first time, the money has not been funnelled into one specific region. Funds have been spread across Canada, so that for the first time, Quebec's grain producers have received $37 million. This is a first, and it is very gratifying. I met with the mayor of Saint-David on the weekend, and he said that for him and his children, $55,000 meant he would be able to save some of his year's production, and he was very pleased.

Yet this man is not a fanatic nor does he support any particular Party. His objective remark to me: the agricultural producers of the Saint-David region are quite satisfied with the wheat output and the deficiency payments they will be getting.

Mr. Speaker, I could go on like this for a long time since the Prime Minister (Mr. Mulroney), the Minister of Agriculture (Mr. Wise) and the Minister of State for the Canadian Wheat Board (Mr. Mayer) have successfully debated the implementation of 414 agricultural initiatives worth in excess of $7 billion. These are concrete achievements which attest to our sense of responsibility towards the Canadian agricultural community and the fact that we believe that agriculture is one of the key sectors of our economy. It goes to show that we intend to continue working along those lines.

Mr. Speaker, for the first time ever agriculture will top the agenda of the GATT negotiations. Thanks to the intervention of our Prime Minister, for once we will be able to give priority to the agricultural sector at the next GATT summit, proof positive that one of our first concerns over the past two and a half years has been agriculture and the farm community because we wanted to help them get out of the slump into which they had been driven by the previous Government.

Yet the Opposition still finds something to criticize. But what exactly is the agricultural program of the Liberal Party of Canada? What specific solutions do they have to propose? What are the solutions of the NDP—and I am talking about realistic solutions, not dream-like solutions which do not even take into account the Canadian Government's ability to pay?

Being more realistic, our Government is controlling the state's budget and expenditures and co-ordinating departmental activities to provide the best services possible at the lowest cost to invest billions of dollars in our agriculture to save our western grain producers, to help our Quebec producers and support our potato producers in eastern Canada. Each farm industry has been scrutinized by our Government, a true national Government, and we are proud indeed of its accomplishments and very positive actions. I do not share the opinion of the NDP Member who spoke before me, nor that of the Liberal Party Member who was eager to have the moratorium continued, something his own Government had not had the courage to initiate.

Thank you, Mr. Speaker, for allowing me so much time. I hope the Government will continue its good work in the area of agriculture.

• (1520)

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to participate in this debate, not because I represent a dominant farm sector of the country—

Mr. Turner (Vancouver Quadra): And not because you know anything about it.

Mr. Rodriguez: Well, that has never stopped me in the past. I have never known Members of this House to be hesitant about making a speech on a subject of which they have extremely limited knowledge. It is almost accepted that the less you know about many things, the better Member of Parliament you are.

Mr. Boudria: We're generalists.

Mr. Rodriguez: Everyone thinks that the only thing we farm in Nickel Belt is nickel. However, for the erudition and enlightenment of Hon. Members, there is one valley in Nickel Belt called the Chelmsford area which was the greatest and best potato-producing section of this country. Indeed, with all due respect to my colleagues from Prince Edward Island, the potatoes from Nickel Belt, and Chelmsford particularly, won many awards for being the best potatoes in the country. I know that Members opposite are scoffing at that, but it is a fact. That was some 30 or 40 years ago before Inco got at the soil, but I knew I would be able to bring that information into the debate. If we are not in that position any more, it is due to the other single industry that has grown up in the Sudbury area.

• (1530)

Some may ask, since I do not know much about agriculture why am I speaking? This crisis facing the farm community is not just a farm issue or a western issue, it is one that affects every Canadian man, woman and child. We have a moral responsibility to stand up and air the issue thoroughly.

I do not want to cast stones at the Government continuously. I am a reasonable person and I think they have done some good things. There is no doubt, as I read and listen to those who are knowledgeable on the subject, that there is a crisis. *The Ottawa Citizen* on April 28 contained a large headline: "Black Friday Looms For Farming Families". In *The Windsor Star* there is a large headline stating: "An Industry Gone Wrong". In the Business Day of *The Toronto Star* the headline reads: "One In Five Farmers Seen Leaving The Land". In the same newspaper there is the headline: "Thousands of Prairie Farmers behind $227 Million in Loans". Another article states: "Census finds farms falling in number".

Every time that one acre of farmland goes out of production in this country a little bit of Canada dies. I recall when I first began teaching in the St. Catharines area in the Niagara district I used to spend my summers going to the peach farms to pick peaches and subsidize my wages as a teacher. When I return there today I see highway. There are many small businesses along that stretch between Hamilton and St. Catharines where there used to be all sorts of canneries that primarily employed immigrant women to can peaches and pears. That has all disappeared. If the present trend of disappearing farmland continues, we will be a net importer of food in this country. That has very serious implications for future generations of Canadians.

Members on the government side who stand up to say there is no crisis are taking the ostrich approach.

An Hon. Member: Nobody is saying that. You are way off base.

Mr. Rodriguez: The Member says that no one is saying that. I am holding the debates from April 28. In a speech by the Member for Lac-Saint-Jean (Mr. Côté), which appears at page 5405 of *Hansard*, he says:

> Mr. Speaker, it takes incredible nerve to ask for an emergency debate on the situation of Western grain producers.

He said that the NDP has an awful nerve to suggest that we should have an emergency debate on this question. I have listened to other Members opposite, including the Parliamentary Secretary to the Government House Leader, the Hon. Member for Simcoe North (Mr. Lewis). He said that everything was fine. There are those who prefer to put their heads in the sand and say that there is no problem because the matter has been rectified. They suggest that the debt moratorium program which was introduced 19 months ago can be taken off.

Mr. Blaikie: When things are worse.

Mr. Rodriguez: We will get to that a little later.

We also see the Pontius Pilate approach, in which they wash their hands and say there is nothing more that can be done. They say that after all, they gave a billion dollars to save the "diviner" and cannot find any more money. Perhaps one solution is to give the farmers access to the PC Canada Fund. I

hear Members say that the Government does not have any money for them and it has done as much as it can do.

Excellent speeches have been made on both sides of the House I have learned a lot from listening to Conservative Members who represent western ridings. It appears to me that the crisis hinges on three specific issues. One concerns the fact that the United States and the European Economic Community are subsidizing their grain producers to such an extent that the Canadian grain producers cannot compete. The second issue seems to be a problem with respect to removing the moratorium on Farm Credit Corporation mortgages as of May 1, which is tomorrow. The third contributing factor to the crisis would appear to be that the Government has refused to make a commitment to a deficiency program for the upcoming year. Those three facts indicate to me that there is a crisis.

Let us consider the first matter. Can we blame the Government for that situation? To be fair, we cannot blame the Government because it is an international situation. I think the Prime Minister was correct when he said that he will take this matter to the appropriate international authority to discuss it. I think that is fair. The Government cannot do anything about that.

However, let us consider the Government's step to lift the moratorium on Friday. I suggest that the Government has to learn that timing is of the essence in politics. On Monday, when the press release was issued from the Department of Agriculture that the moratorium would be lifted as of May 1, the Government scheduled a debate on capital punishment. That debate continued for two days. Meanwhile, farmers who are experiencing these problems and living on the edge were getting notice that the moratorium would be lifted on May 1. I could just see them watching what Parliament was debating on television and asking what Members of Parliament were doing. What is really important, is it the noose or their livelihoods and their farmlands? It was absolutely incredible that when people are faced with these serious problems Parliament engages in a debate on something that had been decided in 1976. I think that the priorities ought to be rethought in this House and by the Government.

• (1540)

Mr. Brightwell: Why have you been stalling for a month? You wouldn't let business go ahead.

Mr. Rodriguez: There are issues which are extremely vital to Canadians. One issue was the drug crisis and the high price for drugs Canadians will have to pay as a result of Bill C-22. No self-respecting Opposition would avoid doing all in its power to ensure that that matter was thoroughly examined. In this particular instance we took the opportunity, and the Chair agreed that this was an emergency situation. Therefore, we have launched this debate on the whole question of grain producers and agriculture.

We know, for example, the Farm Credit Corporation only covers about 30 per cent of all farm mortgages across the country. Once the moratorium comes off on Friday, you can bet your bottom bippy, Mr. Speaker, that the private lenders—the banks and all the other private lenders—will move in like a bunch of buzzards.

Mr. Brightwell: They were before. You are dreaming.

Mr. Rodriguez: They took their lead from the fact that the Government clearly indicated that it wanted a moratorium on the debt.

Mr. Brightwell: You are dreaming, John.

Mr. Rodriguez: No banking institution is going to fly in the face of what is a clearly perceived intention of the Government. Once that moratorium comes off, they will be right there.

I think farmers, no matter where they are in the country, are listening to the Prime Minister, and I know he wanted to get up early so he could prove that he is like a farmer, working hard, knowing the early bird catches the worm, or whatever the saying is. He was up really early because he came down and joined in the debate.

Mr. Blaikie: Guccis and overalls.

Mr. Foster: At 8.30 in the morning.

Mr. Nunziata: Farming in Gucci shoes.

Mr. Rodriguez: Do not cast aspersions on the Prime Minister's dress. He said, "If they phone me up and ask for help, I will not let them down. Brian Mulroney will not let them down. I will be there". He said that.

Mr. Nunziata: Hallelujah, brother!

Mr. Blaikie: New carpets in the barn.

Mr. Rodriguez: He said, and I quote from Page 5451 of *Hansard*:

> It happened that we received telephone calls from western Canada for help—and I can tell you what the position of my Government was then, what it is today, and what it will always be: When western Canada asked for help, to the extent humanly possible, Brian Mulroney and the Government of Canada will say, "Yes". We are there to build a stronger western Canada and to build a stronger Canada.

Mr. Blaikie: You should put your glasses further out on your nose, John, if you want to imitate him.

Mr. Foster: You look just like Brian.

Mr. Rodriguez: I want to say to all the leaders in western Canada, and wherever else in Canada, Ontario and the Atlantic, you heard what the Prime Minister said. Pick up the phone and call now, today, and he will make a contribution.

Mr. Merrithew: Watch the old ticker.

Mr. Rodriguez: They have to phone. The Prime Minister said if they phone he will give help. A previous speaker asked

what concrete suggestions the New Democratic Party can make? Here is one. I am appealing to Hon. Members opposite to extend the moratorium. Extend the moratorium tomorrow.

Mr. Brightwell: So the banks won't foreclose?

Mr. Rodriguez: So that the FCC will not foreclose on the farmers. To make it crystal clear to the private sector lenders, the Government should send them a message directly and that message is to follow the lead which has been given to the FCC, a moratorium.

Mr. Brightwell: No more loans for farmers after that.

Mr. Rodriguez: That is one suggestion we were asked for. We are not the only ones saying that. The Keystone Agricultural Producers from Manitoba are saying the same thing. They are saying the moratorium should be continued. We are not the only ones.

The third factor in the crisis is that the Government refuses to make a commitment to a deficiency payment program for the upcoming year. It did so a year ago with $1 billion. There is no problem with that and we give the Government credit. But the situation now is that prices are going to drop another 18 per cent. The condition still exists. In fact, it is exacerbating. Now is not the time to leave the farmers in a quandary.

I want to make a second suggestion to my colleagues opposite on the Government side. Why does the Government not give the assurance that the farmers will receive the same price for their product this year as they received last year? Why does the Government not give them that assurance? That is reasonable.

Mr. Blaikie: Eminently reasonable.

Mr. Rodriguez: I think that is what they have asked for. If we ran into some difficulty in our nickel industry in the Sudbury Basin, I would be the first one to argue with the Government to extend assistance, even though I have my biases about multinational mining corporations. Because it involves the economy of the community, I would be the first one on my feet. I urged the Government when nickel prices dropped, to stockpile nickel, in other words, to purchase the nickel the workers produced and guarantee the price so they could continue to work. I argued for the workers in the mining industry, so why would I not defend our brothers and sisters in the agricultural industry? It seems to me that that is the whole concept of solidarity. That is what it means. We are all brothers whether we work in the mines or in the fields. It seems to me that that is an investment which Canadians, and all opposition Members who have spoken, have urged the Government to make. It is politically wise and it seems to me it is one thing which would help the Government to raise its profile in the polls.

That brings me to my last argument. The bottom line is this. If the Government will not do it because it is eminently reasonable, will it at least do it because it is politically expedient? I give a promise that I will not go out and criticize the Government if they did that. I would not say it is because of political expedience. I would not critize the Government for that. I am prepared to give it credit. I am really appealing to the sense of Canadianism on the part of the Government. I am urging the Government to in fact realize that all Canadians want the survival of their agricultural sector.

The Acting Speaker (Mr. Paproski): I am appealing to the Hon. Member. Another 30 seconds. He is over by a minute and a half now.

Mr. Rodriguez: If I could not convince Members opposite in 20 minutes, perhaps I could try once more in 30 seconds. I say to Members opposite, look, there is a crisis. If they watch the news and read the newspapers which are emanating from western Canada, and from other parts of the country where there are farming communities, they would recognize that there is indeed a crisis.

• (1550)

We on this side of the House have proposed two specific and, we recognize, short-term, proposals. At least they deal with the immediacy of the problem. After that we will have to go back to deal with the long-range and long-term problems. We would be right behind the Government in trying to reach a resolution to those long-term problems.

I make that appeal to the Government. I see that the Parliamentary Secretary to the Government House Leader is in his place. He is busy talking to someone else at the moment, but I trust that he will convey this message all the way to the top. If he will not do that then I will have to go and use the telephone.

The Acting Speaker (Mr. Paproski): Am I to understand that we are to continue with debate, or is the House business question to be asked?

Mr. Lewis: I suggest that Your Honour continue with the debate.

The Acting Speaker (Mr. Paproski): The Chair recognizes the Hon. Member for Winnipeg—St. James (Mr. Minaker) as the next speaker.

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, while I represent an urban riding in Winnipeg—St. James there are many people in my riding who are employed either directly or indirectly by the agricultural industry in Manitoba. I was born in the small country town of Morris, Manitoba, which existed primarily because of the agricultural industry around it. I have many relatives who are farmers. So I am quite aware of the importance of the agricultural industry in Manitoba and in Canada. I am very happy to be able to participate in this debate.

I am sure that Hon. Members recognize that the farming and agricultural industry is having difficult times at the moment. The Government of Canada is trying to do something about it, to the best of its financial and physical ability. I would like to comment on the importance of the agricultural industry to Manitoba since, according to Statistics Canada, there are some 39,000 Manitobans who are employed in this industry. It is the third largest industry in terms of employment in Manitoba. As well, it is the second largest industry in terms of dollar value in our gross provincial product. In actual fact, it is the fuel that powers the engine of the Manitoba economy.

Why do I raise these particular items with regard to the importance of agriculture to Manitoba in my comments? During my participation in this debate I will attempt to put before the House the record of the present Manitoba NDP Government, as well as its attitude toward agriculture. I will also put forward our Government's record to date since our election back in 1984.

As Hon. Members know, since our Government was elected in 1984, we have initiated 400 different grants and benefits to Canadian agriculture amounting to approximately $5.76 billion. In the two and a half years that the Government has been in power we have assisted agriculture to the tune of $5.76 billion. To me that shows a great deal of effort in terms of trying to preserve this very important industry.

I would like to remind Hon. Members of some of the programs that have been instituted by the Government. First, I would like to mention the special Canadian grains program, which has been mentioned before. Under that program $1 billion was needed to boost the cash flow of grain producers. Over 80 per cent of this money will go to western Canada. Then, there was the new grains deal that my colleague, the Minister of State for the Canadian Wheat Board (Mr. Mayer), arranged with Russia. It is a five-year agreement that will see the purchase by Russia of at least 25 million tonnes of grain. We also entered into a new long-term agreement with Brazil which guarantees that that county will purchase between 750,000 tonnes and 1.5 million tonnes of wheat annually between 1986-87 and 1988. I would like to compliment the Hon. Member for Portage—Marquette for the efforts he is taking on behalf of our farmers to sell their grain in a very difficult world market-place.

There was also the crop and livestock drought assistance which amounted to some $210 million, $150 million of which went to grain farmers hit by last year's drought and grasshopper damage. Then there was $60 million in drought assistance to livestock producers in western Canada. There was also a record interim pay-out under the Western Grain Stabilization Act of $705 million for the 1986-87 crop year. Last year's total pay-out in this regard was $859 million.

We amended the Western Grain Transportation Act. We rolled the rate back to an average of $6 per tonne while the rate projected by the Liberals was going to be $11 per tonne. Another very important program which we introduced was the commodity-based mortgages program. Commodity-based mortgages will be available at a basic interest rate of 6 per cent with a limit of 13 per cent being placed on them should the price of commodities rise again, which we hope will happen. That limit would only be reached if the price of wheat went from $3 per bushel to $6 per bushel. This is a very progressive and forward-thinking program which was introduced by our Government.

We know also that because of our Government's approach to the finances of the country and its determination to bring the deficit under control, and as a result of our economic guidelines, interest rates have dropped. Under the Farm Improvement Loans Act interest rates declined to 11.25 per cent from the level of 14 per cent on election day. In terms of the Farm Credit Corporation, five-year mortgages have fallen by 3.75 percentage points to 10.75 per cent.

What I would now like to comment on is what the Liberal Government did when it had the chance to try to assist agriculture, particularly with respect to interest rates. I direct these comments in particular to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) who stated the other day what the Liberals would do and how. I ask the Hon. Member where he was when interest rates on farm improvement loans reached some 23.75 per cent. Where was the Hon. Member then? He was in the Cabinet of the Trudeau Government.

With respect to interest rates in 1987 the prime rate is 9.25 per cent, while the Farm Credit Corporation interest rate is 10 per cent. There is a difference of 0.75 per cent between the two. In 1981 the prime rate was 22.75 per cent while the rate at the Farm Credit Corporation was 16.75 per cent. There is a difference of 6 per cent between the two. Where was the Liberal Government in 1981?

With respect to the Farm Improvement Loans Act, a very important Act for farmers, the interest rate is 10.25 per cent, which is just 1 per cent higher than the prime rate. What was the interest rate when the Liberals were in power? It was 23.75 per cent. There is a difference of 12.5 per cent between 1981 and 1987. Where were the Hon. Members from the Liberal Party who were members of the Trudeau Government then? Where were they when Prime Minister Trudeau said in Saskatchewan, "Why should I sell your wheat?"

We have seen what the Government has done through the Canadian Wheat Board. It has gone out and found new markets and increased markets in these very trying times. Who really believes the Liberals when they stand up today and say what they will do if they formed the Government? Nobody. I tell Hon. Members that nobody in western Canada would believe them because they proved when they were in government that they did not do anything.

I would like to talk about the present Government in Manitoba, the Government formed by the New Democratic Party, and its attitude toward agriculture. As Hon. Members are aware, I am a member of the finance committee. Today we

had representatives from the Economic Council of Canada before us who presented us with the Council's activities for the coming year, as well as the issues and reports with which they will be dealing.

• (1600)

One of the studies—and it is probably one of the key studies that we are going to deal with over the next year—is a study dealing with the future of the prairie grain economy.

This was a study requested by the Prime Minister (Mr. Mulroney), and it is one that is jointly funded by the provincial Governments and private sponsors and the council itself. Those provinces providing funding are eligible to appoint a representative to sit on an advisory committee to this special report and study.

The Government of Saskatchewan contributed $300,000 toward the study and the Government of Alberta contributed $50,000. What did the NDP Government of the Province of Manitoba contribute to the study? Zero dollars.

Some Hon. Members: Shame!

An Hon. Member: So much for the socialists.

Mr. Minaker: The Province of Manitoba is not even represented on the advisory committee, Mr. Speaker. Earlier today I asked Ms. Maxwell, the Chairman of the Council, why it is that the Province of Manitoba is not a party to the study, and the answer I got was that it wouldn't contribute $50,000.

That is indicative of what the NDP thinks about the agricultural industry in Manitoba. It will not even put up $50,000.

An Hon. Member: So much for the NDP commitment.

Mr. Minaker: Why is it important that Manitoba should be represented? In addition to other things, this study will look at the diversification of the agricultural industry in western Canada, the grain industry in western Canada. Manitoba is leading in the field in this respect. Certain lands in Manitoba that had been used for grain production are now being used for other crops. To give some examples, on these lands there is now grown black beans, pinto beans, and peas. In addition, we have two potato plants in Manitoba, Carnation and McCain's, and McCain's wants us to grow peas and carrots. We are growers of grain for ethyl alcohol. We have an ethyl alcohol plant in Minnedosa. And, of course, we have our sugar-beet industry.

The Province of Manitoba should be represented on that advisory committee. It should be part of that study. Those conducting the study itself will be presenting their recommendations to the advisory committee, and that committee will thus have an input in terms of the direction the final report will take and its conclusions.

The Government of the Province of Manitoba has said that it has not got $50,000 to give to that study; that a seat on that advisory committee is not worth $50,000. That tells me that while the NDP Government makes promises about assisting agriculture, it doesn't do anything about following up on them.

What about our sugar-beet industry in Manitoba? What does the NDP Government of Manitoba think about sugar-beets? There is the opportunity for the Government of the Province of Manitoba to enter into a jointly funded program with the sugar-beet producers that would cost the Government approximately $2 million over five years, or $400,000 per year. This annual funding of $400,000 a year would go a long way toward helping the sugar-beet growers in Manitoba, not to mention the sugar-beet plant that is located in the riding of the Member for Winnipeg—Fort Garry.

And what is their answer? They refuse to enter into that agreement. If they were to enter into that agreement, thus keeping the sugar-beet industry going in Manitoba, that same Government would receive in taxes from the trucking industry alone $200,000 annually. That is the approximate revenue that would be returned to the Government through fuel taxes and income taxes. In addition, the Manitoba Sugar Company would be paying to the Government $550,000 in taxes. In other words, for an expenditure of $400,000 to save this industry, the Government would be receiving in revenue $750,000. And yet, it has refused to participate.

That attitude prompts me to ask where that Government's policies in support of agriculture are. It is for that reason that I say what we are seeing during the course of this debate is hypocrisy. Who is to say that the federal New Democratic Party would not have the same attitudes toward agriculture as is exhibited by the Manitoba NDP Government. The NDP Government of Manitoba in the last election promised to assist the agricultural industry in Manitoba. We have seen how it has assisted agriculture. It is not doing anything.

We cannot believe the federal New Democratic Party. We know how closely tied it is with its provincial counterparts. How can we believe that it would do anything different if it were to form a federal government—heaven forbid!—than the NDP Government of Manitoba is doing. That Government will not even pay $50,000 to help out the grain farmers of Manitoba or of western Canada. It will not put up $400,000 a year to assist the sugar-beet industry, notwithstanding that it would receive, in return, $750,000 in revenues. It is a Government, Mr. Speaker, that is obviously not interested in agriculture at all.

The Progressive Conservative Government recognizes the seriousness of the problems facing the agricultural sector. It recognizes the difficulties it is experiencing at the present time. As is indicated by the number of programs we have instituted since forming the Government, we want to see the agricultural industry thrive and grow. We have indicated, through action, that we do have concerns and that we are prepared to provide assistance, and we shall continue to do so, Mr. Speaker, for however long we form the Government of this country.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Windsor West (Mr. Gray) on a point of order.

Mr. Gray (Windsor West): Mr. Speaker, I should like to ask the Parliamentary Secretary to the Government House Leader what business the Government intends to call tomorrow and for the beginning of next week.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, assuming the termination of this debate, we will be dealing tomorrow with Bill C-22, the amendments to the Patent Act. We understand that there is a disposition to move through Routine Proceedings in a routine way, thus giving us the full day on the report stage of the Patent Act. We anticipate that there will be full debate on that. That will then constitute the allotted day on the Patent Act, as decided by the House earlier.

At the present time, the contemplation is that on Monday we will be dealing with the legislation on financial institutions.

MOTION TO ADJOURN UNDER S. O. 29

[*English*]

AGRICULTURE

CANADIAN GRAINS CRISIS

The House resumed consideration of the motion of Mr. Hovdebo:

That this House do now adjourn.

The Acting Speaker (Mr. Paproski): The Hon. Member for York South—Weston (Mr. Nunziata), on debate.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I appreciate the opportunity to participate in this emergency debate with regard to the plight of the Canadian farmer. Needless to say, the farmer in Canada is in a desperate situation. Needless to say, Mr. Speaker, the very future of the Canadian farmer is in jeopardy, mainly due to the inaction of this particular Government.

Canadian farmers are in deep trouble, and the response of this Government, this Progressive Conservative Government, has been totally inadequate.

Over the last several weeks, the Government of Canada administered to the farm family in Canada a double whammy. First, the Government, through the Minister responsible for the Canadian Wheat Board (Mr. Mayer), announced that there would be an 18 per cent decrease in the price of wheat over last year. As you know, Mr. Speaker, that comes on top of a 20 per cent decrease that occurred last year.

In 1984-85, the price per tonne for Canadian wheat was $170. In 1986-87, the price of that same tonne of Canadian wheat had been reduced to $130. Today, Mr. Speaker, the price is $110 per tonne. The price of barley in 1984-85 was $125 per tonne; in 1986-87, $80 per tonne. This year, Mr. Speaker, it is at $60 per tonne—less than half of what it was two years ago. We have had the price of wheat go from $170 a tonne in 1984-85 to $110 per tonne this year.

The Canadian farmer, the Canadian farm family, is in jeopardy. In effect, the very heart of our nation is being pierced by the inaction of this particular Government.

First it reduced the price of grain. If that isn't enough, on Monday of this week, the Government announced that it would be lifting the moratorium on Farm Credit Corporation mortgage foreclosures. A double whammy, Mr. Speaker. The price of grain plummets because of the policies of this Government, and then it turns around and lifts the moratorium on farm foreclosures. As a result of the lifting of the moratorium on FCC mortgages, up to 6,000 farms are immediately subject to foreclosure by the Farm Credit Corporation, and another 10,000 farms are in jeopardy.

• (1610)

One might ask why the Government decided on Monday to lift the moratorium. What message is the Government of Canada, through the Right Hon. Prime Minister (Mr. Mulroney), giving to the farmers of Canada? The message is clear and obvious. The Government of Canada does not care. Is it any wonder, given the inaction of the Prime Minister of Canada and given the inaction of the Government, that the Prime Minister is the Leader of the least popular Government in Canadian history? It is not surprising.

Is it any wonder that the Hon. Member for Edmonton—Strathcona (Mr. Kilgour), a Conservative Member of Parliament from Edmonton in western Canada, found it necessary to criticize the Government of Canada? He found it necessary to criticize the integrity of the Prime Minister because of the inaction of the Government regarding the problems existing in western Canada. Notwithstanding the very serious difficulties being faced by farm families in Canada, this Government, for no explicable understandable reason, decided to lift the moratorium and basically drive off the land 6,000 more farm families, with a potential of driving off 16,000.

The Prime Minister, wearing his famous Gucci shoes, blessed the House of Commons with one of his very rare appearances during this debate. What did he say to the House and through the House to the farmers in western Canada? He said precious little, but he did say:

When western Canada asks for help, to the extent humanly possible—

And then his voice deepened:

—Brian Mulroney and the Government of Canada will say, "Yes". We are there to build a stronger western Canada and to build a stronger Canada.

The farmers in western Canada are on their knees begging the Government of Canada to come to their assistance. The Prime Minister says all you have to do is pick up the phone and call.

Mr. Boudria: What is the phone number?

Mr. Nunziata: I will tell the farmers of western Canada what the Prime Minister's phone number is. It is 992-4211. I will repeat that, Mr. Speaker. It is 992-4211.

Ms. McDonald: And the area code?

Mr. Nunziata: The area code is 613. They can call collect because the Prime Minister of Canada is concerned, he says, about the plight of western farmers. So, pick up the phone, call 992-4211 and ask for Brian. Tell him, because he does not seem to understand exactly what is happening in western Canada to the family farm. He says that the Government of Canada is acting in the best interests of western Canada and in the best interests of farmers in western Canada. He invites the farmers to call and ask for help. The farmers do not have to call. If this Prime Minister was doing his job, he would understand what is happening on the family farm. How often has the Prime Minister, wearing his $700 silk suits and his Gucci shoes, visited western Canada?

Mr. Boudria: Eighty-four pairs of them.

Mr. Nunziata: Yes, 84 pairs of Gucci shoes. How often has he gone to western Canada? Our Leader, the Leader of the Official Opposition (Mr. Turner), has gone there at least 32 times over the last two and a half years to talk to western farmers to understand what the difficulties are. The Prime Minister says he is going out next week to see exactly what is happening.

One would have thought that the Prime Minister would understand and that his western Members of Parliament would explain the very serious difficulties for the western farmers. We know that the western Conservative Members of Parliament have done absolutely nothing. They sit in the House here as bench warmers. They applaud the Government. They applaud the Prime Minister when the situation back home is desperate. Why have the Conservative Members of Parliament not explained to the Prime Minister the very serious difficulties that exist in western Canada, the very serious difficulties facing farmers?

For example, have western Conservative Members of Parliament explained to the Prime Minister that 9.9 per cent of farmers in Alberta are insolvent as of January 1, 1987? Have they explained to the Prime Minister that 11.4 per cent of the farmers in Saskatchewan are insolvent, and that a further 28.3 per cent of the farmers in Saskatchewan are having cash flow difficulties? Have they explained to the Prime Minister that 18.3 per cent of the farmers in Manitoba are having cash flow difficulties? It is obvious, Mr. Speaker, that they have not. It is obvious that western Canadian Conservative Members of Parliament, with the exception of the Hon. Member for Edmonton—Strathcona, have done precious little.

We in the Liberal Party recognize the difficulties facing western Canada and, in particular, the western Canadian farmer. We in the Liberal Party are prepared to take the necessary action to ensure that the farmers in western Canada will be given the opportunity to continue a way of life that has existed since the very birth of our country. Our Leader, the Right Hon. Leader of the Opposition, has made some very basic requests of the Government. First, it is important and incumbent upon the Government of Canada to immediately announce that it will continue the moratorium with respect to FCC mortgages. Now is the time to do it.

I must say at this point that it is somewhat ironic that on Monday the Government should announce that the moratorium would be lifted. As you know, Mr. Speaker, Monday was the day that the Government decided to start debate on the death penalty. What this Government in effect is doing is condemning the Canadian farmer to death. This Government ought to be condemned for its inaction to the plight of western Canada. We have said continue the moratorium. Now is the wrong time to lift the moratorium. It is important that there be some stability, some assurance from the Government of Canada that it will assist the farmer through these difficult times and by lifting the moratorium, the Government is sending the wrong message.

We in the Liberal Party have said, as well that the Government ought to guarantee to farmers immediately, now, as they are about to seed for the upcoming crop year, at a bare minimum the same return that the Canadian farmer received last year in order to assist the farmer to know when to seed, what to seed or whether to seed at all.

The farmers in western Canada are in a state of flux. They do not know what to do with the price of grain as it is today and with all of the other factors. They do not know whether they should plant a crop at all this year. We know, with the reduction in the price of grain by the Government, that a great number of farmers will be barely recovering the costs involved in carrying on with their farms. First, the Government should continue the moratorium. Number two, it should announce that farmers will be guaranteed the same returns they had last year.

• (1620)

As well, it is important that the Government announce that there will be a deficiency payment this year. We know that last year the Government announced a deficiency payment in the neighbourhood of $1 billion. One must ask, of course, what prompted the Government to provide that assistance to western Canadian farmers.

Mr. Boudria: A certain phone call.

Mr. Nunziata: Yes, it was a phone call, and no doubt the person who called dialed 992-4211.

Mr. Boudria: At 5 a.m.

Mr. Nunziata: And who was that individual who called?

Mr. Boudria: Oh, I think it was someone from Saskatchewan.

Mr. Nunziata: Perhaps it was the Leader of the Conservative Party in Saskatchewan.

Mr. Boudria: Could be.

Mr. Nunziata: He picked up the phone and said: "Brian, I need help". He did not say that the farmers of Saskatchewan need help, he said that he needs help.

Mr. Boudria: Political help.

Mr. Nunziata: He said: "I need political help. We're in trouble here. We're in the midst of an election campaign and unless you deliver to us, we will lose the Government".

So what did the Prime Minister do? He put on his Guccis, he flexed his muscles, he called up a few of his friends and said: "Well, we can't afford to lose an election in Saskatchewan, we had better do something". So they delivered. They did not deliver to assist the farmers. They were not listening to the farmers in western Canada, they were listening to the Premier of that province who was in the midst of an election campaign. There is no election campaign going on in western Canada right now. Does that mean that the Government, through the Prime Minister, will not respond to the plight of the western farmer? It seems obvious, because of the lifting of the moratorium and the announcement of the decrease in grain prices, that the Government will not do anything.

During the last election campaign, Conservative Members made a number of promises, and you know them as well as I do, Mr. Speaker. My colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has put together a list entitled "338 Tory Promises, the Tory Collection, 338 Commitments in the Election of 1984". Let us see what this book has to say about agriculture. The book lists promises made by Conservative Members during the last election campaign.

One promise made was to allow the Farm Credit Corporation to offer agri-bonds so that farmers will have access to reasonably priced funds. Did they deliver on that promise?

Mr. Boudria: No.

Mr. Nunziata: No, we know they did not deliver. We know as well that an all-Party committee recommended that they in fact do that and instead the Government turned a blind eye. The Prime Minister said: "Well, it's just another broken promise and what do they know in western Canada, we have broken so many promises". Another promise made by Conservative Members during the last election campaign in their thirst for power was to revise Section 31 of the Income Tax Act to reflect the principles of equity. That had to do with part-time farmers. Did they keep that promise?

Mr. Boudria: No.

Mr. Nunziata: No, another promise that was broken. As well, they promised to expand agricultural research and development by providing greater assistance for agricultural colleges, more funding for research and development and amending the tax policy to encourage private-sector investment. Did they keep that promise?

Mr. Boudria: No.

Mr. Nunziata: I could go on and on. There was another promise to allocate the necessary funding to assist producers in refinancing their loans at current prevailing rates. Did they keep that promise?

Mr. Boudria: No.

Mr. Nunziata: Another promise was to work to increase exports and stimulate production to meet those export demands. Did they keep that promise?

Mr. Boudria: No.

Mr. Nunziata: What did they do instead? They abolished Canagrex. Is it any wonder that the Conservative Government is in last place in popular support, not only nationally but in western Canada? Is it any wonder that the Hon. Member for Edmonton—Strathcona said to the Prime Minister: "I don't trust you any more and I don't want to be a Conservative Member of Parliament any more because you lied to the people of Canada, you lied to western Canada. You don't care about western Canada. You gave the F-18 contract to Quebec when it should have gone to Manitoba. You have given all these lucrative contracts to your friends and relatives when you have neglected western Canada".

The people of western Canada will not forget—

Mr. McMillan: Mr. Speaker, I rise on a point of order. I think the "blues" will show quite clearly that the Hon. Member who is now speaking called the Prime Minister a liar, albeit indirectly through the words he ascribed wrongly to the Hon. Member for Edmonton—Strathcona (Mr. Kilgour). In that event, might it not be appropriate for you as Speaker to call upon the relevant Member of Parliament to withdraw that remark?

The Acting Speaker (Mr. Paproski): The Hon. Member for York South—Weston (Mr. Nunziata) knows if he did that or not and if he did, would he please say one way or the other? If he did say it, would he excuse himself? I want to know whether he did or did not.

Mr. Nunziata: Far be it from me to offend the Hon. Minister and the Prime Minister by calling him a liar. It might have been construed as calling him a liar but I did not intend to do that. I did not intend to breach the rules of the House. However, if the Gucci shoes fit, wear them.

In closing—

The Acting Speaker (Mr. Paproski): On that basis, the Hon. Member's time has now expired.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, as a Toronto Member, I am very pleased to be taking part in this emergency debate. I think it is important for those of us who live in cities, do not grow our own food and depend on agriculture to show our support in this real crisis that is being experienced.

I happen to represent a riding in Toronto, Broadview—Greenwood, which was in its origin as a European settlement an agricultural area. It was a farming area that supplied food to the City of Toronto, across the Don River. That, of course, was back in the old days when the Don River itself teamed with Atlantic salmon in the appropriate seasons. Now as an industrial and manufacturing centre, we largely depend on the agriculture of the west and the vitality of that agricultural sector is of course extremely important to us as consumers and of course to the entire Canadian economy.

I recently spent a week in western Canada. When I was in Edmonton and Calgary, I saw the plight of the people there who are particularly concerned about the petroleum industry. There is despair, confusion and anxiety as people contemplate their future with falling prices in that sector. From Alberta, I went on to Regina and Winnipeg where I found despair, anxiety and uncertainty about the future that was much more profound. There was a real desperation and a sense of crisis in Regina and Winnipeg over the matter we are debating today.

We know that grain prices are falling. In the case of wheat, there has been an 18 per cent drop on top of a 20 per cent drop, an absolutely staggering drop for farmers to have to face. The question one must ask is why this is and if this has been caused by some fault of the farmers. Are they not being productive? What has gone wrong? Why are farms failing? Of course, we know that it is not due to lack of hard work, effort, skills and productivity. It is simply a question of international markets which are entirely beyond the control of individual farmers.

We know how the political system works and we know that there are massive subsidies for agriculture in the United States and the European Community. The result has been, of course, expanded production there and falling prices on the world markets. This is occurring because those countries see agriculture as being very important and they have ensured that their own farmers will be able to compete and to continue in that way. It is absolutely important for their own economies. Those countries are very clear about the economic, social and political consequences of farm failures. They have massively subsidized that sector because they want to keep production up. The result, of course, is this enormous instability which our own farmers face, so far without any concrete, adequate solution proposed by the Canadian Government.

Yesterday morning, I listened to the speech made by the Prime Minister (Mr. Mulroney). Of course, it was a speech long on rhetoric. My goodness, I heard such free-flowing phrases of sympathy. The crocodile tears. The commitment in his heart to the west. However, the speech was totally bereft of any practical assistance, as was the Prime Minister's response and that of various Ministers when our Party raised these questions in the House.

• (1630)

One of two particular measures we have advocated, the moratorium on FCC foreclosures, was lifted on Monday. The response from the Government was that a moratorium has to come to an end some time or another. The question is when and why at this time of acute crisis? The moratorium was introduced for a very good reason and the situation remains the same. If you introduce a measure because of need, you should not withdraw the measure until the need has been met. We know that is not yet the case.

The other most pertinent issue is the question of deficiency payments. We have had an important deficiency payment, but we do not have any guarantees concerning what farmers will be given for this crop year. They are seeding without any expectation that they will be able to recover their investment. We call for at the very least an immediate government commitment to provide Canadian grain farmers with a guarantee that total grain receipts for crops being planted now will equal those of the 1986-87 crop year. That is, $1.5 to $2 billion.

Unfortunately, the Government response has been simply to cloud the issue and to suggest that farmers are now getting cheques in the mail. Those cheques are for last year's crop and it was a very poor payment, thanks to falling international prices. One of the purposes of this debate is to put the heat on the Government, remind it of the urgency of the situation, and see if we can get a firm commitment for practical measures.

The Government has not totally ignored this question. It has made some gestures. It seems to be aware up to a point. It is working on the international front to try and bring some stability to grain market prices. It has provided assistance to the farm sector through these payments which have only recently gone out. It has consulted farm organizations. Yet government policy on consultation seems to be, yes, Government listens, Ministers listen, meetings are held and organizations are called in for consultations, but what the organizations say is not translated into action. It is not implemented. So we have a pseudo-consultation, a process of listening, but it does not lead to respect for the proposals or their implementation.

Even while Government has provided some assistance on the one hand, it has been taking it away with the other. The

Conservative Government has increased taxes that farmers, as do other Canadians, have to pay. It has increased service charges, freight rates, and of course a host of other direct and indirect taxes. The Government should not lift the moratorium on FCC foreclosures until it announces a deficiency payment program for the upcoming crop year and until it addresses the broad question of farm debt. Of course that is an enormous amount, something in the order of $25 billion across Canada. Much of that debt is still subject to very high interest rates. The Government must let farmers know where they stand now.

The crisis is growing. It has been developing over the last couple of years. Its effect on farmers has been devastating. We are beginning to get a lot of information about what it means for farm families and farm communities. Doctors are telling us that their farmer patients are coming in with more troubles than they have ever had before. We know more are going to psychiatrists. We know there have been more suicides as a result of despair. People are unable to sleep or even relax. They are constantly worried. They have no relief from those worries. The economic burden they bear is tough on the entire family. We as Canadians have to be extremely sensitive to this. We are one family together and when one region of the country is hurting as badly as this, we have to be extremely concerned.

I note that a professor at Brandon University reported to a committee on this issue with some absolutely dire statistics concerning stress. One in two farmers in the sample studied reported feeling chronic fatigue, frequent trouble in relaxing, forgetting things, and losing their tempers. One in three farmers experienced serious disruptions in sleep patterns, increases in family arguments, back pain, trouble in making decisions, frequent headaches, and deteriorating health. They also noticed increasing behavioural problems in their children.

These are the absolutely devastating effects of this situation on the people who have to face it. The suicide rate for farmers in Alberta is going up. A Canadian Mental Health Association study in Saskatchewan found 88 per cent of those surveyed said they experienced stress-related symptoms, including health problems, headaches, fatigue, insomnia, depression, anger and frustration. In some cases there was alcohol abuse. Suicide is the number one cause of death on farms in Ontario after machinery accidents. Suicides are one-third higher for farmers than the rest of the population. We are dealing with a group which has traditionally been considered the most problem-free, the one with a better, healthier life-style without the so-called stresses of urban life. Now we see the situation reversed. People who live on farms and who have to face these enormous financial burdens are under far more stress than city people. I think we should be much more sensitive to that problem and I wish the Government would take this as a real sign of crisis and begin to respond.

We have had communications, representations, proposals and recommendations from numerous people working in the agricultural community. Let me just refer to a couple which I think are particularly significant.

The Saskatchewan Wheat Pool believes that the rural way of life and related service industries is in jeopardy. They ask Members of Parliament to recognize the critical economic situation confronting western Canadian families and communities. This crisis has far-reaching social and economic implications for the whole national economy as well as for the west. They recommend that programs be immediately developed through federal and provincial co-operation to keep families on their farms in a productive capacity, and that early consideration be given to the acute need for a substantial deficiency payment for this crop year. Government should continue its efforts to restore sanity in the international grain market. Those are obviously very eminently reasonable proposals to be making. I am sorry that those proposals have not yet been acted on.

• (1640)

Keystone Agricultural Producers from Manitoba is another organization writing on behalf of the farmers of Manitoba with a number of similar very concrete proposals. They call upon the Government to announce, as soon as possible, its intention to introduce a program for this year's crop similar to the Special Canadian Grains Program of last year, with support levels at least equivalent to those under the 1986 program. I will not go into the details, but they are asking that they get at least the same kind of support they got last year in order to sustain them.

A second important step should be bold new initiatives through the Farm Credit Corporation to save thousands of commercial farms from insolvency. There should be new loan funds at affordable rates and the FCC should be a full service lender. I am sorry to say that instead of bold new initiatives, we see the lifting of the moratorium on farm foreclosures.

I am extremely disappointed with the response of the Government which is big on rhetoric, talks about its sympathy, wants to blame other people, previous governments, other governments and markets in the world economy, and yet is not willing to do the things which are within its power to do. There is no doubt that there are long-term solutions to be developed. There must be a long-term solution suitable to the politics of what is happening in Europe and the United States. However, in the meantime there are short-term solutions within the power of the Government. I call upon the Government to act now to deal with the immediate crisis facing agriculture in the west.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, it is not often I am called upon to speak in an agricultural debate, but I do not suppose I will be any more strange to this debate than the hon. lady who just took her seat. I am tempted to ask her how she and the tobacco farmers are getting on these days and whether her remarks apply to them as well as to the other farmers whom she is addressing.

Ms. McDonald: We are talking about wheat, John.

Mr. Crosbie: I wonder whether the hon. lady would agree with abolishing the CBC and devoting the proceeds saved to the grain farmer.

I want to address the transportation aspects of the current situation, primarily in western Canada. The Hon. Member wanted government action rather than rhetoric. The Government has acted again today. The Minister of State responsible for the Wheat Board (Mr. Mayer) and I have just announced a $64 million assistance program to help protect farmers from the statutory increase which was announced today by the Canadian Transport Commission in the 1987-88 western grain freight rates.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Under the legislation introduced by our predecessors and enacted here a few years ago, the Western Grain Transportation Act, the Canadian Transport Commission has to announce by April 30 each year what the freight rates will be for grain in the following crop year. The next crop year, as our western representatives here well know, will commence next August 1. The Canadian Transport Commission must announce the freight rates for the movement of grain in accordance with the formula and stipulations laid down in the Western Grain Transportation Act.

Unfortunately, it therefore announced this afternoon that the grain farmers' share of the rates to be received by the railways for the next crop year will increase from the $5.97 which they are paying in the current year to $8.32 per tonne in the next crop year. The mathematicians among us will realize that that is a 39 per cent increase, a very large increase in the producers' share of the cost.

In 1984-85, which of course was the last year in which our predecessors were in Government for the majority of the year, the total freight rate for the movement of grain was $25.32 of which the Government share was $17.62. At that time the shipper paid $7.70 as the producers' share of that rate. When we came into office three years ago, the producer had to pay $7.70 per tonne of grain moved. In 1985-86 the total freight rate was $28.03 of which the Government paid $22.03 and the shipper paid $6. That, of course, was the year after we came into office.

In the present crop year, 1986-87, the total freight charge is $30.94, of which the Government contributed $24.97 and the shippers contributed $5.97. That rate was calculated last year based on the estimated amount of grain to be moved in the then coming crop year. As it happens, there was an underestimation last year and a great deal more grain has been moved in the present crop year than was anticipated. Approximately 34 million or 35 million tonnes of grain will be moved through the system in the present crop year. The Minister of Agriculture (Mr. Wise) points out that that is a record.

In June, 1985, the Government amended the original Western Grain Transportation Act to include a ceiling on the producers' share of the freight rate at $7.70 per tonne for the crop year 1985-86 and the present crop year and replacement of the former rate-setting mechanism with a new tally system.

Action was taken by the Government to ensure that a ceiling of $7.70 would not be exceeded for the last crop year or the present crop year. However, we are now faced with the situation that under the formula in the legislation the producers' share in the forthcoming crop year will be $8.32 per tonne. The Government has acted immediately because the present circumstances of our grain farmers are extremely unfortunate. There has been a decline, as we all know, in the prices they are receiving. The Government has acted in order that this increase will not have to be absorbed by the farmers. We will contribute $2 per tonne in the crop year starting August 1 to that increased cost to the producer.

The over-all cost of that increase in the freight rate was estimated to be approximately $74 million. The government assistance of $2 per tonne based on the estimate of the movement next year of 31.8 million to 32 million tonnes will likely cost the Government $64 million. Therefore, rather than a 39 per cent increase in the producers' freight cost, the actual increase will be in the area of 5 per cent.

It is a disappointment that there are only two people left on the opposition benches, one NDP and one Liberal. I know I am not supposed to comment, but it is so shocking that I cannot forebear to comment on the intense interest being shown in this subject.

• (1650)

Mr. Berger: Mr. Speaker, I rise on a point of order. I thought it would only be fair for the Minister of Transport (Mr. Crosbie), if he is going to talk about statistics, to at least remind the House that the opposition Members are outnumbered by about 20 to one. Also, he might care to comment on the quality of Members who are here.

The Acting Speaker (Mr. Paproski): That is debate. The Hon. Minister of Transport (Mr. Crosbie).

Mr. Crosbie: Mr. Speaker, I am not talking about statistics, I am talking about individuals. There are approximately 140,000 or 150,000 grain farmers in western Canada. That is what we are talking about and that is why the Government is contributing another $64 million to their assistance.

I do not know how many programs we have in effect now, but there are at least five programs of special assistance that come to mind for western grain producers, including the Special Canadian Grains Program of $1 billion that was introduced a few months ago. I believe that $840 million of that was for western grain producers. This is another step in our long battle to assist the western grain producers in the troubles they are currently experiencing.

The effect of what we are doing will mean that the majority of those grain producers will not have an increase in their freight rate for moving grain this year in excess of 5 per cent, while a number of them—those who belong to the Western

Grain Stabilization Fund—will have an increase that will be less than that. I believe the calculation of the Minister of State for the Canadian Wheat Board is in the area of 2 per cent.

It was bad news that under the formula in the legislation the Canadian Transport Commission had to make the announcement of this new rate for the crop year today, but the good news is that this Government, as always, is standing behind the primary producers of this country and is assisting them as much as it can.

I also want to point out to the House, in case anyone from the Liberal Party has the gall and audacity to participate in this debate, that when they were in office in 1984 the western grain producers to whom I am referring had to pay a rate of $7.70 per tonne for each tonne of grain they moved through the system. However, as a result of the action we are taking today, three years later, and despite the announcement of the Canadian Transport Commission of the increase they had to announce this afternoon, the western grain producers in the crop year that commences August 1 will have to pay not in excess of $6.32 per tonne to move their grain, or $1.38 less per tonne than they were paying in 1984-85. That is the essential point that Hon. Members of the Liberal Party opposite might keep fairly fixed in their minds in the event that any of them have the effrontery or temerity to speak further in this debate.

Mr. Turner (Ottawa—Carleton): Speak in French, John.

Mr. Crosbie: I notice that my learned colleague from Ottawa-Carleton is here. He is not speaking because he is not in his own seat.

The result of this action that I am announcing today is that the cost of the freight rate to be met by the producer this year is an 18 per cent decrease from the rate that they paid in 1984-85, as we took office.

We will pay an average of $2 per tonne difference to the railways. The grain producer will deliver his product to the railway. The railway will show a freight rate of $8.32, but will also show a credit of approximately $2.00 per tonne on the invoice to the farmer so that the farmer will not have to pay $8.32 per tonne to have his product moved. He will have to pay a rate of $6.32 and the other $2 will be met by the Government of Canada.

If we had not taken this special step of implementing this new assistance program for these transportation costs, in the next crop year we would be paying about 75 per cent of the grain costs for the movement of grain on the basis of the projected volume of 32 million tonnes, which would have been $675 million in the next crop year for the Crow benefit paid by the Government.

With the additional $64 million that I have announced this afternoon with the Minister of State for the Canadian Wheat Board, the Government's share of the cost of moving the grain crop of western Canada next year will be in excess of 80 per cent.

The Minister of Agriculture, the Minister responsible for the Canadian Wheat Board and I certainly deplore the terrible fact that world grain prices are about half what they were five years ago. But certainly the program that we announced today will help the farmers with the cost of moving their grain.

We know that the Prime Minister (Mr. Mulroney), the Minister of Agriculture and the Minister of State for the Canadian Wheat Board are doing all they can to initiate discussions among the nations of the world most involved in the export of grain to attempt to get some rational approach to the problems that are facing grain producers around the world.

Discussions are continuing with farmers and provinces about the economic situation facing our grain farmers. I have no doubt that this will not be the last of the measures that will be announced by the Government for the assistance of farmers and agriculture during our term in office.

I have not had the opportunity to listen to the whole of this debate, but I am certain it has been remarked that the Minister for International Trade (Miss Carney) has been very busy in Japan in recent days attempting on behalf of the Prime Minister to get the world grain exporters to deal with their problems. The Prime Minister himself has taken every initiative, together with the Ministers I have mentioned, to see that it tops the agenda at the world economic summit in Venice in June.

I suggest it must be admitted by anyone who is fair and makes any pretense to fairness or impartiality, that no group of people in the world could be doing more to assist the agricultural area and their own grain farmers than the Government of which I am happy to be a Member.

Mr. Boudria: Even if you do say so yourself.

Mr. Crosbie: I do not have many spare moments, as you can imagine, Mr. Speaker, but when I do I love to rush into the House to hear Members speak, particularly Members of the Opposition because that serves to convince me that I did the right thing when I left them many years ago.

In conclusion, and continuing to be as non-partisan as I usually am, I want to refer to an article "Down and Out on the Farm" that I happened to read in *Maclean's* magazine. I think it is the latest issue. I am not following agriculture closely because my own province is not a great grain growing province. In fact, I have never seen a report of any grain growing in our province. That is why I am looking to my hon. friend, the Minister of State for the Canadian Wheat Board to ensure that the Feed Freight Assistance Program is improved and that the plight of the livestock producers and the other producers in Newfoundland are recognized. In other words, I am scratching his back today. I hope he is going to tickle mine tomorrow.

• (1700)

This article is in an international magazine, and if you glance through it, Mr. Speaker, you will see various programs.

I recommend it to opposition Members. For example, I will give a quotation from the article, and I quote:

> As a result, for the first time in Canadian history federal assistance to prairie grain farmers will be almost as large as their total revenues from grain sales—an estimated $4 billion.

The Government cannot do much about the world price of grain other than the extraordinary methods which are under way to try to get President Reagan and other world leaders to deal with it. We cannot control the world price for grain. We cannot control the world price for oil, nor could our predecessors nor will our successors. For the next 1,000 years our successors will not be able to control the world price of grain or the world price of oil. However, we can control what programs we can produce to assist the farmers. As a result, for the first time in Canadian history, federal assistance to grain farmers is just about as large as their total revenues from grain sales.

The article lists a number of these programs such as an interim payment of $705 million from the Western Grain Stabilization Fund, which was announced last week by my colleague, the subsidies I have already mentioned today, almost $700 million for transporting grain to market, the picking up of the Canadian Wheat Board's loss for 1985-86 and the $1 billion Special Canadian Grains Program. I notice Mr. Kraft, who is an expert in the field, said:

> As a source of income for prairie farmers, the Government now is almost as important as all of their customers.

I think my announcement this afternoon is in line with those facts and that this Government is to be congratulated and supported in the many programs we have under way to help the afflicted grain farmers of this country.

Mr. Foster: Mr. Speaker, I just wonder if the Minister would permit one brief question?

The Acting Speaker (Mr. Paproski): The Hon. Member for Laurier (Mr. Berger) has the floor. There are no questions permitted.

Mr. Foster: By unanimous consent, Mr. Speaker. I am sure that everyone wants to get information—

The Acting Speaker (Mr. Paproski): Is there consent?

Some Hon. Members: Yes.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): There is no consent.

Mr. Hovdebo: Mr. Speaker, I wonder if the Minister did not just announce a 6 per cent increase in freight rates?

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member for Laurier is on debate.

Mr. Crosbie: What a sourpuss.

Mr. Mayer: Mr. Speaker, what the Minister announced was $64 million of aid to western grain farmers. That is what he just announced.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): The Hon. Member for Laurier has the floor for debate.

Mr. David Berger (Laurier): Mr. Speaker, I feel somewhat like a jack-in-the-box. I got up and down about six times on these points of order. Shall we try it a few more times?

I was quite astonished to hear the Minister of Transport (Mr. Crosbie) say we cannot control the world price of grain, but he went on to say that we can control the programs which are under our control. That makes a lot of sense, of course. He then listed a whole series of programs the Government has instituted presumably to assist farmers. However, he did not mention science and technology or research and development, which is one of the major failings of the Government. That is something for which the Government could do more for the long-term interests of Canadian agriculture and the Canadian farmer than any one of the other measures the Minister mentioned. I would like to refer to aspects of the question of research and development in my comments. Before I do so, I want to say a few words about the moratorium on farm foreclosures, the question of the Farm Debt Review Board and the possible debt restructuring program.

These measures, as I say, I regard in many cases to be temporary palliatives. I think what we have to spend a bit of time on in this House is addressing the long-term solutions, not the band-aids and not the half-baked measures taken by the Government in its two and and a half years in office.

What has precipitated the current debate, of course, is lifting the moratorium on farm foreclosures which has been in effect for the past 19 months. In this period, interest rates have come down, according to the Government, and that is the reason for lifting the moratorium on farm foreclosures. It has been pointed out to me by my colleague, our critic for agriculture, that real interest rates today are higher than they were in 1984. Of course the moratorium itself is nothing but a short-term solution.

Another short-term solution is the Farm Debt Review Boards. If we look at the statistics and at the facts, we see this mechanism has not been functioning well. In Ontario, I understand there are some 400 cases which have been considered by the Farm Debt Review Board. Agreement was reached in some 195 cases but only two agreements were actually signed. I look with particular interest at the question of the Farm Debt Review Boards because I served on the committee on agriculture two or three years ago in the last Parliament which studied Bill C-653, the Farmers' Creditors Arrangement Act. You may recall, Mr. Speaker, that this Bill was proposed by a former colleague of mine, the former Member of Parliament for Lambton Middlesex, Mr. Ralph Ferguson.

The Farmers' Creditors Arrangement Act attempted to bring back a procedure that existed in the 1930s and which would allow a farmer to apply to a court for a restructuring of his debt. In the first instance, the farmer would be entitled to apply for a moratorium for a stay of proceedings, if you will, to stop his creditor from proceeding with a foreclosure. The court would be empowered to give the farmer a period of time in which to reorganize his affairs to seek alternative financing. In addition, I believe one of the features of that particular legislation was that the courts in certain extraordinary circumstances had the ability to write down debt.

The Farmers' Creditors Arrangement Act was an attempt to come up with a viable permanent solution of which a farmer could avail himself. He would not have to seek a privilege, if you will, or go before a Farm Debt Review Board and try to get the co-operation of the banks. He could actually have a legal recourse which would be binding, of course, if granted by the court.

• (1710)

We got no action from the Government with respect to setting up this type of legally-binding mechanism. Indeed, there has been no action through legislation, specific legislation such as the Farmers' Creditors Arrangement Act, or through amendments to the Bankruptcy Act. A procedure of this nature would introduce into Canadian law, or bring back into Canadian law, a procedure which exists in the United States. It is not something which is totally unknown or new in the United States.

Under the Bankruptcy Code of the Americans, I believe Chapter 11 of the Code, the owner of a business can ask for the protection of the court and be given a period of time to rearrange his activities, provided, of course, that there is some opportunity to continue a viable business and provided that the owner of the business convinces the court that his plans are viable or have some semblance or hope of success. That is a right under the law; it is not a voluntary arrangement.

I am sure that most Members of Parliament who have had contacts with businesses which have experienced financial difficulty from time to time understand the importance of having this type of provision in law. I am familiar with a number of businesses which have experienced financial difficulties due to extraordinary circumstances such as market conditions, the 1982 recession, or, say, problems in the steel industry, for argument's sake.

In such cases the creditors, banks in most cases, acted hastily. Bankers panicked. They called the line of credit. They pulled the plug on the company. Very often the owner of the business does not have the opportunity under the law to fight back. I am aware of circumstances in which owners of businesses have had to come up with extraordinary means in order to get the trustees out and in order to maintain a viable business. So it is absolutely crucial that this type of a mechanism be introduced into law, a mechanism which would apply to all businesses and not just to farmers. Of course, the situation of farmers requires some further assistance, further programs, and I would like to refer to the idea of debt restructuring in particular.

In that respect I am sure that Members of the House are now familiar with the ideas of the President of the Saskatchewan Wheat Pool, Mr. Garf Stevenson, who in a memo of March 13, 1987, which was sent to the Prime Minister (Mr. Mulroney) on April 28, suggested that the Government consider a program of debt restructuring. In his memo Mr. Stevenson states that what he has been suggesting is the:

> —need to join in developing a method by which farmers with significant debt could temporarily relinquish title to some of their land while perhaps retaining title to the home quarter. The farmer would continue to operate the land under some lease arrangement. The producer hopefully would have the right to retain title at a later date by repurchasing the land or paying out the accumulated debt.

This type of solution obviously merits the immediate consideration of the Government so that some form of debt restructuring program can be introduced in short order.

At this point in my comments I would like to deal with the question of research and development which I do not think has figured too prominently in the debate up to now. In my comments I will try to be positive and appropriately critical. I know that Members of the Government say that opposition Members have nothing to say other than to criticize and, indeed, that we engage in debate for purely dilatory purposes. I would like to inject somewhat of a different tone and respond to those comments by making some remarks which I believe can be taken in a positive light.

As I said earlier, the Minister of Transport threw up his hands and said: "We cannot control the world price of grain". But he did not comment on the promises that were made by the Government prior to the last election in terms of research, promises which have been abandoned by the Government since taking office. We are all familiar with Canada's poor record when it comes to research and development. As the recent round table report of the Canadian Advanced Technology Association reminded us, we do things by halves in Canada. We do half the research and development. We have half the number of scientists and engineers, and I think that is being somewhat generous. We have half the investment and half the jobs. Prior to the last election the Tories promised to double spending on research and development. However, since taking office they have cut practically every form of assistance to research and development.

On a trip to western Canada last November, and I was back again in Manitoba for the high school science symposium in February, I visited a company in Winnipeg by the name of Hi-Qual Manufacturing which has developed a process to treat feed grains with anhydrous ammonia. The company has developed a machine—and I am reluctant to call it a machine, perhaps it might be better to refer to it as a contraption although that would not be doing justice to it either—which will automatically pick up a bale of hay, wrap it in plastic and treat it with anhydrous ammonia. This ammonia treatment swells and breaks down the outer lining or husk of the grain

and adds protein to the feed. The purpose of the treatment is to produce a better feed, which in turn produces a healthier animal.

• (1720)

It is calculated that this can lead to a 20 per cent to 40 per cent savings in feedstock costs in an average year. In addition, it increases the digestability of the grain, thus permitting better finishing or fattening, with the result that the cow-calf operator will be able to raise the cattle himself rather than shipping them elsewhere.

This particular procedure costs $250,000 to develop, and its development came with remarkably little assistance from Government. Under the Industrial Research Assistance Program of the National Research Council, the developing company received some $14,000, enabling it to improve its communications and understanding of the technologies in other parts of the world.

It is forecast that this treatment will enable this company to obtain 5 per cent of the total forages market. Just to obtain a 5 per cent market share would require some 3,600 units operating at full capacity. That represents an investment of $60 million—and that is just the cost of manufacturing the equipment.

This kind of development in agriculture only results from an investment at the front end in research and development. There are many other examples I could refer to, such as Export Packers in Winnipeg, a company in the egg processing industry. That is a company that has developed a technology to extract enzyme from eggs, dramatically increasing the value of the ordinary chicken egg.

A study by the Food Sciences Department of the University of Manitoba observes that the potential for similar products is enormous. The problem, of course, is that we are not doing enough research and development in Canada. We are not doing nearly enough. We are only doing half of what our competitors are doing. We will not solve some of the desperate problems facing the agricultural industry, and our other industries, if we do not get more serious about research and development. We have to understand that in research and in science lie the beginnings, if you will, of the answers to some of the economic problems that we face.

I would hope that the Government, in considering the solutions to this crisis, would begin to address the question of research and development, and in doing so I urge it to remember the promises that it made during the 1984 election campaign.

Mrs. Shirley Martin (Lincoln): Mr. Speaker, the motion that we are addressing does indeed reflect a serious situation, not just for Canadian agriculture, and especially the growers of grain and oilseeds, but also for the suppliers of farm equipment, agricultural chemicals, as well as for the transportation sector and even the energy sector. In other words, Mr. Speaker, this debate involves not just one sector of our society but indeed every Canadian in virtually all areas of this great country. It is a social as well as an economic debate. The future of the Canadian family farm is not something that can be decided solely on economic terms.

Our farm families have come to mean much more to us, and to most Canadians, than simply being the providers of various commodities. These families also represent a way of life which is desirable for many Canadians, and is indeed a way of life which many of our young people aspire to for themselves and for their children.

I am not saying that farming is an easy undertaking. Nothing could be further from the truth. In fact, like many of the Hon. Members of the Progressive Conservative Party, it was my privilege, and my responsibility, to farm in southern Ontario, along with my husband and our two children. And, Mr. Speaker, I can personally assure you that, compared to my experience in the business world, farming is far tougher in its demands. Farming makes it easy to go broke.

I do not know of any other area in small business where one must try to survive by buying retail and selling wholesale. I do not know of many other businesses where the determination of the price of the product is so totally out of the producer's hands, or where the rate of return on equity can fluctuate so dramatically from season to season.

And yet, Mr. Speaker, these incredible Canadian families persevere. They continue against these substantial odds. I say that these families deserve our admiration and our respect, for these families represent the values that we most respect in our society—values that include hard work; values that include determination; values that demonstrate a love for, and respect of, our environment; values that find their reward in benefits that could never be appreciated by those who measure success solely in monetary terms.

In dealing with the farm families of Canada, we are not dealing with people who wish to become rich, with people who wish to make a killing at the expense of the taxpayer; rather, we are dealing with people who want to perpetuate a way of life—and the survival of that way of life may ultimately mean more to those of us who inhabit the urban sprawl than to these farm families themselves.

I have heard statements from all Parties in this House about the need to protect and preserve our Canadian cultural identity. That identity comes from our backgrounds, from our roots, and is reflected by our great Canadian poets, authors, and painters. It is a cultural identity which is forever tied to our land and to the present and former generations who have tamed it and nurtured it. So, when we speak of a crisis in Canadian agriculture, we speak of a crisis which is all-encompassing, one which is manifested in not just financial terms, but also social and cultural terms.

But, Mr. Speaker, to listen to the comments of many of the members of the Opposition, one would believe that this crisis has only suddenly come upon us; that perhaps it crept through the barn door—and who knows when; that it has only just

decided that now is its moment to hurl its plague and the pestilence upon the farm families of Canada.

Well, I can assure the House, Mr. Speaker, that that just isn't so. This crisis, as it may in fact be rightly called, has been with us for a long, long time. This crisis was visiting our agricultural communities in various forms long before Confederation, and this crisis will be back on our doorsteps again, awakened by such factors as weather, market prices, world surpluses and interest rates, and by those two indomitable characteristics of the human spirit, greed and fear.

• (1730)

In listening to some of the comments made during this debate, one could easily be deluded into thinking that the problems facing our farm families are the direct result of either government action or government inaction, that is, depending upon your political persuasion. If that were in fact the case, we could cut off foreign aid substantially by offering the services of our colleague in the other place, specifically Senator Davey, to provide rain to those drought stricken areas of our planet that so desperately need the surplus grains that our world has but cannot supply. To all but the most idealistic among us, there are limits to what Governments can do. Our farm families know this. They know that problems created by the European Economic Community cannot be solved through unilateral action in Ottawa. They know that product prices must be affected by a world-wide surplus. They know also that many of the problems they face today could have been avoided by proper planning, by effective marketing and by good management.

Two and a half years is not a long time to spend on the land, but it is the time that so far has been allotted to our Government for proper planning, effective marketing and to implement good management practices.

Our government policies are addressing the challenges of Canadian farm families in effective and substantive ways, ways which offer long-term solutions, ways which meet with the approval of our agricultural community. First, Canada is taking the lead in seeking international solutions to an international problem. Canada played a lead role at the GATT meetings in Uruguay, and agriculture is now part of the main agenda of present and future GATT discussions.

Second, our Government has not been content to sit back and wait for these international negotiations to produce results. Our Government has provided tremendous financial support, support that is unprecedented to Canadian agriculture. This support to the Canadian farming community has been so well articulated by many of my colleagues that there is no need for me to simply duplicate their rhetoric. There is no need for me to mention the special Canadian grains program and the billion dollars it will provide to the cash flow of grain producers. There is no need for me to mention the special Canadian grains program. Everyone knows about the $705 million just announced under the Western Grain Stabilization Act to put money into the hands of farmers when they need it in time for spring seeding. No one should have to remind this House about the cash advances for unharvested grain that kept many farmers from going under in the fall of 1985 when their fields were wet and snow covered.

Our farm families know about this Government's record in amending the Western Grain Transportation Act and the announcement made by our Minister of Transport (Mr. Crosbie) this afternoon. They know about the new commodity-based mortgages designed to take the heat off when commodity prices plunge around the globe. They know about interest rates and they know the interest rate coin too well. They still remember the other side of that coin, the side where they had to pay 20 per cent or more as a result of the policies and programs of the previous Government.

This debate may be important in emphasizing the problems of the Canadian farm community, but our farm families do not need to be educated about the value of our Government's policies. They recognize the benefits of what we have done and of what we are continuing to do.

Finally, Mr. Speaker, our Government has adopted a policy of marketing and is aggressively pursuing that policy on behalf of the farm families of Canada. This Government believes that it is its responsibility to sell Canadian grain. Through the distinguished efforts of the Minister of State for the Canadian Wheat Board (Mr. Mayer), Canada is positioning itself to take advantage of global marketing opportunities as the cycle changes and these markets turn around.

Negotiations have been completed on a new five-year deal with the U.S.S.R., a deal that will see 25 million tonnes of Canadian grains being sold and shipped to that country during the same period. Another 4.5 tonnes will be shipped to Brazil between now and 1988 as part of a new, long-term agreement. In terms of commodities, our Minister of State for the Canadian Wheat Board may go short on rhetoric but he sure goes long on sales. The agricultural management policies of this Government are clear, clear to anyone who cares to look.

First, the Government is dealing with the causes, not the symptoms. It is demonstrating leadership on an international basis. It is resolving a global problem at its very roots.

Second, this Government is providing interim support, support that is practical, support that is substantive, support that far exceeds that offered by any previous Government.

Finally, this Government is out there in the global marketplace hustling on behalf of the Canadian farmer and hustling successfully, bringing in the orders that are the only thing that will restore our Canadian farm families to vibrancy and economic health.

Our farmers will not be put off by political rhetoric. They will not be satisfied with interventionist programs designed by Government. Our farmers want action, action in dealing with offshore subsidies, action in helping them ride out the current market, action through aggressive marketing. In terms of action, our farmers are giving overwhelming approval to the

initiatives and the results that this Government has achieved for them and will continue to achieve in the future.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, yes, indeed, I agree with the Hon. Member who has just spoken that the Canadian farmer does want action rather than just words from the Government of the day. Indeed, this is the whole purpose of the motion brought forward by the New Democratic Party that we have been debating now for a great many hours. The two specific actions that seem to us in all fairness that should be taken, if we do not want to see the Canadian farm family destroyed are, first, the action of not removing the moratorium on farm foreclosures tomorrow, of keeping the moratorium in place and, second, of giving grain growers of the West some assurance that the 1987 deficiency payments will at least equal those of last year.

The Hon. Member who has just spoken somehow leaves me with the thought, and I guess I get left with it every time I listen to a Conservative, that there has never been any Government involvement in the grain business in Canada, that somehow or other all that is needed is protection against subsidies that other countries are providing and, of course, we all would like to see that, but that no assistance be given to the grain growers themselves.

There have always been prairie farm stabilization Acts. There have always been deficiency payments. There was the Crow rate. There has been a very substantial amount of government involvement in agriculture in Canada's history. I do not suppose the Tories want to destroy the Canadian Wheat Board. Therefore, I really do not understand the plea that is made from time to time to have no government involvement when the Canadian economy itself is, as we well know, built on a good deal of government assistance and involvement.

• (1740)

The motion which covers two main points, keeping the moratorium on foreclosures in place and providing deficiency payments at least equal to those received in the previous crop year, describes the kind of action we were hoping the Government would take. Indeed, practically all if not all farm leaders in the country were hoping the Government would take that action. Instead, the Minister of Transport (Mr. Crosbie), who was present a moment ago, announced that the freight rate increase triggered by the Act would in effect and in part at least be transferred to the farmers.

I should remind the House that last year, none of the freight rate increases were transferred to the farmers but this year they will be. On top of all the other increases in costs grain producers have to face, they will now be faced with the increase in freight rates announced by the Minister today.

I would like to remind the House of the price cost squeeze about which we are speaking. The House will recall that a year ago, the Minister of State for the Canadian Wheat Board (Mr. Mayer) announced a 19 per cent cut in wheat prices, a 28 per cent cut in barley prices and a 28 per cent cut in oat prices. This crop year, 1987-88, there was an announcement of further cuts. Wheat prices will be cut by 18 per cent, barley by 25 per cent and oats by 28 per cent. This will put prices for these products at levels similar to those of 1976-77, over 10 years ago. However, costs are about three times as high as they were that year.

To put it in specific dollar terms, prairie farm operating expenses and depreciation charges in 1976-77 were about $3.5 billion. The projected expenses and charges for 1987 are over $8 billion, yet prices are back to where they were in 1976-77. The Minister of Transport announced an addition to this today.

Speaking of the Minister, he comes from Newfoundland and was saying there were no grain growers there. He sort of implied that because of that, this was not a particular problem. This reminded me that one of the real problems is that the Government is not listening. This is a national problem, not just a western problem about which the Government really has not been listening. It consults but it does not pay much attention to what is being said.

One of the things for which farm leaders have been asking and waiting is a meeting with the Government to discuss possible deficiency payments for the 1987-88 year. In fact, that is the basis of the debate that has been going on for the last two days. Why will the Government not hold that meeting? Why will it not even set a date for it? The Government says it wants to consult but it does not even hold a meeting with farm leaders to discuss possible deficiency payments for the current crop year.

The lifting of the moratorium affects farmers in all parts of Canada including Newfoundland, though the Minister of Transport made no reference to that. Apparently he did not realize that that was part of the motion that is being debated. The lifting of the moratorium on farm foreclosures will obviously affect Saskatchewan most of all as well as Alberta and Ontario, but it will also affect the Atlantic Provinces and my own Province of British Columbia. Farmers will be going down the tubes after tomorrow when the FCC foreclosure moratorium is lifted.

I was astounded when I heard the Minister of Agriculture (Mr. Wise) say on *The Journal* last night that most farm organizations want the Farm Credit Corporation moratorium lifted. I consulted with my colleagues who are in touch with the leaders of farm organizations and they informed me that all three prairie Wheat Pools with over 100,000 members as well as the National Farmers Union are absolutely opposed to the lifting of the moratorium. I really do not know where the Minister of Agriculture was coming from when he made that statement last night.

If I may turn for a moment to British Columbia, the lifting of the moratorium on farm foreclosures will have an immediate serious effect on at least 60 farmers, many of whom are tree-fruit farmers. Ultimately, it may affect another 300 or more.

Let me put the statistics for British Columbia on the record. According to the Farm Credit Corporation, the number of British Columbia farmers in arrears is 488 and these farmers are in arrears to the tune of $15.7 million. Of those, the number of farmers who are two years or more in arrears is 249 with a total dollar value of $12.6 million in arrears, the bulk of the amount. Of those, the number affected by the lifting of the moratorium is 60. The reason I say the 60 will grow to more than 300 is because those farmers who are in arrears two years or longer are not likely to be able to survive as farmers in the Province of British Columbia.

I find rather incredible the implication of the Hon. Member for Okanagan—Similkameen (Mr. King) that everything the Government had been doing was fine and good and that British Columbia farmers were doing well. In fact, a good many of them are very seriously in debt. Indeed, that has become one of their major problems.

I would remind the House that according to the President of the British Columbia Fruit Growers' Association, the problem with arrears is even more extreme than that shown by Farm Credit Corporation statistics. A few months ago President Geen said the accumulated debt tends to feed on itself. Those who have not been able to meet their annual commitment to the debt are getting into worse shape. We are going to see more people leaving the land, including third generation farmers.

• (1750)

The other reason that the problem is more serious than the statistics suggest is that most of the debt in B.C. is owed to the banks. Only a small proportion, about 2.7 per cent, of the FCC loans is to B.C. farmers. Dropping the moratorium tomorrow will be a clear signal to the banks to think of further foreclosures themselves. I do not have the figures of all the loans owed to the banks, but it is obviously a very great deal more than those owed to the FCC. The problem for the farmers of British Columbia is indeed serious and not to be lightly touched upon as the Hon. Member for Okanagan—Similkameen seemed to do.

I was listening to the Minister of Transport, and both he and the Minister of Agriculture seem to be taking their orders from The Canadian Bankers' Association. Today I read the background paper submitted to the Standing Committee on Agriculture about a year ago by The Canadian Bankers' Association. To summarize briefly, the association concludes that people are going to be forced out of farming. The family farm will not be able to continue and there is nothing much one can do about it. It is the way the market operates. They have no intention of seeing anything more than a few transition programs undertaken by Government. They make some very specious arguments. For example, the industry, while continuing to support agriculture, must also meet its obligations to depositors and shareholders. As such, the banks are strongly opposed to any government credit legislation that disrupts the lender/borrower relationship and retroactively changes contractual powers and obligations. The banks question the effectiveness of government subsidy or income-support programs due to their discriminatory and costly nature and often untargeted thrusts.

What a lot of gobbledegook. What they are really saying is that they want a totally free hand and they have no interest whatsoever in the survival of the Canadian farm and farm family, apart from some transitional programs.

They end their brief by saying proposals involving income support, target prices, agri-bonds, subsidized loans and interest rebate subsidies should only be adopted where long-term benefits clearly outweigh the costs. No consideration should be given to debt moratoriums or compromises.

That is The Canadian Bankers' Association, and the Minister of Agriculture seems to be taking his orders from them, both in lifting the moratorium tomorrow and in absolutely refusing to make any deficiency payment commitment to farmers for the next crop year.

I have noted the effect not only on grain farmers but, in my case, as far as the moratorium is concerned, on the tree fruit farmers, dairy farmers, and mixed farmers generally in my province. This is having and will continue to have a Canada-wide impact. Therefore, we urge the Government to set a meeting date now with the farm leaders of this country to discuss the grievous debt problem, revoke the lifting of the moratorium, and discuss the deficiency payment program for the 1987-88 crop year. Farmers must know now and the Government has said it will consult. If it does not want to see further deterioration of agriculture in Canada, it must meet immediately with the people concerned to discuss these problems.

This is not a new form of Government intervention. This is part of the Canadian practice of making sure that our agricultural economy is strong and that it will not simply go down the tubes as has happened to many individual farmers already. We are asking the Government to take these actions for the sake of all Canadians. We have a highly integrated economy in so many respects and what happens to farmers affects all of us.

HOUSE OF COMMONS

Thursday, April 30, 1987

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, this debate is really part of a cry for action on behalf of hundreds of thousands of Canadians involved in the western grain industry, the western grain economy. I think it can be said quite accurately that there are three cornerstones to the foundation of our economy. One surely is the western grain economy and our agricultural sector generally. The others are automobiles and forest products.

The Government has gravely weakened if not sold out a major part of our forest sector through its foolish and weak-kneed deal with the U.S. on softwood lumber. In that deal it quite unnecessarily caved in and agreed with the U.S. to impose an export tax on our sales of softwood lumber to the U.S. In the free trade negotiations now under way the Government seems ready to sell out, to undermine, to weaken another cornerstone in the foundation of our economy, the Canadian automobile industry.

• (1800)

I say this because the Government has not denied reports that it is willing to give up, in these free trade negotiations, the tariffs which exist on imports of cars and parts into this country from the United States. If this happens there will no longer be any way to enforce on the North American automobile companies which are subject to the Auto Pact the Canadian content and product requirements, the safeguards which are so important for the preservation of the industry and the jobs in it.

If there are no tariffs which can be imposed on the North American automobile companies, if they do not meet the production, content and job requirements of the Auto Pact, we will in effect no longer have an Auto Pact and our Canadian auto industry, one of what I have called the three cornerstones of the Canadian economy, will be gravely weakened and seriously damaged.

The Government also seems ready to sell out or weaken the Canadian auto industry in another crucial way. It refuses to insist, by means of law if necessary, that the new Japanese and Korean manufacturers setting up plants in this country play by the same rules as the North American manufacturers with regard to meeting requirements for production, content and jobs. As the Government continues to allow these plants to be set up essentially to put together parts and components imported from offshore, these plants will likely—and I say this with great regret—displace two or three Canadian jobs for every job they create.

This point was well made and confirmed in a speech made by Moe Closs, President of Chrysler Canada Limited, to the Canadian Club of Montreal yesterday as reported in the Montreal *Gazette* as follows:

> He said Canada's industrial base could be seriously weakened by all the offshore automobile investments in Canada because the Japanese and South Koreans don't play by the same rules.
>
> "I don't see anything fair about all these new auto companies being enticed to set up shop here without having to make the same kinds of commitments in jobs, purchases and investments the North American auto companies have always considered the price of admission".

This very important speech was also reported in *La Presse* of Thursday, April 30.

[*Translation*]

Mr. Speaker, I believe it is important to quote a few paragraphs of this article which summarizes the views of a major Canadian automobile industry spokesman, Mr. Moe Closs, and I quote:

> The automobile industry is concerned abut the possibility of 40,000 layoffs in Canada, which represent 30 per cent of its total work force of 130,000, and the possible closing of one or two plants because of unfair competition from foreign manufacturers with the support of Ottawa, Toronto and Quebec.
>
> Moe Closs emphasized that each assembly plant of foreign manufacturers in Canada which does not meet the requirement of the Auto Pact (60 per cent of Canadian content) replaces three old jobs with one new job.

[*English*]

I pointed out how the Government, through its foolish policies, is weakening, undermining, selling out two key cornerstones in the foundation of the Canadian economy, our forest products industry and our auto industry. I believe Canadian farmers and Canadians generally can now well be afraid that the Conservative Government is getting ready to do the same thing with Canadian agriculture, especially the western grain economy. This puts at risk not only the foundation of the economy of the three prairie provinces, but a way of life, thousands of family farms and the survival of thousands of rural municipalities and small towns, the tax revenues of which depend on the ability of these farms and the families living on them to exist and pay taxes and to use their income to buy goods and services from businesses in these communities.

I think it could be said in light of recent events that western farmers, farmers generally, and Canadians generally could have a well grounded fear that the Conservative Government is abandoning Canadian agriculture, and especially the western grain economy.

When someone from an urban area of southwestern Ontario rises to speak on this kind of subject there are always those who ask why such a Member would rise to take part in the debate. It should be clear that Members of Parliament are here to work for the best interests of the entire country, not only for their own riding, community, or even their own region.

By virtue of being elected to serve in the House of Commons we are all compelled, in fact duty bound, not only to vote but to understand and give consideration to the needs and problems of our entire country; the needs and problems of the fishermen of Newfoundland, the forestry workers of northern Ontario and British Columbia—

[*Translation*]

—the needs and problems of workers employed in the Montreal East plants which are closing, those workers in the CN Moncton plants which, because of a lack of policy and support from this Conservative Government, are losing their jobs, on top of the several hundreds of jobs which have already been lost because of the unfair and inefficient behaviour of this Conservative Government.

[*English*]

We must understand that the purpose of a national Government and, therefore, of a national Parliament is to enable us all to work to help one another and provide, with a sense of sharing and compassion, a way of making the country work for all its people and all its parts to the mutual benefit of every one of its regions. Each Member in this House of Commons should be able to say that every part of Canada is part of his or her country. I hope that if and when the need arises, Members of Parliament from our prairie provinces or our Atlantic Coast will take an interest in the needs and concerns of my city and my region, just as I am anxious to do when it comes to the needs and concerns of their regions.

However, as the Member of Parliament for Windsor West I do have a concern about the needs of all of southwestern Ontario, especially the peninsula that makes up the County of Essex. I hope Members of this House are aware that the County of Essex is a very important agricultural area, as is the entire southwestern part of the Province of Ontario. In the County of Essex we have a tremendous industry growing cash crops for canning factories. We grow tomatoes, peas, corn and all sorts of fruits and vegetables. That is why major canning companies such as Green Giant and Heinz are located in my County of Essex.

In our region there is also a substantial dairy farming industry, and the growing of corn and wheat is very important in southwestern Ontario including the County of Essex. In fact, I was once told that southwestern Ontario is a major grain producer which grows more wheat than most of the Province of Manitoba,

• (1810)

Although I must say that the wheat growers in my area do not benefit from the support and protection of the Canadian Wheat Board. Agriculture therefore is of importance to the economy of Essex County, wherein the City of Windsor is located, and the entire southwestern Ontario region. It is a source of employment, not only on farms, but also in food processing plants. The people of my area are very concerned about the crushing burdens of debt and low commodity prices which face all too many farm families in Essex County and southwestern Ontario.

Together these two burdens of debt and low commodity prices, especially in recent months, have been delivering an unfair and, as I said, a crushing blow to all too many farmers in Essex County and southwestern Ontario, for whom not only their immediate livelihood but an entire way of life is as stake.

We have had a crushing blow in terms of debt and low commodity prices in my area, but there has been an especially heavy blow when it comes to the way these twin burdens have been placed upon the shoulders of farmers in western Canada and the western grain economy.

Only last week the Conservative Government announced that initial prices for wheat would be 18 per cent lower than those of last year. Now, just a few days after this bad news, the Government delivered another serious blow to western grain farmers—in fact, to farmers in my area and across Canada—by saying that as of tomorrow it will lift the moratorium, which has been in place for some 19 months, on foreclosure action by its Farm Credit Corporation on farmers in arrears on mortgages that they had obtained from that federal government agency.

One of the Ministers speaking in this debate said that the lifting of the moratorium would involve only 50 farmers per month or some 600 per year. If that is correct, it is still 600 farmers too many. The evidence is that the numbers will be much, much higher.

As has already been pointed out in the debate, some 6,000 of the 75,000 accounts with the FCC have been in arrears for more than two years. The experience with the FCC is that if a loan is in arrears for more than two years it almost invariably leads to foreclosure.

The Government has never explained satisfactorily why it was so heartless, insensitive, and uncaring as to lift this moratorium only a few days after it announced that initial prices for grain would be 18 per cent lower this year than they were last year. As I said, the lifting of the moratorium not only affects western Canada. It affects many farmers in my area.

I should like to refer to what Janice Vansickle, the agriculture reporter for *The Windsor Star*, wrote about this in yesterday's edition of that newspaper. She said:

> A day of reckoning is about to dawn for 110 farmers in Essex and Kent counties covered by a moratorium on foreclosures by the Farm Credit Corporation.

The article went on to say:

> Local farm leaders generally lashed out at the federal Government for removing the moratorium.

"It's a pretty ruthless step", said Claude Giroux, who stepped down last week as president of National Farmers' Union Local 309 . . . The removal of the moratorium indicates the Government is backing down on its commitment to help farmers through a period of crisis in agriculture, said Giroux—

The article went on to say:

The locals' new president, Roger Rivest, questioned the ability of the federal farm debt review board in Ontario to deal with a flow of FCC clients.

As we know, "the boards were put in place last August to act as mediators in credit disputes between farmers and their creditors". However, *The Windsor Star* went on to report:

Most farm leaders—believe they are not yet functioning properly and lack the authority to obtain legal binding agreements between farmers and creditors.

"The farm debt review board has no power," said Rivest.

In today's edition of *The Toronto Star*, George McLaughlin, Chairman of the Farm Debt Review Board for Ontario, said that "about one Ontario farmer in five will leave the land during the next five years". Mr. McLaughlin went on to say that he asked for "an 18-member board, up from the current 11, to handle the load". He does not have enough people to handle the existing load, not to mention the additional load which will be created when the FCC starts its flow of foreclosures.

According to *The Toronto Star*, Mr. McLaughlin also said that "the review board had already received 425 applications from farmers and completed 193 reviews. He went on to say that of those completed reviews, only five had been translated into firm legal agreements". That is not a very strong endorsement of the efficiency and the usefulness of the board by the very person which the Conservative Government appointed to chair it.

Obviously, farmers have to be sceptical about the value of these farm debt review boards. Farmers across Canada are being squeezed, not only by low prices for what they grow, but by the problem of debt. There is a strong reason the Government should continue the moratorium against foreclosures of FCC mortgages. It is the absence of an effective system to deal with the farm debt crisis. Farm leaders and individual farmers across the country say that the Government has not put in place an effective system for this purpose. We in the Official Opposition call upon the Government to say today, before the debate ends, that it will continue the moratorium on foreclosures of FCC mortgages.

The Government says that if it does that, the banks will be unhappy and that farmers who have their mortgages with the banks instead of the FCC will also be unhappy. The Government is not here to serve the banks; it is here to serve the people of Canada.

In these circumstances the Government should not drag down the clients of the Farm Credit Corporation to the level of pressure which is being imposed upon clients of the chartered banks, pressure that might be increased if the Government's moratorium on foreclosures of Farm Credit Corporation mortgages is raised. Instead, it should take action right now to get the banks to commit to having an equivalent moratorium on their mortgages so long as the Government's FCC moratorium is in place.

That seems to make more sense than to pull down the clients of the FCC in the agricultural community to the level of those farmers who may now be facing more pressure by way of foreclosure from the chartered banks.

In the face of the 18 per cent drop in initial prices of grain this year, surely the Government must commit itself today, before this debate ends, to putting in place deficiency payments to bring returns to grain farmers up to the level where they will be equal to those of last year.

Earlier in the debate the Minister of Transport (Mr. Crosbie) rose to his feet with a great deal of fanfare and said:"Oh, we are doing something. We are going to provide a subsidy of $64 million on freight rates for shipping grain". The 18 per cent drop in initial prices alone is worth $1 billion. While I am sure $64 million is welcomed, it is only a pittance or a drop in the bucket in the face of the reduction of $1 billion in income. Also, farmers will still have to pay $11 million to $12 million in increased freight rates.

All the Government has done is to go through a smoke and mirrors exercise, holding out the hope of survival to farmers, but as they get close to it, like a train moving away from them, it gets farther and farther away.

I conclude by saying that the Prime Minister (Mr. Mulroney) in his trip out west should not be looking for photo opportunities. Instead, if it cannot be done in this debate, he must reinstate the FCC moratorium on farm foreclosures, introduce a proper debt restructuring program, and announce a real deficiency program for this year's crop. Nothing less will do, if the Government is serious about preserving one of the three crucial foundations of the Canadian economy—the western grain industry—and the way of life it represents.

We owe it to the people in the western grain industry to ensure that this debate does not end unless we get this type of commitment from the Government. I call upon the Government to show some small element of heart, concern, and caring, by making this kind of commitment. This is the very least it can do for the western grain economy, for agriculture generally, and for the entire economy of the country.

Some Hon. Members: Hear, hear!

• (1820)

Hon. Barbara McDougall (Minister of State (Privatization) and Minister Responsible for the Status of Women): Mr. Speaker, it is a great pleasure for me to speak in this debate today. I did not intend to start this way, but I do want to deal with the moratorium the Opposition House Leader has called upon us to reinstate.

Let me point out to the Hon. Member that there are about 225,000 commercial farms in Canada, 75,000 of which do business with the FCC. After the moratorium is lifted, the FCC will deal with a potential 50 foreclosure cases a month. Only 20 per cent of these are in arrears, including some 6,000 that have made no payments for at least two years. This means that one-quarter of 1 per cent of Canada's farming community will potentially be affected by this moratorium.

I would like to remind the Hon. Member that the moratorium was imposed while programs to assist troubled farmers were being developed. Those programs include the interest rate conversion program that assists over 5,000 farmers, the shared-risk mortgage program, commodity-based loans and farm debt review boards. As well, the moratorium was creating a two-tier system in agriculture: those farmers who were protected and those whose creditors were not the Farm Credit Corporation and who therefore had no protection.

The lifting of the moratorium is supported by organizations like the Canadian Cattlemen's Association which talked about distortions caused by the debt moratorium although it sympathized as did others with our reasons for bringing it in in the first place. The association said that this was not a good solution because it provided no lasting benefit to Canadian agriculture. That is what I would like to talk about throughout most of my address to the House today.

It was interesting that in the first part of his address, the Opposition House Leader did not refer to farmers at all. He talked about the automobile industry, the forest products industry, fishermen and railway workers. Then he finally got around to talking about farmers. However, I did agree with him when he talked about being an urban Member from southern Ontario. I myself am a Member from Toronto. There are compelling reasons for people like me and the Hon. Member to talk about farmers, and those reasons are how important farmers are, not just to the Canadian economy but to every consumer in Canada, and the way of life they represent.

I feel particularly strongly about this because, although I am an urban Member, like many Canadians and probably many in this Chamber, my roots are with the land. My family farmed in Ontario for 150 years. My grandfather who owned the farm in 1929 came very close to losing it then because of the kinds of conditions we are seeing today. He was able to save it through hard work and community assistance, but it took him many years to pay for what happened to him in 1929. That is why we on this side of the House recognize the importance of farming to our communities and that all issues that affect farmers affect Canadians across the land.

I would like to point out how the situation facing Canadian farms affects women and their lives on the farm. Of course, there is nothing new about women taking active and equal roles on the farm, but two things have changed over the years. Farm women are now far more involved in the decision-making aspects of the family farm than they were years ago. Second, the structures on the farm have changed. When my grandmother worked side by side with my grandfather, they had help in the house, on the land and in the barn.

Now there is a wider public understanding of the contribution of farm women and how it has increased so much throughout the last generation or two. Women on the farm are now involved in all aspects of the farm business, from domestic activities to work in the fields. Studies show that 49 per cent of farm field work and 97 per cent of farm domestic work is done by women. Something that has not changed is that most farm women are responsible for keeping the books as well, just as my grandmother did.

One of the problems with the family farm today is that with increased pressure on families, more and more women are seeking employment off the farm. That creates additional pressures on farm women and their families. They are continuing to do the domestic work and the work in the barn and the fields. They are also taking jobs in town. Along with the lack of availability of help, that is leading to a greater dependence on child care, a need that must be met, a need to which the Government has been committed since its first day.

High quality child care is particularly hard to find in rural areas, particularly in the spring planting season and the fall harvest when care is sometimes required around the clock. At the same time, women working off the farm require year-round child care. The demands are diverse and our sensitivity to those issues has been expressed many times. I have been in touch throughout the past year with farm women across Canada to deal with how we can jointly find a solution to this problem. That is why when the Prime Minister (Mr. Mulroney) has talked in the House and in public about our commitment to child care, he has always talked about flexibility. He knows that women in rural Canada have different needs than women in the cities.

Farm women have played such an important role throughout the history of farming, but so has this Party. In the history of Canadian farms, the Progressive Conservative Party has always had a strong relationship with farmers. In fact, I could say it is a relationship that is unique among Canadian political Parties. It was the Progressive Conservative Party that created the Department of Agriculture. It was the Progressive Conservative Party that founded the Farm Credit Corporation. It was the Progressive Conservative Party that set up the Canadian Wheat Board. It was the Progressive Conservative Party that established crop insurance. It was the Progressive Conservative Party that brought in the Agriculture Stabilization Act. It was the Progressive Conservative Party that set up the Prairie Farm Rehabilitation administration. The list goes on. I will bet you your very last bushel, Mr. Speaker, that if it is positive for Canadian agriculture, it was put in place by a Tory Government.

Let us now turn to some more recent history that has led to the problems Canadian farmers are now facing. The problems faced by farmers in Canada today arise out of both domestic and international occurrences. Domestically, the Canadian farming community was devastated by the economic conditions of the early 1980s when a Liberal Government was in power. I can understand why the Opposition House Leader did not talk a lot about farmers in the first part of his address. Interest rates in excess of 20 per cent crippled the farming industry. The economic policies of the Liberal Government contributed significantly to the large number of farm bankruptcies which occurred from 1981 to 1983. It was this attitude of the Government led by the then Prime Minister who asked why he should sell their wheat, that devastated the Canadian farmers. That is why the policies we put in place and the temporary moratorium were so needed.

The attitude of the former Prime Minister is not the attitude of our Prime Minister, our Party or our Government. Our record in agriculture is second to none. We have implemented a 16 point agricultural program that has been widely praised. As the Prime Minister stated in this debate, when Canadian farmers are in need, this Government responds. That is why we have committed $1 billion to assist grain producers. Without this program, farm income would have declined by 17.9 per cent this year. That is the kind of action we are prepared to take.

The Liberals would not sell our wheat. We are selling Canadian wheat.

• (1830)

In our Party we know that Canadian farmers are efficient. They are on the leading edge of agricultural technology. Throughout the world they have a record second to none. Our farmers are adaptable. Our farmers work hard while dealing with one of the most difficult climates in the world. But, of all of us closest to this great land of ours, we recognize that our farmers know of the richness of our country more than anyone else.

We are committed to selling Canadian wheat. We are selling 25 million tonnes of grain to the U.S.S.R.; 4.5 million tonnes to Brazil; and 2.5 million tonnes to Egypt. We are proud of the products produced by our farmers. We care enough not just to sell those products internationally but to drive forward for a better deal for Canadian farmers.

Last year we provided $150 million to grain farmers hit by the drought and by grasshopper damage. We provided $705 million under the Western Grain Stabilization Act, providing much needed cash to farmers for spring seeding. We have amended the Western Grain Transportation Act to protect farmers from sharp increases in freight rates. We have established a 10-year $700 million loan program to provide commodity-based mortgages. This initiative helps those farmers with substantial debt problems.

Earlier today my colleague, the Minister of Transport (Mr. Crosbie), discussed in the House his new measure to protect farmers from the statutory increase in 1987-88 western grain freight rates. So when the Opposition House Leader said that farmers will spend more on freight, I think that for the record I should point out that when farmers deliver their grain to the elevator this year they will pay $6.32 per tonne on average in the upcoming crop year. That compares to a rate of $7.70 paid by producers in 1984-85 prior to the present administration coming to power. It is an 18 per cent decrease from what was paid by producers in that year. The federal Government will pay the average $2 per tonne difference to the railways.

Our Government established farm debt review boards to provide independent third-party review, thus assisting farmers who were having difficulties with their creditors. Providing this third-party analysis is an assistance and comfort in many cases that has been able to have an influence on a farmer's ability to keep his farm and to ensure the survival of the farm business.

The pattern is clear. This is a Government that understands the Canadian farmer. This is a Government which, throughout the history of the country and the history of the Party, has understood the Canadian farmer.

Let me get back to the international work that we have been doing to improve trade in agricultural products. We have been in the forefront of nations calling for new ground rules. The Prime Minister (Mr. Mulroney) had agriculture discussed at last year's economic summit for the first time ever. That was an initiative of our Prime Minister. Our Prime Minister and this Government are going to bat for farmers hurt by protection in other countries, hurt by the fact that it is a deliberate policy in European communities to protect their farmers and to subsidize them no matter what the cost to the consumer.

We, as a Government, have involved Canada in the Cairns Group, nations formed to counter the power of the European Community, the United States and Japan. We are in the forefront of negotiations in GATT to stop the international trade war in agriculture. We are involved in trade talks with the United States that will be of great benefit to Canadian farmers. We know that our farmers can compete with any of those farmers in any of those countries if they are given a fair chance to do so.

On a political level, western Canadians and farmers have never been better represented in Cabinet, in Government and in caucus. I will not list the great extent of their involvement since the Prime Minister pointed that out to the House in this debate. However, I can say that when I look at our Deputy Prime Minister (Mr. Mazankowski), our Minister of Agriculture (Mr. Wise) and our Minister of State for the Canadian Wheat Board (Mr. Mayer), and when I listen to the voices that they represent on behalf of Canadian farmers, as a Member from Toronto I am very proud to support them in their endeavours and to sit beside them in Cabinet and in this House.

On an economic level we all know the disastrous effects of the Liberal economic policies on Canadian farmers. Our Government's economic policies have had a positive effect on farmers, a stabilizing effect under enormously difficult circumstances for farmers and for this Government. But we have never, ever, betrayed our farmers, and we never will. I would like to remind Hon. Members that just by our general economic policies a 1 per cent decline in interest rates represents a savings to Canadian farmers of $130 million a year.

I am proud of our record in agriculture. We intend to build upon it. Traditionally, our Party has been the voice of Canadian farmers in Parliament, and this will continue. It will continue as long as this Government remains in office with its representatives, not just from western Canada but Members such as myself who come from downtown urban centres and who are totally committed to the Canadian farmer. We will keep working diligently to ensure a better life for the people on our farms, men and women, and to ensure that the children on the farms will have the right to inherit a stable and happy farm environment.

Some Hon. Members: Hear, hear!

Hon. André Ouellet (Papineau): Mr. Speaker, I am glad to have a chance to speak in this emergency debate today which concerns the current crisis facing grain producers. My Party, the Liberal Party, is concerned by the tremendous tragedy that is taking place in the western grain industry.

The Conservative Government has failed the producers, despite the good words that have just been spoken by the Minister. It is clear that the Conservative Government believes grain producers will have a great future in two or three years' time when the market turns around. But most western farmers are not very certain in their own minds whether that will be the case, because there has been absolutely no commitment of a deficiency payment for the new crop year. Farmers do not want nice words, such as those just expressed by the Minister. They do not want nice words for the future. They want money now. They need it, and they need it badly. They should get it from the Conservative Government.

Mr. Mayer: That is what they are getting. They are getting $1.3 billion in the next month. That is money. That is cash. That is now!

Mr. Ouellet: I realize that the Minister is very concerned and he is becoming very nervous. I certainly appreciate that he is very sensitive because it hurts. It certainly hurts—

Mr. Mayer: All I am trying to do is tell you what is going on so that you do not make a fool of yourself when you speak.

Mr. Ouellet: The Conservatives have made a mess of farming. It hurts them. Certainly this debate is a clear indication of how nervous and how desperate is the Minister.

Mr. Mayer: It is a clear indication of all the things that this Government has done for farmers.

Mr. Ouellet: Last year, when grain prices went down by 20 per cent the industry said that, in constant dollars, grain prices were at the same level as they were in 1933 under R. B. Bennett. Tory times are tough times. This has been said many times in the past. I think it has to be repeated today. Tory times are tough times. They certainly are for a great number of western farmers who must now realize that, because grain prices have gone down by a further 18 per cent this year. There is not only the 20 per cent reduction of last year to consider, but the additional 18 per cent which will take place this year.

Western wheat growers were saying to my colleague, the Hon. Member for Algoma (Mr. Foster), who is the Liberal critic for agriculture, that the crisis today is not so much with respect to price, although that is certainly a serious problem, but that the major problem is the uncertainty of government policy. They have said to my colleague that they do not know whether there will be a deficiency payment or a special grains program, and they do not know on what basis.

This is unacceptable because other governments are taking care of their farmers. They are letting them know exactly what they are going to do for them, or what they are doing for them now. This is not the situation with the Canadian Government. We know what the Government of the United States is doing for its farmers, and we see what is happening in Europe. Those Governments are providing all kinds of support and help for their farmers.

• (1840)

Earlier in this debate, the Minister of Transport (Mr. Crosbie) indicated that he was going to take steps to reduce freight rates. In this regard, it is interesting to make some comparisons. In 1984, the freight rate was $7.70 per tonne. At this time, it would be $8.32 per tonne. Taking into account the $2 subsidy announced by the Government, the rate will be $6.32 per tonne. This subsidy on freight rates will reduce the cost to the growers some 8 per cent. Let me remind the Minister and others that the price of wheat in 1984 was $170 per tonne. The price for the 1987-88 crop year will be $110 per tonne, a difference of $60, or roughly 35 per cent.

If the Minister of Transport is serious about helping our farmers, if he really wants to do something, why does he not reduce freight rates by 35 per cent? We have had a reduction of 35 per cent in the price per tonne of wheat, and certainly the same reduction should apply to freight rates. If he were to do that, I would applaud the initiative of the Minister. But, all the Government can do after this two day debate is to come out with that kind of insignificant support.

It is incredible to me that this Government can make the claim that it supports our farmers. What it has come up with is a farce. We on this side of the House want to vigorously express our opposition to the lack of action on the part of this Government.

The U. S. Farm Bill is not going to be changed in the near future, and certainly not during the term of the Reagan administration. In addition, it is clear that the U. S. Export Enhancement Program will be strengthened, increasing yet again competition for Canadian Wheat Board sales.

As a result of the information we have received of late, and my colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), wrote to the Secretary of State for External Affairs (Mr. Clark), and despite all the apparent goodwill, all of the niceties between the President and the Prime Minister (Mr. Mulroney), it is clear that American policies are hurting Canadian farmers and Canadian workers, and our Prime Minister is doing nothing about it. Yet, he tries to make us believe that he has a very special relationship with the President of the United States. Indeed, he has; he is selling Canada to the Americans at a very low price.

My colleague the Member for Winnipeg—Fort Garry today wrote the Secretary of State for External Affairs. I will take a moment to read that letter. It is as follows:

> It has come to my attention that the U.S. Department of Agriculture has today prepared a new set of agricultural trade subsidy initiatives that include measures of great damage to Canada.
>
> Specifically they are proposing to include under the Export Enhancement Program an offer of 1.25 million metric tons of barley to Saudi Arabia, a traditional Canadian buyer.
>
> If this measure is approved by the Trade Review Committee of the U.S. administration in the next week, it will mean a loss of 75 to 85 million dollars to Canadian farmers.

The Minister today spoke of providing $64 million for western Canadian farmers. A single sale of U.S. grain to Saudi Arabia will cost Canadian grain producers $85 million—much more than what the Government is prepared to give them today.

The letter goes on:

> This initiative certainly flies in the face of assurances apparently gained from President Reagan that he would be considerate of Canadian agricultural concerns—

Well, these concerns are not being given very serious consideration.

In addition to this sale to Saudi Arabia, we have recently been told that the Americans have negotiated a sale with the U.S.S.R. Under that agreement the Americans will sell to the U.S.S.R. four million metric tonnes of wheat, and for every three bushels of wheat bought by the U.S.S.R., the Americans will provide one bushel at no charge.

This is the type of endeavour that other countries are becoming involved in so as to sustain their agricultural industries, their farmers. We would like to see what this Government is ready to do to sustain our own farmers.

Unfortunately, the attitude of the Government thus far has been rather puzzling. If our agricultural industry is to survive in the face of international competition, we are going to have to provide more in the way of deficiency payments, more special grains programs, and more aggressive marketing.

In closing, I should like to refer to another aspect of government initiative that is, to say the least, a real slap in the face for our farmers. I refer to the decision taken earlier this week by this Government to lift the foreclosure moratorium imposed upon the Farm Credit Corporation.

This action will permit foreclosure proceedings to be commenced against those farmers whose Farm Credit Corporation loans are in arrears. FCC loans represent 30 to 40 per cent of long term debt in the agricultural sector, and we are told that 6,000 of the 75,000 accounts with the Farm Credit Corporation have been in arrears for more than two years. This has just been confirmed by the Minister of State for Privatization (Mrs. McDougall) who spoke just before me. The history of the Farm Credit Corporation has been that if a loan is in arrears for more than two years it almost invariably leads to foreclosure. That means that 8 per cent of the Farm Credit Corporation loans are certain to face foreclosure proceedings.

• (1850)

The Minister of State for Privatization has just said, "Don't worry about this, we are only going to foreclose on about 50 a month". I believe that is what the Minister of Agriculture (Mr. Wise) said as well earlier in the week. That means that about 600 farmers a year will have to worry about foreclosures. This is incredible. I am not concerned about thousands of farmers, I am concerned about every farmer who has to face foreclosure. It is unacceptable for the Minister to say that we should not worry, that only 600 will be foreclosed upon. We should have a policy which protects every farmer and no foreclosures should take place. This is absolutely unacceptable. This kind of thing will not wash.

I believe that if the Government has lifted the moratorium on foreclosures, then it is lifted and it may apply to many thousands of farmers. The Government should take every step possible to prevent this from happening. It is certainly agony for farmers who have devoted years, their entire lives in some cases, and have planned great future projects for their farms, to see them go by the wayside because of the incredible misunderstanding or bad heart of the Government.

It has been said many times that the Conservative Government is very close to big business, the big multinationals, the big oil companies, and the big banks. Time and time again the Government has passed legislation in the interests of the *prissante*, the people who are rich and influential, but very seldom does the Government take up the interests of the poor, those who are in difficulty. I say to the Minister of Agriculture that this is the time to act. This bad decision could be cancelled, because it will only come into effect tomorrow.

Mr. Wise: Farmers don't want it cancelled. Farmers want it lifted.

Mr. Ouellet: Regardless of how the Minister wants to sugarcoat it, this is not the way to do it. The moratorium has been in place for 19 months. During that time the Government should have put in place a debt restructuring program to solve the plight of farmers. Had it put in place a proper debt restructuring program the moratorium would not be needed in place at all. However, the Government did not have such a program and the moratorium bought it time. The Government had 19 months to put in place a debt restructuring program which could work well. As the Minister knows, the things which are in place do not work. The situation is getting worse and worse.

In conclusion, the Leader of the Liberal Party put the situation quite clear earlier in this debate when he made a vibrant plea to force the Conservative Government to work for the farmers. On behalf of farmers he said that unless special programs are put in place to cope with it, we will see the loss of an entire way of life in rural prairie communities across the country. The Leader of the Opposition (Mr. Turner) said that action is needed now. I want to repeat his words.

The Government should come clean, give a commitment to a deficiency payment, stop foreclosures which will begin tomorrow, and put in place a proper debt restructuring program. If the Government does not do so the problems faced by western Canadian agriculture and agriculture in other parts of the country will be horrendous. People in this House, the Liberal Party, and many, many Canadians across the country who are concerned about agriculture are willing to make that commitment. The Government must make that commitment now to our rural communities. It is absolutely essential. I hope this debate has opened the eyes of the Minister and has opened his heart and his pocket, because the farmers desperately need money and they need it very soon.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I gladly participate in this debate. I want to refrain from rhetoric, place facts before the House, and deal with this matter in a manner which I hope will be helpful.

I am honoured to represent the constituency of Saskatoon West, which is a very important part of the great Province of Saskatchewan, a province which relies on agriculture, on a per capita basis, more than any other province in the country. I am very proud to represent a rural area in my constituency, although it has diminished over the years since I was first elected.

I am very proud of how many of our Ministers and Members have participated gladly in this debate. We have a record of which we can be justly proud in most difficult circumstances. I want to compliment in particular my colleagues, the Minister of Agriculture (Mr. Wise) and the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer). As a western Canadian representative in the House of Commons, I feel comfortable in Government with the representation which these two Ministers have given us in these important portfolios. I say that on behalf of my constituents.

The Member for Prince Albert (Mr. Hovdebo), who brought this matter forward, knows that farmers in Saskatchewan are not a bunch of dolts. They understand exactly what is going on. They follow the proceedings of the House of Commons very closely and are not taken in by the hysterical rhetoric which I have heard from opposition Members.

When the Liberal-NDP coalition brings forward a motion in an attempt to demonstrate that they represent western farmers, nothing could be further from the truth. It pains me and western Canadians to see Liberals stand up in this House and suggest that they are somehow interested in the plight of the farmers of this nation. Nothing could be further from the truth.

We heard the Leader of the Opposition (Mr. Turner) participate in this debate. I want to remind people that the Leader of the Opposition was the Minister of Finance in the Government of the Right Hon. Pierre Trudeau. He had great influence in that Government. Where was the Leader of the Opposition when Mr. Trudeau asked western farmers, "Why should we sell your wheat?" and turned his finger on western Canada? He was silent. Now all of a sudden he has a newfound interest in the western grain farmer. This is not being believed at all in western Canada.

Our policy was developed in the tradition of John Diefenbaker with whom I had the great honour of serving, as did many of us in this House. The leadership which was given by John Diefenbaker with regard to western Canada is being continued under the leadership of our Prime Minister (Mr. Mulroney).

• (1900)

Indeed it is a fact that the Prime Minister first came to Ottawa to work for the Minister of Agriculture in the Government of Mr. Diefenbaker, and that was the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton). That was his exposure to politics in Canada. That has given him an abiding faith in the sanctity of the farmers of Canada.

I say to my colleagues in the House of Commons that I do not want to indulge this evening in anything except the facts relating to the very serious question facing farmers across the nation. On CBC this morning I heard the Hon. Member for Prince Albert, who precipitated this debate, complimenting the fact that the Government had taken initiatives in terms of international discussions to deal with the root problem of the difficulties facing Canadian farmers today, that is to say, the position of commodity prices in Canada.

I must compliment him for saying that. In fact, he complimented our leadership, the Prime Minister in particular, on the CBC farm program at six o'clock this morning. I give him credit for stating a fact which I think has not come out of any member of his Party during the course of the debate. He gave proper recognition to the role played by the Prime Minister, the Secretary of State for External Affairs (Mr. Clark), the Minister of Agriculture, and the Minister of State for the Canadian Wheat Board.

What are the facts? We in the Government have come forward at a time of crisis and difficulty for western farmers in a way which any thinking Canadian would have to say was fair and reasonable and demonstrates our priority toward agriculture.

I should like to give some indication of comparative figures of spending, because the Opposition keeps talking about the money we should be spending. Federal support to agriculture in Canada in 1983 totalled $300 million. However, what is it now? It is anticipated that this year we will be spending something in the vicinity of $3 billion.

Mr. Wise: At least.

Mr. Hnatyshyn: Three billion dollars at least. Does that sound like a Government, in comparison with what we experienced under a previous administration, insensitive to agriculture? Anyone who suggests the contrary is not telling the truth.

I should like to remind my colleagues of the situation in 1984 in respect of input costs. For example, what was the cost for farm fuel? In September, 1984, the cost to fill a 100-gallon tank was $115. Because my colleagues in Cabinet have been so effective and have been thinking about producers, in February, 1987, the cost was $40. This is a $75 reduction.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: We must look at some of the fundamental problems, not only in agriculture, but also in small business. Average farmers, whom the Progressive Conservative Party have represented so faithfully and so well over the years, have been concerned with some of the root problems. We must remind ourselves of them.

What was the prime interest rate in 1981? What were farmers paying when they had to go to banks and credit unions for assistance to carry on their operations? Have we forgotten what it was? It was 22.75 per cent. What is it now? It is 9.25 per cent.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Do we remember these figures? I am not being partisan. I am being factual by showing the management of the Government and the Prime Minister.

What was the cost of a loan under the Farm Improvement Loans Act in 1981? The interest rate at that time was 23.75 per cent. Today it is 10.25 per cent. That is a 12.5 per cent difference.

We must ask ourselves why the Liberal-NDP coalition is raising this debate at this time. It is clear that the only reason is that it wants to prevent the passage of other government legislation. It has nothing to do with agriculture. Opposition Members want to stall the business of the House because they do not want to deal with Bill C-22 and other legislation in the House of Commons. This is not bona fide.

Mr. Foster: You want to put the price of drugs up.

Mr. Hnatyshyn: Mr. Speaker, I think I have hit a responsive chord. The agricultural critic of the Liberal Party, who stands in the House to speak about agriculture, understands precisely what it is. I think the people of Canada should understand why we are here. They have given us a telling blow, but this time it was with the point of their chin. They are giving us on this side of the House an opportunity to remind Canadians—and we do it gladly—that we in fact have a commitment or priority to agriculture which has been unexceeded, quite frankly, by any other Government in the history of Canada.

There has been much talk about farm bankruptcies, but I think the fact is that it is a regrettable matter. We understand that. I know what it is like to go home and see farmers in difficulty, wondering what they will do this year and living in a situation brought on by international circumstances. I understand all that because I go home every week-end. I do not maintain, as do some Members, a residence in Ottawa or Aylmer. I go home and talk with these people, and I understand what they are saying. We are working as hard as we can, within our financial ability, to bring some relief to farmers.

Let us look at the number of farm bankruptcies under the Liberals. In 1981, there were 261 farm bankruptcies nationally. In 1982, there were 410, which was a 57 per cent increase; in 1983, 488, which was practically a 20 per cent increase; in 1984, 551, which was a 13 per cent increase; in 1985, 508, which was a 7.8 per cent decrease; and in 1986, 440, which was a 13 per cent decrease.

Mr. Foster: On a point of order, Mr. Speaker—

Mr. Hnatyshyn: I did not interrupt the Hon. Member. Is he not prepared to listen to my speech?

The Acting Speaker (Mr. Taylor): The Hon. Member for Algoma (Mr. Foster) on a point of order.

Mr. Foster: I wonder whether the Minister could explain why he is taking off the moratorium and starting foreclosures—

The Acting Speaker (Mr. Taylor): That is not a point of order.

Mr. Hnatyshyn: Mr. Speaker, you dealt with that point of order with the kind of certainty which I admire in a Speaker of your eminence. It was mischief. This man is twisting and turning in his seat, unable to hear the truth spoken to him.

Mr. Foster: Why are you taking off the moratorium if you don't want more foreclosures?

Mr. Hnatyshyn: Mr. Speaker, I appreciate very much your support.

I want to bring forward some facts, particularly to the attention of the agricultural critic of the Liberal Party. What has been the record? In the time we have been in Government, which has been something over two years, the rate for five-year Farm Credit Corporation mortgages dropped from 14 per cent in September, 1984, to 10.75 per cent in March, 1987.

Mr. Foster: They are 11 per cent, Ray, be honest.

Mr. Hnatyshyn: Why are the Liberals so intolerant? Why is the Opposition so intolerant? Why is it that Hon. Members opposite do not want to allow Hon. Members to speak their mind? I believe that is a principle of democracy.

Mr. Prud'homme: On a point of order—

The Acting Speaker (Mr. Taylor): What is your point of order?

Mr. Prud'homme: Mr. Speaker, I thought the debate was getting longer and longer, and I just wanted to draw the attention of the House to the fact that the chair is being occupied now by a very fine gentleman.

The Acting Speaker (Mr. Taylor): That is not a point of order.

Mr. Hnatyshyn: Mr. Speaker, I was on a roll and he actually managed to put me off by pointing out that you are very distinguished. He interrupted my discussion.

Let us look at the Special Canadian Grains Program of which I am particularly proud. Members of the Opposition ask what the Government is doing for the Province of Saskatchewan as if it were doing nothing, not taking its responsibility. Let me just tell the House what the Government is doing, what kind of cash is now being placed in the hands of Saskatchewan farmers alone. As a result of that $1 billion payment under the Special Canadian Grains Program, we in Saskatchewan will realize $415.6 million. Without that payment the farm income would have been desperate. By virtue of that payment alone, there has been an increase in the income of Saskatchewan farmers of 82.5 per cent. I think that increase is not insignificant.

• (1910)

The Saskatchewan portion of the Western Grain Stabilization Act payment will be $382 million. Rounding that off, $800 million in total that will go to Saskatchewan. That is not an insignificant amount of money that will be received by farmers within five weeks.

An announcement was made today on western grain transportation. While we are having this debate, the Government is routinely facing a very serious question brought on by Liberal legislation which forced the freight rate up substantially and dramatically by something in the vicinity of 39 per cent. Over the course of the last weeks and days, the Government was addressing this problem in the anticipation of a substantial increase in the cost of transporting grain. Today the Government responded to the increase brought on by the Liberal legislation which was passed with the support of the Hon. Member for Papineau (Mr. Ouellet) and the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). We felt that the increase was not acceptable so we decided to make a payment in anticipation of the increase to ensure that no increase of any consequence is borne by the western farmer.

I do not see opposition Members congratulating us on taking this position. They are silent and they should be ashamed of themselves. If we are to have fair debates, I expect the Opposition to be critical at the proper times but when an action is taken by the Government which does bring relief, I would simply ask for fair play on the part of opposition Members. I would ask them to acknowledge such action.

The Hon. Member for Papineau spoke of representatives of big business and asked who represents it. I think he forgets the fact that his leader was on the boards of directors of many corporations including the Bank of Montreal and Canadian Pacific. I do not know who represents big business in the House, but I do not think the Minister of Agriculture does. I do not think the Minister of State for the Canadian Wheat Board, the Hon. Member for Oxford (Mr. Halliday), the Hon. Member from Sarnia, the Hon. Member from Sept. Isles or the Hon. Member for Lincoln (Mrs. Martin) represent big business. Do these look like big-time bankers to you, Mr. Speaker? These are honest-to-God common people representing their constituents in a way of which I am very proud.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: My colleague, the Minister of State for the Canadian Wheat Board, has been there in times of adversity when we really needed expanded sales. I think a vote of thanks should go out to the Minister. He was educated in Saskatchewan. He went to the same school and the same university as I though he is a little smarter and a little brighter. We admire the way the Minister of State for the Wheat Board has, with the assistance of the staff of the Canadian Wheat Board, sold our grain in an unprecedented manner. This is a man with whom I am proud to be associated.

I can tell the House that the people of Saskatchewan understand what is going on. They are not taken in by silly games played by the Opposition. They are here to ensure that the Government is sensitive to their real needs. I guarantee you, Mr. Speaker, that as far as I and this Party are concerned, we are determined to help farmers across Canada.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, they talk about out of the mouths of babes. What I just heard from the Hon. Member for Saskatoon West (Mr. Hnatyshyn) makes babes sound as though they are speaking sense.

What we have just heard from the Hon. Member for Saskatoon West is bafflegab. I was not even supposed to be here. I am supposed to be away on a short maternity leave enjoying my family. However, when I saw this nonsense going on on the government side, I could not take it any longer. I had to come here to start calling a spade a spade and to speak for the record.

The Hon. Member invoked in solemn tones the memory of John Diefenbaker. At the same time, his own Prime Minister (Mr. Mulroney) has appointed at the expense of the public purse Dalton Camp, the very man who did in the former eminent Prime Minister, the man who stabbed him again and again. Dalton Camp is now being paid to be chief adviser to the Prime Minister. I cannot believe that the Hon. Member for Saskatoon West would be able to talk about Diefenbaker while Dalton Camp is sitting in his cabinet room advising his colleagues. Dalton Camp is the kind of adviser who makes speeches like the one made by the Hon. Member for St. Paul's (Mrs. McDougall). We heard her describe herself as an urban Member and she admitted that although she had some rural roots, she was not that familiar with the current situation in farming. We also heard her say that the reason the Government will end the moratorium on farm foreclosures as of midnight tonight is because it does not want a two-tier system.

I believe a number of government Members were present when the Hon. Member for St. Paul's said that she did not want to have a two-tier system. Fine, the Conservative Government will be implementing a one-tier system and driving more farmers into bankruptcy. It is driving more family farms to end a great history. Is that the kind of tier this Party promised the people of Canada when it went to the voters on September 4, 1984?

With the departure of Bill Fox, perhaps we will get some new script writers. I certainly hope so. We heard the litany of former Liberal sins and we heard about interest rates back in 1981. I would like to ask Members on the government side what those same farmers are now paying in the spread. As any Hon. Member knows, the real cost of borrowing to farmers is the cost of the spread, not necessarily the interest rate. The cost of the spread has not been reduced substantially.

We heard what the former Liberal Government did and did not do. Presumably, on September 4, 1984, the people of Canada made a judgment and they gave a mandate to the Conservative Government, the largest mandate in the history of Canada. Now, almost three years later, we are seeing the Government's inaction on agriculture.

The Minister in charge of privatization read off a check list of monies that had been given to farmers in the form of subsidies or other goodies. It took the Government only 48 hours to come up with $1 billion to bail out Canadian banks. Yet the same Government dragged its heels for months on end until it was on the edge of an election in Saskatchewan. It took a call from the Premier of Saskatchewan to force the Prime Minister to change his mind and come across with some much needed cash for western farmers.

We know that the Prime Minister himself has flown over the western provinces more times than he would care to admit. Even though he has promised to go to western Canada next week, I suspect that he may decide to fly over again when he receives the most recent piece of news which is that today, the United States signed a 4-million-ton deal to sell wheat to the U.S.S.R. That 4-million-ton deal represents one-half of the annual Canadian wheat sales to the Soviet Union.

Where is the benefit accruing to Canadians as a result of our great relationship with the United States? The United States is undercutting our markets with the European Economic Community and with the U.S.S.R. At the same time we host the President of the United States to come here to tell us how we should be moving toward a free trade system, a free trade system which will destroy whatever semblance is left of our agricultural community.

• (1920)

There are promises and more promises that have been broken. You have heard, Mr. Speaker, from some of my colleagues today who have outlined the hypocrisy of a Government that came into power with 338 promises and then leaves all the work to the Opposition. It has left all the work to people such as the Hon. Member for Algoma (Mr. Foster) who time and time again in this House has stood in his place and asked the Government to come across. He has asked the Government to come across with a deficiency payment which will be equal at least to what the farmers received in the last fiscal year. He has asked the Government, because no firm restructuring program has been introduced for debt refinancing, to waive the decision to end the moratorium on FCC farm foreclosures.

The Hon. Member for Algoma, along with the Hon. Member for Vancouver Quadra (Mr. Turner), the Leader of the Official Opposition, have travelled the country on a Liberal task force asking farmers what they think. So too we in the Liberal Party can be justly proud of another one of our members who has carried a one-man, one-woman fight across the Prairies in the person of our Senator Hazen Argue and his wife, Jean. Many of us know that he has taken to his trailer to go out to the small communities in Saskatchewan and Alberta to find out from the farmers and the farm wives themselves just what the Government can do to assist them. He has taken his fight even to the point of demonstrating before the American Embassy to ensure that the American Government starts instituting some fair trading practices so that we Canadians can compete on an equal basis.

I heard the Hon. Member for St. Paul's talk about the efficiency of Canadian farms and the efficiency of Canadian farmers. Nobody doubts that we have some of the most efficient farmers and most efficient farm production in the world. But when we are competing with subsidies in the United States and in other countries which are so great that our farmers cannot even recoup the cost of planting, then we know that this Government has to get in there and fight toe-to-toe to establish the principle of fair trading practices among nations. We talk about Canada being at the leading edge of the GATT negotiations. Yet we have seen what that has yielded for the Canadian farmer—a big fat zero.

Today, we know that the Prime Minister is meeting with his provincial colleagues. If I were a western Premier I would say to the Prime Minister: "Don't bother visiting us. Send cash. Don't bother, Mr. Prime Minister, showering us with more flowery promises, we have seen the 338 promises that went along with your election brochure and we simply do not believe you".

The Ontario Federation of Agriculture in a brochure which was given to all members at the end of January, 1985, cite chapter and verse the promises made by the Prime Minister when he was Leader of the Official Opposition. Times have changed and his tune has changed. We have heard the Government talk about the woes of past Liberal administrations. We have heard it again and again and again. It sounds like a broken record.

What the farmers want to know, and what the people of Canada want to know, is once given the largest mandate in the history of Canada when is this Government going to start to deliver for the little people? When is this Government going to start to deliver or is it simply going to chop off those farms that are now teetering on the brink? We heard the figures—it is only 50 a month, said the Minister of Agriculture (Mr. Wise) and the Minister of State for Privatization. Some 50 farms a month will be going down the tubes as a result of an action which will be consummated at midnight tonight, and this Government has a chance to stop it now. It has a chance to follow through on its promise to develop a restructured debt capacity through the Farm Credit Corporation, until that restructuring has been carried out to place a moratorium on all FCC farm foreclosures.

I know that I could go on at length, but there are many other members of my Party who would like to call on the Government—

Mr. Mayer: Why don't you tell us what your policy is?

Ms. Copps: The Minister of State for the Canadian Wheat Board (Mr. Mayer) asks me to tell the House what our policy is. I would like to tell the Minister that his policy should be an immediate move to assist those farmers—and he knows the situation because he is a farmer himself—who are not even recouping the cost of planting in the commodities that they are selling this year on the wheat market. That is the situation and he knows it. Yet he and his colleagues are prepared to move at midnight tonight with Draconian measures to force farms across the country into receivership and into foreclosure. So he does not have to shout across the House to members of the Opposition who were the only ones to force the Government into an emergency debate. What we would like to see is some action, a decision to end farm foreclosures, and also a decision with respect to a deficiency program. We have been asking him for weeks in the House—for months—to introduce a deficiency program at least equal to what was in place last year. To date we have heard a resounding silence from the government benches.

Where are the western Members tonight on the government side of the House? Where are they? Do they not care about their farmers? I see one Member over there who was recently occupying the chair, and a fine Member he is too. But we have to consider that here we are in an emergency debate in the House tonight considering a situation which could mean devastation for farmers across the country and with the exception of the Hon. Member for Bow River (Mr. Taylor) there is not a single Conservative western Member here in the House to speak for the farmers. I would like to challenge those—and the Minister of Agriculture looks around to check me up on my figures. Do I see a Member from western Canada?

Mr. Wise: You are wrong.

Ms. Copps: With the exception of the Minister of State for the Canadian Wheat Board, whom I already mentioned in my remarks, where are the back-benchers from western Canada?

Mr. Mayer: Where are your western Members?

Ms. Copps: Those Members on the government side of the House have not spoken. Believe me, when we look at those Members in Alberta who were sent here in the grand wave of 1984 we know that they will be waving the next time, but it will be in the opposite direction.

Even though I would love to go on at length, I would like to yield the floor to other Members whom I am sure would like to add to this debate and who would like to prevail upon the Minister of Agriculture and the Minister of State for the Wheat Board to cease and desist in their decision to end the moratorium on farm foreclosures. The Government does not have a system in place to assist those farms that are now teetering on the edge. We cannot afford to lose 50 farms a month. We cannot afford 600 farms a year. If the Minister has other comments, I prevail upon him to extend the debate and we will be happy to participate.

Mr. Mayer: Mr. Speaker, I rise on a point of order. If Hon. Members extend to me the courtesy to speak again by giving their unanimous consent I would very much like to take an opportunity to address some of the remarks made by the Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Sorry, we have too many speakers.

Mr. Mayer: I would be more than happy, with unanimous consent, to comply with the Hon. Member's very gracious offer to allow me to expand on some of the things we have been doing.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Ms. Copps: We have a long line-up. I want to hear people who make some sense.

[*Translation*]

Mr. Girard: The Hon. Member for Hamilton East (Ms. Copps) has suggested that Conservative Members are not interested in this debate. I think she ought to realize that 28 Conservative Members have already taken the floor, including 10 Ministers. No . . .

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member, but I do not believe this is a point of order. It is a matter for debate which undoubtedly might be very interesting.

Debate. The Hon. Member for Comox—Powell River (Mr. Skelly).

[*English*]

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, the nature of the debate is becoming quite interesting. It is intriguing that we would sit and spend a great deal of time hurling invective back and forth across the House.

Ms. Copps: Invective!

Mr. Skelly: Pardon me, the Hon. Member for Hamilton East (Ms. Copps) corrects my pronunciation, and that is very helpful. Her contributions are well known and respected in the House.

Ms. Copps: Thank you.

Mr. Skelly: What we probably could do as much as anything else is begin to look for solutions to a massive problem. Without becoming overly hostile, I must say that I listened to the Minister of State for Privatization (Mrs. McDougall) make some comments about what a fine job the Conservatives have done throughout history. I am sure she mentioned that in order to give the House some direction in terms of coming to a resolution to this problem. As I recall, she talked about the Conservative Government putting in place, because of its great concern for agriculture, institutions such as the Wheat Board. She talked about attempts to obtain price stabilization, prairie farm rehabilitation programs and a number of things that rose out of the Great Depression.

• (1930)

Up to 1929-30, the Liberal Government had been in power. It brought us up to and beyond the bank of the abyss, and tore Canada apart from one end to the other. It created enormous circumstances complicating and making the Depression worse.

Unfortunately—and this is something the Minister of State for Privatization (Mrs. McDougall) forgot to mention—between 1930 and 1935 we had a Conservative Government in power. In the first four years of the R.B. Bennett Government, the problems that had been inherited from the previous Liberal Government worsened. Under R.B. Bennett, we saw one of the greatest wreckages of the Canadian economy and Canadian agriculture in the history of this country.

In the last year of the term of that Government, the Prime Minister, R.B. Bennett, a Conservative's Conservative, suddenly said: "We have done all things wrong. Things have to be changed 180 degrees". And they came up with some of the most far-sighted solutions that this country has ever seen.

I believe R.B. Bennett suffered a heart attack early in that year and was unable to give his energy and direction to seeing those programs through to completion or to debate them during the following election campaign, and when the Liberals were returned to power, they cut many of them, with the result that it was many years before many of them saw their potential realized.

The point of the exercise, Mr. Speaker, is that the Progressive Conservatives, after four years of damaging activity, did come to recognize that their course of action was completely wrong. In 1935, the final year of their term, they made some of the most dramatic and important changes—changes that were designed to help agriculture, help alleviate unemployment, and generally improve the economy.

That is what was forgotten in the speech of the Minister of State for Privatization. Hopefully this Government will see the error of its ways and change its course, in much the same way as the R. B. Bennett Government changed its course in the final year of its term, and try to get something in place that will help this country and help agriculture.

The Comox Valley has some of the small amount of Class 1 agricultural land in the entire Province of British Columbia. There are some very hardworking and committed farmers in that valley, people who work their guts out in order to keep the family farm going, in order to keep agriculture an important part of the economy of that valley.

The Province of British Columbia, in a move to protect farmland, passed a land reserve program under which farmland would be protected. That measure was supported by the majority of the British Columbia population. But what it did for farmers was to remove other economic options for them. They had to farm.

Under the previous Government, as has been mentioned many times during this debate, we had great fluctuations in farm product prices, with always rising costs, the result being that farmers went into debt. We also had a period of extremely high interest rates.

I was quite interested in the remarks of the Member for Hamilton East (Mrs. Copps) when she said: "It doesn't really matter what the rate is; they are concerned about the spread".

Well, if a farmer is paying between 22 and 25 cents interest on every dollar that he owes and not 10 cents, or 10 per cent, certainly there is a great difference. While the interest rates are better now, for a period of time earlier in the 1980s they were so bad that the existing debt accumulated at an enormous rate, and the largest percentage of debt, in many cases, was the accumulated interest payments.

The Canadian Bankers' Association, an organization known as the true friend of the farmer and as the absolute supporter of the principle of maintaining the family farm in Canada, had some interesting insights when they appeared before the Standing Committee on Agriculture in 1986. They in fact advocated throwing farmers off the farm, throwing families out. They recommended a transition program for the purpose of relocating farmers, retraining them, and getting them off the farm—I assume to turn the farms over to corporate agriculture, something we have seen in the United States and in eastern Canada.

They also recommended that farm financial review boards be established. This is something about which the Government made a serious error. Had the Government, in legislation, provided a solid basis for those financial review boards, they would be an effective agency today. They could bring together the farmer and his creditors for the purpose of making a financial arrangement that was realistic, that was viable, that would preserve the family farm—everything that has been talked about during the course of this debate.

Had the Government given those review boards the teeth to make binding arrangements between the farmer and his creditors, it would have a better platform now on which to induce further financial assistance for farmers. It is absolutely critical to bring about a stabilizing agreement between the farmer and his creditors. That is absolutely crucial to any farm reconstruction effort that we embark upon.

What does the Canadian Bankers' Association say about that? "Absolutely not". It wants the financial review boards to have the power to give advice only. Well, I do not know of any banker in this country who takes anything by way of advice. He simply looks at his accounts and collects his money.

Review boards with the power to compel reasonable arrangements for repayment, payments that would permit the farmer to survive and allow him an income, are what is needed. Such boards would allow this Government the opportunity to make meaningful additions in terms of assistance programs.

There are the old promises that this Government made prior to coming to power. It talked about agri-bonds as a source of funding for farm loans. Those election promises have never materialized.

Another recommendation of the Canadian Bankers' Association: No debt moratorium. The Canadian Bankers' Association, a true friend of the farmer, has put together a prescription to destroy family farming, to put farmers off the land and replace them with large corporations, thus breaking one of the strongest foundations of Canadian society. We in this Party are not prepared to stand by and see that happen. That is why this debate is under way. Hopefully the Government, when this debate ends, will declare that this moratorium will continue until an effective policy is put in place.

Mr. Speaker, as it happens, before coming into the House, I was speaking to a farmer from my constituency. It would perhaps be interesting to review what happened in his particular circumstance. He will be one of the statistics when the Farm Credit Corporation lowers the boom. He meets a lot of the criteria.

Those on the other side of the House have said that only 50 farms a month will be affected by the lifting of this moratorium. When the Minister was asked how that could be, he said: "Well, the Farm Credit Corporation has sufficient staff to handle that number only".

Well, it strikes me that, just taking the criterion of the Farm Credit Corporation that anyone who is two years or more in arrears will be foreclosed, we are talking about thousands upon thousands of Canadian farms that will go down the drain. And one would assume that, the minute this moratorium is lifted, the other creditors, in order to protect their position, will push the button—

Mr. Mayer: That is not true, and you know it. You know better than that.

Mr. Skelly: Does the Minister wish to speak? If he has good news for our farmers, I would be more than pleased to take my seat.

I take it there is no good news, Mr. Speaker—and I feel very sad that he doesn't have some good news for our farmers.

Mr. Mayer: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: On a point of order, the Hon. Minister of State for the Canadian Wheat Board (Mr. Mayer).

Mr. Mayer: As the Hon. Member is being so gracious, perhaps he would seek the unanimous consent of the House so that I could give some good news.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Skelly: That is truly unfortunate, Mr. Speaker. I, for one, would be more than prepared to hear what the Minister has to offer to assist farmers.

If it is not true that the Farm Credit Corporation can handle only 50 cases a month, then I would ask the Minister to put on the record what in fact the number is. I should like to know how many will be pushed over the edge each month.

It strikes me that once other creditors see the Farm Credit Corporation moving on a farm, and there are assets on that farm, other creditors, such as the bank—and the banks still have an enormous amount of outstanding debt on farms in this country—will push them over the edge in order to claim assets that they have nailed down. Other creditors would push them over the edge. Removing this moratorium tonight would put farmers in real jeopardy from their other creditors. The Farm Credit Corporation may not have sufficient staff at this time, but other creditors may start the entire process rolling and push them into bankruptcy before the Farm Credit Corporation gets around to exercising its options.

• (1940)

I believe this is one of the most ill-conceived and regrettable situations that we have seen in the House of Commons for a long time. Thousands of people will be affected by this. Other agencies will wish to begin the process of recovering assets from insolvent operations.

There was discussion earlier about policy which the Government should follow. First, it must not allow the moratorium to be lifted. Second, there must be some work with free trade. Farmers and the Canadian agricultural industry cannot be exposed to the direction in which the Government is travelling. Marketing boards and other such agencies have protected farmers for years. They have allowed them to manage supply, market demand, and keep prices at least somewhat ahead of production costs. If that is destroyed by free trade there will be no more Canadian farmers.

If Americans are allowed to ship milk into Canada below the price of Canadian produce, we can kiss Canadian dairy farmers goodbye. The same proposition applies to vegetable producers and orchardists. I think we are in for some very serious trouble across the board if a free trade agreement allows Americans to push their products into Canada and ties the hands of our marketing boards. There will be serious consequences. If financial institutions thought the Canadian Government was going to do that they would begin to grab the assets of farms before all was lost with the advent of free trade. This is a very serious matter indeed.

The first step must be the cancellation of the lifting of this moratorium. A debt review board must be created which would have the power to make binding agreements with creditors so that the farmers can continue to exist and earn sufficient income to feed their families while debt repayment is ongoing. That would ensure the existence of the farmer and is absolutely imperative. The Canadian Government must guarantee that free trade will not kill Canadian marketing boards and thereby the Canadian farmer. I do not think any reasoning Member of Parliament would want that situation to occur. Yet the Government has not said that it will protect the marketing board system and supply control system in the Canadian economy.

We all recognize that the Government, to its credit, has placed $1 billion at the disposal of Canadian farmers. It has made efforts to reduce freight rates. There is a certain amount of cynicism about the coinciding of the $1 billion program with the Saskatchewan election, but nevertheless, it was $1 billion which moved in the right direction. There is a multimillion dollar program on freight rates which is another move in the right direction. Unfortunately it is not enough. If we are to save the family farm and agriculture there must be a continuing injection of cash to relieve the debt burden of Canadian farmers. That is an absolute must.

Another item of importance is encouraging a rational approach to marketing areas which are not now covered so that farmers can have a price support system which will allow them to produce food for Canadians at prices above the cost of production. As an example, the potato industry in eastern Canada has an extremely important market in the United States. At the same time, potatoes are shipped from the United States to British Columbia and Alberta in almost unregulated amounts at unregulated prices which forces the price of Canadian products below the cost of production.

The anti-dumping tribunal in British Columbia imposed a tariff to stop that importation. The imports have now shifted to Alberta and the Alberta surpluses are now being pushed into British Columbia. Farmers are continually handicapped by the lack of control of potato marketing in Canada. There are many other such areas of concern. A national marketing board which is encouraged to develop the rational marketing of products in Canada would certainly be very useful.

In summary, Mr. Speaker, this moratorium must not be removed. The results would be absolutely chaotic. We must give teeth to the debt management review boards and allow them to make binding agreements between the creditor and the farmer which will keep the farmer on the land. More cash must be put into debt relief by both provincial and federal Governments. We must guarantee Canadians that free trade will not kill Canadian agriculture. Marketing boards must be left intact and given a free hand to manage the Canadian market. Where marketing boards do not exist to provide price and supply stability in the Canadian market they must be encouraged and developed.

Federal and provincial Governments must participate together in this and we must succeed if we want to keep in place something which we all support, namely, the family farm in Canada.

• (1950)

[*Translation*]

Mr. Marc Ferland (Portneuf): Mr. Speaker, I am pleased to take part in this very important debate. However I am somewhat disappointed by some of the reactions of the Hon. Member for Papineau (Mr. Ouellet) who fled like a mouse a moment ago after stating in this House that times are hard when Conservatives are in office. Well, I must say I have an impassioned recollection of the time when the Constitution was brought home, when he was there, and when he proved to be one of the participants responsible for the exclusion of Quebec from the agreement. Today, at Meech Lake, they have been trying to redress these past mistakes.

That being so, I think the important thing now is to concern ourselves with western farmers. Earlier this week the Prime Minister (Mr. Mulroney) said in the House: I rather doubt that the major newspapers of this country will give front-page treatment to this question. Sad to say, he was right.

Again today, after so many hours of debate by Members here in the House and given the fact that the three Party leaders want to help western farmers, I was disappointed and surprised that the vital question of western Canada farm community problems was covered in a few short seconds on English TV and not even mentioned on the French network. I must say this really does something to me. I cannot understand that our major newspapers and the media would choose to ignore the urgent problems of the residents of a large part of this country. Still, today's *La Presse* did carry a very interesting article by Pierre Gingras. Mr. Gingras acknowledges, as we do, that there are problems in the agricultural industry. The important thing is, however, that he also acknowledges in his article the work done by the Conservatives, by my Party, by my Prime Minister, by the Minister of Agriculture (Mr. Wise) and by my colleagues during the 30 months we have been in power, to help farm producers.

I remember that when I first came here, and I come from a rural riding, I was not an expert on agriculture. However, just about everything is produced in my riding. Some of my best friends are farmers, and I am in touch with them regularly. I have learned a lot about agriculture. Since this Government came to power, and my colleagues will agree, we have tried to correct the mistakes made by the previous Government with the support of the New Democrats. For two and a half days we have heard the Opposition criticize here in the House every procedure and measure introduced by the Government. They have criticized but they have failed to propose any new approaches to solve the problems of western farmers.

This afternoon, when the Minister of Transport (Mr. Crosbie) announced that the Government would spend $64 million on the transportation of western grain, I saw opposition Members smile.

Mr. Gauthier: That's not true.

Mr. Ferland: It is true. Excuse me, Mr. Speaker, but that is what the Government did. It spent $64 million: $2 a tonne. That is what we have done.

Mr. Gauthier: It's not true. We'll talk about it later.

Mr. Ferland: Well, I never saw a Liberal who understood anything about agriculture in this House. We have had ample proof of that. For years, when you were in power, the agricultural industry was in the worst possible shape. You let rates rise—

Mr. Gauthier: The seventies were the best years. We sold—

Mr. Ferland: Mr. Speaker, when the Liberals had the floor and were talking their heads off, we suffered in silence. So I would ask opposition Members to return the favour, even if my comments fall somewhat harshly on their ears. How could they be expected to address the problems of the west when they only have a single Member from that area? And let's not forget that the Liberal Leader went out west 32 times in 18 days during the past three weeks. It is unbelievable. Maybe the Party bought him an airplane, but he sure is doing a lot of travelling out west. Thirty-two times in 18 days. That is really something. But maybe that is only media talk. I read that today in the papers.

The fact remains, Mr. Speaker, that I find unacceptable that those people there in Opposition are bent on destroying and will not recognize all the help this Government has been providing to farm producers. Just the day before yesterday, we were working with the Minister of Transport to try and find a way to reduce costs. It was unacceptable, of course, for the rates to go up 39 per cent while the price of wheat declined 18 per cent. It was unacceptable, and a solution had to be found. We found one: we are proposing to inject $2 per tonne in assistance, so that the increase will only be 5 per cent rather than 39 per cent. And they are scoffing at that. They suggest we do not want to help farm producers.

Mr. Speaker, since we were elected, in 30 months, we have taken more than 400 initiatives in agriculture alone. This is one area where we did not cut. Quite the opposite, we have been constantly adding funds for the farm industry. We invested nearly $7 000 million in agriculture, mostly in western Canada of course. There was the dairy policy that benefitted of course Quebec dairy producers. But those are tools that had to be provided to our farm producers, and we did so with very great pleasure.

There is also another aspect the Opposition does not seem to understand. As a Government, we have been working in constant consultation with producers, whether from eastern, central or western Canada. We always consulted them, and the proof is the farmers are pleased with the work we as a Government have been doing in this House. As far as I am concerned, I can state that I am very proud of the work done by my Prime Minister, the Minister of Agriculture, the Minister in charge of the Canadian Wheat Board, and so on. All my colleagues did a tremendous job on agriculture, this is something that has to be told.

The New Democratic Member earlier referred to concerns over free trade, I must again remind him that a commitment was made here on March 16 that marketing boards are not on the table. And I personally remember seeing Liberals and New Democrats oppose that motion. This is really something. People may have a short memory, but I can tell you we will remind you of that. You voted against that motion. But we have stated on a number of occasions that marketing boards were not on the table. Do you think otherwise we would have introduced the kind of long-term dairy policy that had been requested for years by farm producers? Since 1981 we were calling for a long-term dairy policy, and we came up with it.

An Hon. Member: That had been promised by the Liberals.

Mr. Ferland: It had been promised by the Liberals with the support of the NDP, but it never came. We kept our promise and delivered the goods. That dairy policy would never have been provided had we had to negotiate a few months later. The dairy policy is not negotiable. The Canadian culture is not negotiable either. That was clearly stated. That is clear!

Mr. McCurdy: With the Tories the entire country is sold to the United States.

Mr. Ferland: Let me finish, you will speak when your turn comes. You will all have an opportunity to speak. The debate has not yet ended my friend. Take your time.

I have taken the liberty, Mr. Speaker, of reading over some speeches made by my colleagues opposite. We now have some 150 pages; or rather, yesterday afternoon at four o'clock, we already had reached 150 pages. Needless to say, I did not find the best speeches among the Liberals or the New-Democrats. I did not find in them any food for thought or any new idea. The Hon. Member for Terrebonne (Mr. Toupin) said at the beginning of his speech:

—I should like to take this opportunity to state the policies of the NDP—

I could perhaps say that "N" stands for narrow-minded, "D" stands for demagogues and "P" for professional, and this is the New Democratic Party. I did not find anything in that speech. He spoke 20 minutes but said nothing.

If I turn to another agricultural expert, the NDP member for Vancouver East (Ms. Mitchell), she said that in order to help western producers, we had to provide them with daycare centres. I do not think that western people need daycare centres this evening. What they needed to know was the announcement made this afternoon by the Minister of Transport, that is they will be given financial assistance of $64 million to help them move their wheat. That is the kind of assistance needed by farmers and it will be provided to them.

We have been carrying out negotiations throughout the world for the first time. There is a detail that is often ignored, Mr. Speaker, because the Opposition does not mention it. There was never a Canadian Prime Minister before the present Prime Minister who demanded that priority be given to agriculture in the GATT negotiations. And that was done at the Tokyo Round. But who asked for it and who did it? A Liberal Government would never have had the nerve to consider such a step. And they are the same people who went out west and laughed at western producers. We told the people in western Canada: We are going to work hard to sell your grain. We told eastern producers: We are going to try and help you sell your products throughout the world. We are going to try and end the world trade war. There is not a single farm producer in this country, Mr. Speaker, who would claim that Canada can sustain a trade war against the United States or against the EEC on grain shipments. I think everybody in Canada realizes, and farm producers certainly do, that if we really want to deal with the problems in the agricultural industry, we will first have to negotiate at the GATT level.

Meanwhile, we have to take action on a day-to-day basis. And as I said earlier, we have taken hundreds of measures in the past 30 months to help the agricultural industry, and I am thinking of apple growers in Quebec and British Columbia, of the new marketing boards that will be set up for potato producers, and so on. Hatchery egg programs have been set up at the request of farm producers. These are some of the things we have done and will go on doing, but listening to the empty speeches of opposition Members here in the House is not going to help the cause of agriculture in this country.

Quite the opposite, Mr. Speaker, it is by trying, and I would very much like, by the end of this debate, to hear the concrete proposals you will be coming up with and to hear also, when you tell us your concrete proposals, how much money is involved and where that money will be coming from. Because there are facts opposition Members seem to forget. You say: "Spend, spend, spend!" but you do not ask where the money will be coming from. This we found out when we came here in 1984, that little surprise of the $240 billion deficit. Except that now the debts have to be repaid. I appreciate that to a New Democrat paying one's debts is not important. Even if we were to mortgage the forty-second generation in this country, that is of no matter to them, because they will be dead. No problem. They will have had their way and let the others pay. But something else is required to manage the country soundly, to show that we are a responsible nation. And the proof we are a responsible nation is that interest rates came down. Why? Because we kept sinking the country lower into debt, or because we had realistic policies?

Mr. Robinson: What about the unemployment rate?

Mr. Ferland: The unemployment rate came down, my dear colleague.

Mr. Robinson: Only in Toronto.

Mr. Ferland: It is incredible how short your memory is, you New Democrats. Your kind of memory is nothing to boast about. Go back a few months, you will see what kind of unemployment rate and interest rates we had. What did you do on that side when people were paying 23 per cent or 24 per cent, when the price of oil was going up, when you established Petro-Canada on the other side. Throw billions at it. What we have today, this debate and the problems that the west experiences, result from all the stupid things you have done for years, from policies which had no sense whatsoever and were only designed to make you look good and make people dream. But you cannot sell dreams to Canadians. No one is more down to earth than a farmer, because when he gets up in the morning he looks at his field and thinks about ploughing it and working it. He does not have time to dream, he is a doer, while you, with your free-flowing phrases and your awe-inspiring dreams, you ruined completely the economy of western Canada. That is what happened.

Mr. Champagne (Champlain): "Tighten your belt!" they were saying, but they were wearing suspenders.

Mr. Ferland: Of course. Trudeau could say: "Tighten your belt!", he was wearing small white suspenders underneath, to look good. Anyhow, Mr. Speaker, I think that what is important for western farmers and all farmers is to know that Conservative Members from eastern Canada support them in their work. I can tell you that as late as yesterday, MPs from Quebec were working with the Transport Ministers to find a solution to avoid loading even further western producers. I can say that our colleagues from the west were delighted to have our co-operation to solve their problem. We are confident that we will have similar help from the west should a problem develop in the east. In the meantime, they are the ones who need help, and we are delighted to be able to do something for them.

• (2000)

[*English*]

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, why has this country become so aroused? Why is it that the House of Commons has now been involved in an emergency debate for three days? It seems that the Government struck a nerve in a way it has so far failed to do in any other thing it has done. The action it has taken has touched hearts and minds and has affected us deeply.

Tonight, the Government is to lift the moratorium on Farm Credit Corporation foreclosures. The lifting of the moratorium has touched the hearts and minds of Members of Parliament and it has certainly aroused the media. The media has reported this debate very fully, despite the comments made by some of my colleagues. The country is aroused because the issue comes down to a simple image which comes to mind, an image which all too many older Canadians hold in their minds from the Great Depression. It is the thought of farms being foreclosed on.

We recall the stereotype of a person dressed in a black suit with a long moustache and a black hat who went from farm to farm with writs of foreclosure in his hands. That image is still in the memories of people who lived during the last Depression and remember the stereotype of the heartless person who would come to the farm to throw the people out after all their lives, hearts and savings had been put into that farm.

We are not simply dealing with vast figures, we are dealing with the thought of a farmer waiting for someone to come and close down his farm at a time when other parts of the country are enjoying great prosperity. It so happens that I represent such a part of the country, the area called the Golden Horseshoe, though we certainly do have problems. It has touched the minds and hearts of people in every part of Canada to realize that, at what is supposed to be the end of the recession, we are seeing situations that remind us grossly of the terrible and bleak days of the worst part of the Great Depression of the 1930s.

The image we have in our minds is that there are people who are down and now we are kicking them. We heard that the Wheat Board announced that prices for 1987 would be 18 per cent lower than they were in 1986, but we knew that in 1986 the prices for wheat were 20 per cent lower than they were in 1985.

As if these blows to people who are trying to stay on the land and have committed themselves to improvements were not hard enough, within a day after the announcement of the reduction in prices the Government made the incredibly insensitive and unfeeling announcement that the moratorium on foreclosures would be lifted. That announcement means an open season on Canadian farmers, some of whom fought in wars, the heart of our country, the pioneers. That they will now suffer this kind of treatment is something that has touched the heartstrings of all Canadians.

What has brought on this debate? It was not another discussion about interest rates, it was this image in our minds. This image is what is hurting our consciences. We cannot go to bed at night without thinking that things like this could happen to us, and knowing that western Canadians will experience this kind of suffering.

Today the Government announced a reduction in the impact of the blow to farmers caused by new freight rates. Nonetheless, this announcement is still more bad news for farmers, because it amounts to an increase of about 6 per cent in grain freight rates. That is the net result of the so-called good news. The announcement still means that the cost of shipping grain is going up, not down. While the price of wheat goes down, freight rates are still going up and that is another bad piece of news. How could the Government, knowing that this bad news about freight rates was on the docket, then have proceeded to announce the lifting of the moratorium on foreclosures?

Canadians have been aroused by this heartless approach to human situations. It brings back to our minds the worst images of the Great Depression. It brings back to our minds the thought that the Minister of State for Privatization (Mrs. McDougall), who spoke to us a while ago, was able on an emergency basis to rush to the banks with $1 billion-worth of aid. She has not found in her heart a strong enough motive to rush to the Cabinet and call for an end to this attempt to lift the moratorium. Why has she not fought for those people who will suffer now? She was so anxious to save western banks that she found $1 billion. How about throwing $1 billion at western farmers?

We know that the Government did throw $1 billion at farmers in general. We also know that that was linked to an election in Saskatchewan—a very cynical kind of gift. Indeed, members of the Opposition, people from the west and western farmers have been begging and pleading for months, in fact, for years, for that type of assistance. It only came in time to help the Conservatives win a provincial election. That is hardly what people regard as being a responsive, compassionate reaction.

• (2010)

We find that what we are asking for at this moment, what we are calling upon the Government to do, is to stop the cancellation tonight of the moratorium on farm foreclosures. We are asking the Government to have some kind of compassion today and to go to the aid of those who are the weakest among us. That is what we are asking.

I do not think that my colleagues pretend that they have all the answers. Nor do I expect the Government to have all the answers. But the answers that the Government is giving are absolutely unacceptable. What the Opposition can say is that this step is heartless. When the Minister of State for Privatization talked about the fact that her family had been on the farm during the Great Depression and that they almost went under, but the thing that saved them was hard work, was she perhaps implying that it was hard work that was needed on the part of western farmers and maybe if they worked a little harder they too could save their farms? That is not acceptable. We know that many of the people who are facing foreclosure have certainly worked hard enough on their farms.

The problem is not that they are not willing to work. It is that the price of wheat has gone down, that the Government has taken away their protection which would give them a further chance to continue their businesses. This is what we are concerned about. This is the type of advice we can give the Government. A five-year old could give that advice to the Government, but it is lacking in compassion and concern for the people who are on the farms and who are facing the possible loss of their way of life, the possible loss of all the work that they have put in and that their parents have put into their family farms.

This is a very cruel moment in the life of the country, which is why this debate has been going on for so many hours. It has struck a nerve. It touches us personally to our hearts that we are living in a country of reasonable affluence and yet we are watching our fellow Canadians face such an unacceptable fate. For what? They do not deserve it.

This is a Government that apparently cannot get its act together. It is unpopular because it apparently cannot show that it has compassion for the people. I ask Hon. Members to consider the various steps that it has taken, whether it be with respect to patent drugs, which shows a lack of concern for senior citizens, or whether it is about the provinces which will have to provide more money for the cost of drugs. The Government has shown no compassion when it talks about cutting rural post office deliveries and eliminating rural post offices. Nor has it shown compassion when we consider the tax system which has, in effect, provided the most terrible blows to people who earn in the area of $15,000 per year.

When we look at the tax increases that have been thrown at these people since this Government has come to power we see that they have increased by 75 per cent while on the other side of the coin those who earn $100,000 find that their taxes have risen by only 4 per cent. That is not compassionate.

Peter Cook, who writes as financial critic for *The Globe and Mail*, when speaking about the action of the present Minister of Finance (Mr. Wilson) stated that he has gotten away with raising personal income taxes by 19 per cent, sales taxes by 33 per cent, excise taxes by 18 per cent, and gasoline taxes by 120 per cent. These are enormous increases in taxes. Yet we have a quotation from the same Minister of Finance who has done this to the people of Canada made on August 28, 1984. He said:

> We have no intention of raising income taxes to Canadians. What we have to do is get down government—

He has got down Government. He has got it down on the people. He has certainly raised the taxes and completely broken his promise.

On March 1, 1985, the Minister of Finance said this:

> I don't want to increase taxes . . . A tax increase, certainly a general tax increase, puts a dampening effect on the economy and I don't want to see us do that.

When we look at the way he has structured the taxes he certainly has put a dampening effect on the poor. They are the ones who are paying the taxes while the Government has provided a capital gains relief of $500,000 in a lifetime for those who make much more money.

Yes, this is a Government which lacks compassion in some amazing ways. It seems to be able to come up at the most amazing times with destructive types of decisions that hurt the poor, that make the poor poorer and the rich richer. The small businessman sees higher postal rates. Independent oil companies see their businesses threatened and, in some cases, they have been driven out of business. We saw that sales taxes were imposed when the Government came into power at a rate of 9 per cent. They are now at 12 per cent. In addition, the Government has slapped some brand new taxes on items which relate to hygiene, drugs used by senior citizens and some children's foods. This tax of 12 per cent which the Government has slapped on is a sales tax which is put on to the backs of the poor.

The Minister of Finance has said that such sales taxes are regressive, yet he has resorted to imposing more taxes which hurt the poor because they cannot afford the same taxes that the rich can afford. In other words, if a tax of 10 per cent is placed on a product then a poor person has to pay the same amount of increase as does a rich person. That is why such a tax is regressive. In other words, the impression the Government continues to give, whether in the tax field, the business field or in the area of the Post Office—whatever it seems to touch—seems to hit the chord of hurting the poor, the beaten, the down-trodden. The Government seems to pick on them.

In the case before us the Government has taken the most obscene type of action we have ever seen. We see a situation in which it will foreclose or allow foreclosures on the family farms of hundreds and hundreds of Canadians. I have risen to speak on this matter because I know what is at stake. It is whether or not we have compassion. It is whether or not we will see from the Government a realization that, unless it changes its ways, it will not be at the rate of 24 per cent or 25 per cent support in the polls, but will drop even further, if that is possible, because people everywhere in the country, not just in the centre but even those in the west, will now come to the conclusion that the Government has no ability to show compassion. It seems absolutely unable to get its act together, especially in terms of the west. Even westerners are now losing confidence in the Government. That is too bad.

This situation is threatening our unity. We have always felt a sense that Canada was a whole country, a totality, and that when one part of the country was in need we came forward with equalization payments to try to balance out the situation. We followed the motto "bear ye one another's burdens". That is a compassionate concept. It seems in this particular situation that we are not willing as Canadians to bear one another's burdens at all. We see the Government letting everyone loose, and whatever happens to them the weak ones will fall behind and be eaten up. That is a policy of *laissez faire*, a policy which they literally are carrying out. In so doing, they conjure up in our minds an image from the Great Depression, the image of a Government that allows its farmers to be put to the wall.

• (2020)

A Government that permits foreclosures to take place conjures up the worst images we could possibly have. It is a Government that shows a lack of concern and compassion.

This Government, by its activity and its actions, is threatening Canadian unity. It causes people in the west to think that we in the east do not care. Well, we do. We in the east and in the centre of this country care about what is happening in the west. In this particular case, let it be understood that we do care. We do not want the west to think that there is no future with us; that we don't care, that we have no sensitivity. That is why this Government is indeed in a sense threatening our sense of unity. We must bear one another's burdens; we must care about one another.

Hon. Members opposite can smirk and laugh as much as they wish. They are going down further in the polls. The Hon. Members opposite are laughing at what I am saying. They are free to do that. The people in the west are not laughing, Mr. Speaker; we are not laughing. This is a matter of Canadian unity, Mr. Speaker; it is not a laughing matter.

We have to show concern for our western provinces, because the people in the west really do wonder about us. They wonder whether we easterners do care—and we do.

I conclude my comments with one last plea to the Government, to continue the moratorium on farm foreclosures. The lifting of that moratorium will take effect tonight at midnight, and I plead with the Government to respond to the Opposition, to respond to its own Members, to respond to the people of Canada and in fact continue the moratorium until it has found a better way to find some reasonable protection for our farmers.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to participate in this landmark debate on the crisis facing Canadian farmers today.

I should like to start by paying tribute to my colleague, the Member for Prince Albert (Mr. Hovdebo), who initiated this emergency debate a couple of days ago. He is himself a farmer, and he has done a great deal to sensitize those of us in the NDP caucus who haven't been as aware in the past as we should have been of some of the problems and concerns facing Canadian farmers. I am pleased that he has shown this kind of leadership in the House, along with my colleague from, the Member for Humboldt—Lake Centre (Mr. Althouse), our spokesperson on agriculture. These two individuals have played a real leadership role, not just within our caucus, but in this House, in bringing to the attention of the Government the concerns facing the farmers across this land.

The crisis facing us relates to the decision announced by the Minister of Agriculture (Mr. Wise) to lift the moratorium declared on September 17, 1985, on Farm Credit Corporation foreclosures. It is of some significance that the Government has announced that this moratorium will in fact be lifted on May 1, tomorrow. And what is the significance of May 1? May 1 is May Day.

Mr. Speaker, the farmers of Canada are being hit with the lifting of the moratorium on May Day! May Day is the traditional symbol of distress. I think it is of considerable symbolic significance that this Government, on May Day, should be once again attacking the farmers of Canada by lifting the moratorium on Farm Credit Corporation foreclosures.

We heard earlier from the Minister of State for Privatization (Mrs. McDougall), "Well, you know, it is only a small number of farmers who will be affected; it is only one quarter of 1 per cent of the farmers who will be affected." We heard that from the Minister of State for Privatization, the same Minister who was heard some time ago to say that the motivating factor in our economy is greed. Well, it is not surprising that that Minister should exhibit such a heartless attitude toward those farmers who will be driven off the land as a result of this Government's decision.

I wish to put some figures to the statistic that the Minister so blithely dismissed. My colleagues have already spoken to the breakdown in the various provinces. I wish to speak for a moment about the national implications of the lifting of this moratorium on Farm Credit Corporation foreclosures.

As of April 1 this year there was a total of 14,597 FCC loans outstanding, 6,000 of which were two years or more in arrears. Of the 6,000 that were two years or more in arrears, some 1,300 are affected by this moratorium. That means that 1,300 families may be driven off the land with the lifting of this moratorium. In some cases, their farms have been handed down from generation to generation, and as a result of this Government's heartless decision these people will now be driven off the land.

The Member for Winnipeg—Assiniboine (Mr. McKenzie) laughs. He laughs at the farmers who are being driven off the land. Well, he will have to answer to the farmers in his constituency for his laughter, and his contempt for their plight.

Even though this Government says that it is only one quarter of 1 per cent who will be affected, the reality is that it amounts to some 1,300 families.

Mr. Speaker, the Member for Winnipeg—Assiniboine continues to laugh at the farmers of western Canada from behind the curtain. He hasn't even had the courage to speak out in this debate on behalf of the farmers in his constituency. He has been silent, Mr. Speaker. He has been totally silent on the plight of the farmers in Winnipeg—Assiniboine and he will pay the price for that at the next election.

Mr. Speaker, I want to talk a bit more about these figures. We have heard from government Members that it will be "only 50 farmers every month who will lose their farms". My colleague from Prince Albert has actually made some inquiries of the Farm Credit Corporation, as a result of which he has learned that the FCC does not have the staff to send out the foreclosure teams to shut down the farms at a rate faster than that. What a disgraceful commentary on this Government's farm policies!

The reality, Mr. Speaker, is that the lifting of this moratorium is going to have devastating consequences on the farmers of western Canada.

It is not just the lifting of moratorium on Farm Credit Corporation foreclosures that is going to have devastating consequences; it is also the fact that other financial institutions will take this action as a signal that it is open season on those who have defaulted on their loans.

Canadian farmers have accumulated debt in the order of $24 billion. Once the Farm Credit Corporation foreclosure moratorium is lifted, the banks and the other financial institutions will take it as a signal to move in, and yes, Mr. Speaker, it will be open season on farmers.

Last summer I travelled to my constituency by train, and I will never forget a family that boarded the train in Moose Jaw. They had lived on a farm that had been in their family for three generations, and they could no longer stay on that farm. They had been driven off their land and were travelling by train to British Columbia to try to make a new life for themselves. That destructive erosion of the family farm in Canada will be repeated in increasing numbers as a result of the Government's heartless decision to lift the moratorium on foreclosures by the Farm Credit Corporation.

• (2030)

Women on the farm have traditionally been among the hardest hit in times of adversity. Not only have women been forced to work off the farm to supplement inadequate incomes, they are increasingly being called upon to do work on the farm without pay. The work which was formerly done by hired hands is now done by women because farmers cannot afford to pay for hired hands. In addition, they continue to perform their traditional roles on the farm, which includes raising children. They are obviously working in partnership with their husbands in many cases, but the reality is that in too many cases it is women who are bearing the brunt of the burden.

As I said, women are being particularly hard hit. They lack retirement security, child care facilities, crisis shelters and women's centres. They are often faced with discrimination from lending institutions.

It is also important to note the harsh personal impact of the financial crisis facing the farming community. In terms of stress, for example, in Saskatchewan farm accidents account for 40 per cent of the fatalities despite the fact that farmers make up only approximately 20 per cent of the labour force. The suicide rate of farmers in Alberta in 1984 was 40 per 100,000 compared to a rate of 15.5 per cent per 100,000 in 1981 and compared to a rate of 18.1 per 100,000 for the rest of the population in 1984. The suicide rate was almost three times greater for farmers than it was for the rest of the population.

The Canadian Mental Health Association learned through a study in Saskatchewan that 88 per cent of the farmers surveyed had experienced stress-related symptoms including health problems such as headaches, mental fatigue, insomnia, depression, anger and frustration which sometimes led to communications problems and alcohol abuse. In Ontario suicide is the number two cause of death on farms following only machinery accidents. We can see that the personal toll of the crisis in the Canadian farming community is very great indeed.

I do not often make reference in the House to a publication called *Western Report*. Recently in its cover story *Western Report* dealt with what it called the death of the grain men. Inside it speaks of a requiem for the family farm, of why the small producer is being threatened with extinction. They talk about the attack on one of the country's most revered institutions, the family farm.

I would like to say a word about the family farm. I had the honour of serving as a member of the special joint committee which drafted the Constitution of Canada. I remember that during the course of that debate there was considerable controversy, which has continued to this day, on the question of the inclusion of property rights in the Constitution of Canada. The Conservative Members of Parliament who suggested that we should entrench property rights in the Constitution of Canada are now members of the Government which is driving farmers off their property.

I suggest that the Conservatives should show a little more respect for the property of farmers and for the families who are struggling to maintain their farms after generations. After all, 95 per cent of the farms in Canada are still family farms. I suggest that we show a little more respect for those farmers and their attempts to protect and preserve what is important to them, their property.

I suggest as well that we heed the cry of the Conservative Member of Parliament for Edmonton—Strathcona (Mr. Kilgour) who said that the west is being ignored by his Government. That Tory MP from Alberta has thrown up his hands in despair. He said recently that unless the Government gets serious about the problems of western Canada, he will leave that Party.

It is a rather sad commentary that in response to the Conservative Member for Edmonton—Strathcona, the Prime Minister (Mr. Mulroney) fired him as a Parliamentary Secretary and his colleagues from Alberta slammed the door and excluded him from the Tory caucus. We have not heard from that Member during this debate. He said as well that the Tory Government is creating jobs all right but is only creating them in downtown Toronto.

The plea of the Conservative Member of Parliament for Edmonton—Strathcona is being echoed across this land by farmers who are saying to the Government, "For God's sake don't hit us when we're already down". After grain prices dropped 18 per cent last year and 20 per cent the year before, and costs are going up, the Government kicks farmers in the gut on May Day. That is a tragic commentary on the Government's lack of concern for the farmers of our country.

I want to take a moment to speak about what New Democrats believe to be the two key priorities for protecting and strengthening the farm in Canada. First, it is essential that we continue the moratorium on foreclosures which was imposed on the Farm Credit Corporation in September, 1985, until a comprehensive debt reduction program has been put in place. It is important to recognize that many other farmers are not protected by this moratorium. They are at the mercy of private financial institutions, the banks. It seems as though the Canadian Bankers Association is writing the Government's agricultural policy. That association put forward five key points, each and every one of which was accepted by the Government.

The Minister of Agriculture (Mr. Wise) has suggested that farm organizations wanted this moratorium lifted. That is an astonishing suggestion. The National Farmers' Union, the three prairie Wheat Pools, and many other farm organizations have said no such thing. Indeed, they have said the opposite. For example, Keystone Agricultural Producers based in Manitoba has said that the termination of this moratorium will make it much more difficult for farmers to get loans from banks and other lenders.

This is a particularly critical time for farmers because they are now planting their crops and at planting time they must borrow money to purchase fuel, seed, fertilizer and chemicals for the coming crop season. At this particular time of year farmers need even more cash. Keystone Agricultural Producers have said that the Government should not lift this moratorium.

• (2040)

The President of the Saskatchewan Wheat Pool, Garfield Stevenson, said that the termination of the moratorium "is completely irresponsible and just not acceptable". Mr. Stevenson went on to say:

> I thought the Minister had more on the ball than this.

Those were the comments of the President of the Saskatchewan Wheat Pool. The President of the National Farmers' Union, Wayne Easter, said the following:

> I just can't understand why he would announce it now . . . Normally farmers feel a sense of optimism at this time of year . . . But this tears the heart out of thousands of farmers.

When the Minister of Agriculture states, as he did on *The Journal* last night, that farmers want the moratorium lifted, I must ask: Who is he talking about? He is not talking about Keystone in Manitoba. He is not talking about the Saskatchewan Wheat Pool. He is not talking about the National Farmers' Union. He is not speaking for the thousands and thousands of farmers who are desperate and want to survive, not be driven off the land.

This brings me to my final comment in respect of the importance of a guarantee that the income of farmers will be at least at the same level next year as it was this past year. It is essential that farmers who are planting now have confidence that they will get a recovery from what is planted this spring and harvested next fall which is enough to cover their costs and enough, I would add, to ensure a decent standard of living.

This Government which has bailed out banks should surely recognize its responsibility to the farmers of Canada. I point out as well that other countries, including the United States, Japan, the United Kingdom, and the EEC, have recognized the importance of ensuring an adequate income for farmers.

In conclusion, I remind the House and those who are watching the debate that my Party was founded at the depths of the Depression in the 1930s. My Party formed the first Government in 1944 in the Province of Saskatchewan. One of the first acts which that Government under Tommy Douglas brought forward was a moratorium on debt for farmers. I am proud of that record of my party in defending farmers in Canada.

I am also proud that myself and my colleagues, led by the Hon. Member for Prince Albert (Mr. Hovdebo) and the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), are continuing in that tradition to defend farmers by calling upon the Government not to lift the moratorium and to ensure adequate income for Canadian farmers.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the temptation is too great for me to let pass the suggestion that I can think of no more appropriate Member than the Hon. Member for Burnaby (Mr. Robinson) to be speaking in the House about May Day.

Let me also note an irony, if I might, as I begin this debate. We have just heard the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) and the Hon. Member for Burnaby giving their views on farm matters. Let me perhaps introduce some balance to the debate by quoting the President of the Canadian Cattlemen's Association, a western organization with a western based president, when he said: "The Canadian Cattlemen's Association supports the decision of Agriculture Minister John Wise to end the temporary debt moratorium on debts to the Farm Credit Corporation". CCA President Stan Wilson also emphasized: "Our concern is that the distortions caused by debt moratoria do more damage to the farm credit system than any possible benefit to individual farmers".

That is the voice of agriculture. They do not want damage to the farm credit system. They want the farm credit system strengthened, and they want the farm situation across the country strengthened, as do we. One characteristic about the farm situation in Canada, which is known to any of us familiar with agriculture, is that it is in a state of crisis now. That is known. That is recognized by every honest Member in the House.

However, another characteristic of the Canadian farm community is that it is made up, to a singular degree, of individuals who are honest, who are realistic, and who know that there are no magic solutions. They will have noted, as we did, that in this week alone in the Canadian House of Commons the New Democratic Party has proposed spending new billions of dollars on Dome Petroleum, has proposed spending new billions of dollars on the Post Office, and has proposed spending new billions of dollars on agriculture. Those are the three items proposed by that Party in one week.

Ladies and gentlemen—excuse me, Mr. Speaker, I have been away from the House of Commons too long—there may be disagreements here about how some of these problems can be resolved. However, there is no illusion among the agricultural community in Canada about the fact that the long-term solutions to the problems with which we are dealing will not come easily.

I had the good fortune—and I will not pretend to be a farmer—to grow up in an agricultural community in western Canada. One thing which is evident to all of us who had that experience is that when the farm community is in crisis, it is not a local or isolated crisis. It speaks of a region in crisis; indeed, to some degree, a whole economy in crisis. When there are problems in agriculture, they extend to every other part of the large rural community.

That is not something we read about. That is something that if one grew up in Viking in Vegreville, as did the Deputy Prime Minister (Mr. Mazankowski), or in Provencher, Manitoba; or in wartime Saskatchewan; in Saskatoon, Saskatchewan; or in Drumheller, Alberta, or in High River, Alberta, as did Members of the Cabinet, one grew up knowing the realities. Because the Cabinet of Canada is composed today of men and women who grew up directly with the cyclical and deep problems agriculture faces, we understand that the problems will not be resolved suddenly. We understand that there must be a very serious effort on the part of the Government of Canada, domestically and internationally, to solve some of the problems.

It is not a matter of getting up and saying, as a former Prime Minister unhappily did, that he is not going to sell your wheat. We have an obligation to try to sell the wheat of the farmers of Canada. We have an obligation to try to achieve a better international trading system. We have an obligation, when there is a crisis in farm income, to inject money into the western Canadian economy and the whole Canadian economy.

The Government has accepted that obligation. We will continue to do that. Indeed, the record of the Government in terms of action on agriculture is unsurpassed in the last two decades or three decades in Canada. Most farmers understand that and respect that.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I take part in this debate as both a western Canadian and as the foreign Minister of the country. I have been back in my constituency speaking, among others, to people operating centres for women in small towns like Whitecourt. There is a crisis there. There is the implication for farm families, as has been indicated by the Minister of State responsible for the Status of Women and others in the House. That is part of the reality.

The sense of crisis in Canadian agriculture is deep and is growing. In Barrhead and in Fort Assiniboine in my constituency, the price of barley today is in real terms about what it was in the 1930s. Some 50 farmers in Manitoba declared bankruptcy in the last year. In Saskatchewan there were 45. In Alberta there were 93. In Ontario there were 102.

Costs of production continue to climb as prices drop. A growing number of farmers have to work out to keep their operations going. Many individual farm families face the prospect of having to get out of agriculture. The problems are complex. Nobody, least of all farmers, pretends that there are easy solutions either at home or internationally.

The Government has acted on a wide range of agricultural issues. We have delivered relief from capital gains tax. We have frozen freight rate and elevator handling charges on grain handling and on grain transportation. We twice amended the Western Grain Stabilization Act so that it is now a true instrument for stabilization. We have established a farm debt review board. We have removed federal sales and excise taxes from farm fuels.

Last year, in the face of grave crisis, we committed $1 billion to grain producers under the Special Canadian Grains Program. Not counting that $1 billion expenditure, the budget for the federal Department of Agriculture last year was 60 per cent higher than it was the year before the Government took office. With all of that spending on agriculture, our over-all fiscal management has been so successful that the interest rates farmers pay are from 4 per cent to 5 per cent lower than they were three years ago.

Our calculations are that every 1 per cent drop in interest rates results in approximately $240 million for Canadian farmers. These actions are important. They are only part of the program for agriculture of the Government. The priority of agriculture in the Government is high and is growing.

There was a comment made by one of the Hon. Members opposite who talked about the need for Canadian farmers to have confidence about money which will be coming in next year. The projections for federal Government spending next year for support for western Canadian agriculture suggests that there will be more than $3 billion going from the Government, that is, in 1987 and to western Canadian agriculture. That means that western Canadian farmers can have confidence that in calendar 1987, there will be more money coming to them from this Government than there was in calendar 1986. That is simply a projection of reality and one that should be understood across Canada.

• (2050)

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I will speak tonight particularly about farm policy and foreign policy because if they were once separate, they now come together. There is a constant and a clear interlinking between what happens in foreign capitals and what happens in every farm across Canada. Every day, political decisions in Paris, in Washington, in Moscow and in other capitals affect the markets and prices for Canadian farmers. Mikhail Gorbachev is a very important man to the farmers in Fort Assiniboine and Barrhead in my constituency.

The common agricultural program of the European Community has done as much damage to the farmers of Alberta as the National Energy Program did to our oil workers. Let me talk for a moment about the European Community and the problems that have been built into the whole system of agriculture as a result of the policies of that Community.

The European Community has changed from a net importer to a major exporter of farm commodities. For example, in the crop year ending 1966, the European Community imported nearly 11 million tonnes of cereal crops. Sixteen years later in the crop year ending in 1982, the European Community exported well over 6 million tonnes. That trend has continued and it has continued because of a growing program of subsidy that has become a pattern in Europe and has been responded to by subsidies in the United States. It is catching the farmers of Canada, the farmers of Thailand and the farmers of other countries that are efficient in production but do not have giant treasuries to subsidize agriculture in a very serious domestic and international problem.

In 1958, the European Community exported only 23 per cent as much food as it imported. By 1985, the Community exported 60 per cent as much food as it imported. Even considering the fact that the Community had expanded its membership significantly over that period, increasing population by 60 per cent, that is a dramatic turnaround in food production and it has to do with subsidy.

European farmers receive prices for commodities which are as much as four or five times the world market price. For example, European farmers get the equivalent of $450 Canadian per tonne for Durum wheat when world markets indicate that is worth something just over $100 Canadian. Canadian farmers receive $130 Canadian for that. Another example is barley for which prices in my constituency are down to Depression year levels. European farmers get the equivalent of $400 per tonne of barley while the European Community sells that same barley for $80 per tonne or less on world markets. That means that the export subsidy alone on barley is five times the current world market price. That is the problem facing agriculture in this country and in others. The question is, what do we do about it.

That is a serious question. It is too serious a question for mere partisan division and debate. It is a very basic and serious problem. Let me tell the House about some of the things we are doing about it. We are acting on a number of fronts internationally.

[*Translation*]

Mr. Speaker, we are seeking new markets for Canadian products. This of course includes traditional activities such as negotiating an agreement with the Soviet Union for the purchase of 25 million tonnes of Canadian grain over the next five years. Actually, despite a massively subsidized and fiercely competitive world grain market, we managed to increase our market share by nearly 2 per cent last year. It is true that prices were low, but we are better off increasing our market share even if prices are low, than losing on both counts.

This trade initiative also includes new sales to Egypt and Brazil and more possibilities in the Pacific Rim. We have food aid programs in Bangladesh, India, Pakistan, Ethiopia, Jamaica, Sri Lanka, Sudan, Tunisia, Peru, Senegal, Mozambique and Ghana. These programs have resulted in the purchase of $163 million worth of Canadian wheat, $47 million worth of Canadian flour, $61 million worth of canola and $51.8 million worth of other products.

Some of these development programs have modified the consumer and production habits of other countries, thus creating new markets for Canadian products.

We also promote agriculture related trade as often as possible, and we do so in two ways. One example is a recent visit to the Soviet Union by the Minister of State responsible for the Canadian Wheat Board and Canadian business people. That country is our biggest wheat buyer. If the Soviet Union would rather deal with Canada it is partly due to our reputation as a reliable supplier. The interest of the Soviets can also be attributed to the fact that we actively seek Canadian markets for their products so as to achieve a better trade balance. Progress comes slowly, but this initiative on the part of Canada is essential if we expect to continue to have access to the major market which the Soviet Union represents.

In another vein, we encourage Canadian agricultural service industries to expand their activities at the international level. Last September in Venezuela and Argentina I headed a delegation including representatives of Canadian agricultural companies. This enabled companies like Regina's Prairie Microtech and Calgary's Agriteam to explore new possibilities of trade and business markets in joint ventures in South America. This way, Canada's contacts in the agricultural sector are increasing in countries where new markets might open up for commodity harvests, technology or Canadian know-how.

Mr. Prud'homme: And in the Middle East.

Mr. Clark (Yellowhead): There are possibilities in the Middle East.

Mr. Prud'homme: They are enormous.

Mr. Clark (Yellowhead): There are possibilities in the Pacific, and this is a part of what we have to do as a country and a part of what we are now doing.

[*English*]

Most important, we are tackling head-on the fundamental international agricultural problem and that is the problem of international subsidy. It is as threatening to agriculture in the 1980s and 1990s as the drought was in the Depression. The agricultural trading system is in deep trouble with artificially depressed international prices, subsidized export competition and a growing proliferation of non-tariff import barriers.

We have two complementary goals. The first is to break the cycle of subsidy which has led to the trade war between Europe and the United States, a war whose casualties grow in Canada, in Australia, in Thailand and in a dozen other countries whose treasuries are too small to compete with the European Community or the United States. The second is to establish fair, firm international rules of trade in agriculture, rules that will increase the role of efficient producers and reduce the role of direct and indirect subsidies and protection.

Let me recount to the House briefly some of our experiences in the last year. Almost a year ago exactly, the Minister of Finance (Mr. Wilson) and I were at the meeting of the OECD in Paris and we heard to our great surprise Ministers speaking for European Governments beginning to criticize the common agricultural program. That had not happened before. I must tell the House that the Ministers who uttered those criticisms were Ministers of Finance, not of Agriculture, the people who have to pay for the subsidy programs. However, that was an indication that there might be a possibility of change in European attitudes toward subsidy in the Community. We did not simply note that as a phenomenon. We came back to Canada, we sat down with the Prime Minister (Mr. Mulroney) and we developed together the opportunity that existed for a country like ours to take advantage of these changes that were developing in the Community, to take advantage of the possibility of some self-questioning, to begin to break this terrible, crippling cycle of subsidy.

The Prime Minister of Canada took to the economic summit in Tokyo as Canada's principal emphasis in that summit the need to give priority to breaking the cycle of international subsidy in agriculture.

• (2100)

I have been to three economic summits. I know that not before—at least not before my experience—has there been a situation in which the President of the United States, the President of France, the Chancellor of West Germany and other leaders have been forced to defend practices which they themselves found difficult to defend in the summit context about agricultural subsidy. One of the European leaders who was there, and I will not identify the country, made a very significant comment. During a discussion that would not have occurred without the initiative of the Prime Minister of Canada he said that everyone recognized that this was a problem that everyone shared but that no one could solve on their own. Recognizing that, Canada proposed at the summit that we should try to solve it together.

We came away from the summit and tried to put in place a very special experiment in international relations. We tried to put together a special group of leading international experts who might in preparation for the Venice Summit coming up in June be able to identify subsidy practices in each of the summit countries on which action could be taken at Venice. We were making progress on that proposal. We had funding from foundations in Canada and the United States. We had agreement from several countries, including the United States. We had the enthusiastic interest of countries such as Thailand, Argentina and others. For a while we had the agreement of some European countries. Then one European country said that, no, they would not agree. The proposal then came apart. We were not able to proceed with what may have been—what had the promise of being—a Canadian breakthrough in this cycle of subsidy. That did not work. But it was very much worth trying, as it is very much worth trying for this country to find other means by which we can break the cycle of agricultural subsidy that is at the root of the problem being discussed in this House and the problem being felt on farms across the country.

We have acted on other fronts. I led the Canadian delegation to the GATT talks in Punta del Este, Uruguay, last year. In the past, agriculture has been a casualty of the GATT. It has been something that has been shunted aside when nations gathered together to deal with international trading rules. Well, this year that was changed. While there were many countries which took part in the change, one of the leaders in achieving that change was this country and this Government. We do not believe that the world can long afford to put agriculture to the sidelines. We do not believe that when new trading rules are put together they can treat agriculture as though it were unimportant.

Agriculture is essential. Fair trade in agriculture is essential. If we are going to achieve that then we have to have trading rules that are acceptable to and guide the practices of countries around the world. We have made a start on that. We have made a start on that in the GATT. But, again, there is much more that needs to be done. Again, this Government is exerting our leadership to try to ensure that we are able to make that type of progress.

There was a group established, as a result of an Australian initiative, with our active help. It is the so-called Cairns Group, a group of a number of countries such as Canada, in conditions such as ours, victims of the subsidy practices of the Community and of the United States, which gathered together in Australia to prepare for the GATT negotiations in Uruguay. Within three weeks that group will meet again in Ottawa at the invitation and under the chairmanship of the Government of Canada. We think that that type of pressure has to be maintained.

I see, Mr. Speaker, that you are signalling that my time is up.

Mr. Prud'homme: No, no, please go ahead.

Mr. Deputy Speaker: Do I hear correctly that there is unanimous consent to allow the Minister more time?

Some Hon. Members: No.

Some Hon. Members: Agreed.

Mr. Deputy Speaker: No, I do not believe there is. However, I am sure the House will allow the Hon. Minister a minute or so to complete his speech.

Some Hon. Members: Agreed.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Mr. Speaker, I will not abuse the generosity of the House. I appreciate the fact that there is real interest in what we are trying to do internationally. I very much hope that we will be able to make progress in the meeting that the Minister for International Trade (Miss Carney), along with my colleagues, the Minister of State for the Canadian Wheat Board (Mr. Mayer) and the Minister of Agriculture (Mr. Wise), will be convening in Ottawa.

There are two other important meetings coming up in the immediate future. One is the next meeting of the OECD in Paris in two weeks' time. The other is the summit in Venice. It is the intention of the Government to continue at Venice the initiative which the Prime Minister of Canada began in Tokyo, and to continue in the context of the economic summit to try to reach agreement on some progress against the practice of subsidy. We are not sure we will succeed. We know we are asking fundamental changes in practices and traditions that have grown up, particularly in Europe, but the size of the challenge should not turn us away. The size of the damage has to drive us to try to achieve some change. As we did in Tokyo, and as we did in Cairns and Uruguay, and as we will do in Paris, we intend at the economic summit meeting in Venice to try to get some progress.

The Prime Minister raised the matter at the meeting earlier this month when the President of the United States was here. He has raised it in a number of other direct conversations with other summit countries. We hope to make progress.

Finally, and not to abuse the time of the House, we have in the context of the OECD the grouping together of modern economies. We have suggested that there might be agreement on some basic principles regarding international trade in agriculture. We have been in touch with all of the Governments of the OECD and we have set forth some principles that we hope might be the basis of the approach we all can follow together as an alternative to the subsidy cycle that has been so devastating to our economy.

Those principles are, first, that agricultural policies must become more price-responsive. Second, support for agriculture should avoid production incentives. In other words, support should be for farmers and not for farming. Third, countries should freeze and seek to reduce governmental assistance measures that artificially depress world prices. Four, countries should not introduce new import barriers that are not already mandated by existing legislation. Finally, and this is essential to it all, these basic principles must be implemented by us all, together. As was set out at the Tokyo Summit, this is a problem we all face. None of us can solve it alone. But if we cannot solve it alone then a country such as Canada can at least exercise leadership in trying to get it solved. That is what we are doing and that is what we intend to do.

In the last year alone the Prime Minister has held three formal meetings with leaders of Canadian agriculture organizations. I do not believe that that has ever happened before in Canada. It will happen again prior to his departure for the economic summit in Venice because we have found before that in terms of the effectiveness of our case internationally and in terms of consensus at home it is very valuable to draw in the leaders of agriculture in this country.

So what the Government is doing in agriculture is continuing action at home that is unprecedented in recent decades. We are carrying out extensive and continuing consultation with farm leaders. We are maintaining a very vigorous pressure internationally to change the cycle of subsidy that is at the basis of our international agricultural problems.

Some Hon. Members: Hear, hear!

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I want to participate in this very important debate on a crucial matter to the economy of Canada and, in particular, to the western economy. I want to begin by congratulating all of those Members who have participated in the debate because the subject matter is of great national importance and it ought to be debated in that way.

• (2110)

It was my hope, Mr. Speaker, that the Secretary of State for External Affairs (Mr. Clark) would have availed himself of the opportunity—and perhaps he would have had the time available to him—to talk about the recently announced sale by the United States of 4 million tonnes of wheat to the Soviet Union and what that sale will do to the price of grain in Canada and what it will do to the economy Canada.

It was my hope, too, that the Secretary of State for External Affairs would have responded, in some measure, to the letter forwarded to him today by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

As that letter is now a public document, I should like to take a moment to read it into the record. It is as follows:

> It has come to my attention that the U.S. Department of Agriculture has today prepared a new set of agricultural trade subsidy initiatives that include measures of great damage to Canada.
>
> Specifically they are proposing to include under the Export Enhancement Program an offer of 1.25 million metric tons of barley to Saudi Arabia, a traditional Canadian buyer.
>
> If this measure is approved by the Trade Review Committee of the U.S. administration in the next week, it will mean a loss of 75 to 85 million dollars to Canadian farmers.
>
> This initiative certainly flies in the face of assurances apparently gained from President Reagan that he would be considerate of Canadian agricultural concerns, and I would ask you to immediately demand that this damaging measure by the U.S. administration be withdrawn.

Mr. Speaker, those are just two initiatives with regard to the foreign policy aspect of this subject that I would have hoped the Secretary of State for External Affairs would have touched upon during the course of his remarks, and perhaps at another time, or indeed later in this debate, he may want to expound upon them.

Government Members have stood in this place and talked about some programs and some initiatives that have taken place over the last two and a half years. I have listened to their speeches quite attentively, both from my place here in the Chamber and through the Oasis system that is available in our offices.

Mr. Speaker, it is their job to talk about government programs and initiatives. The issue before the House in this debate is the present crisis and what the Government is prepared to do about it. I do not believe that on any side of this House any Member is questioning what the problem is.

No Member—and I may have missed the speeches of a few of the speakers in this debate; a great many have spoken—no Member has disagreed with the fact that there is a crisis situation in the western economy as it relates to grain producers. The question is: Does this Government have the political will to address the situation? But to cite the benefits, chapter and verse, is not going to help the farmers who are in a crisis situation today. And no doubt there are some benefits arising from such programs as the Rural Transition Program. The establishment of the farm debt review boards is another initiative that they hauled out.

The problem is that the Government, up until now, has been refusing to address the very serious crisis situation existing in the western Canadian economy.

Mr. Speaker, I know something about crises. I know something about setbacks. I know about property foreclosures. I have seen entire families and subdivisions of families move out of communities. We in Atlantic Canada know something about that.

What is required, Mr. Speaker, is not only goodwill, good intentions, or even a meaningful and dynamic record, but the political will on the part of the Government of the day to exercise its authority, both legally and monetarily, in order to address the situation.

Mr. Speaker, Canada has some 225,000 farms, of which 175,000 are commercial farms. The Farm Credit Corporation estimates that 8 per cent, or 13,000 farms are insolvent. Of those 13,000, 6,000 have not made any payments on their loans for at least two years. Some 52,000, or approximately 30 per cent of Canadian commercial farms are facing moderate to serious financial stress. Real interest rates paid to farmers are as high or higher than they were at their peak in the early 1980s. An example: The current real farm interest rate is about 6.57 per cent, while it was 8 per cent to 8.5 per cent in 1981.

Members opposite have said that only 600 farmers a year are going to be affected, or 50 a month. Mr. Speaker, do you realize the consequential effects of that? And I am thinking not only of the symbolism of the Government of Canada foreclosing on 600 farmers a year, but the consequential effects on the Canadian banking community, on unsecured creditors, on secured creditors. The trustees in bankruptcy will be the real winners when it comes to the moratorium on foreclosures.

Surely the people of western Canada and those individuals who have their loans with the Farm Credit Corporation are entitled to some sense of fairness. Mr. Speaker, I was part of a Government that was stupid enough to implement an audit program for fishermen of Atlantic Canada. I suggest to you, Mr. Speaker, that the lifting of this moratorium is just as stupid if not more stupid than what we did some years back.

It is really not appropriate to be partisan in this debate, but I can tell you that we paid dearly for that mistake, and I suggest that this Government will pay just as dearly as a result of this action against the farmers of western Canada.

Mr. Speaker, much has been said and much has been omitted in the debate which has taken place in the Chamber over the last two days. The Secretary of State for External Affairs was quite correct when he stood in his place and said that two amendments were made to the Western Grain Stabilization Act. But what Party in this House of Commons fought tooth and nail every step of the way for the implementation of the Western Grain Stabilization Program?

An Hon. Member: The Liberals.

Mr. Dingwall: Mr. Speaker, it was Jean-Luc Pepin, a former Minister of Transport, who initiated that legislation, legislation which was proclaimed into law under a Liberal Government.

The Secretary of State for External Affairs gripped his heart with his hand and said: "We can't be partisan". Yet he refuses to acknowledge fact, unequivocal fact, Mr. Speaker, in terms of who it was who proclaimed that law, the Western Grain Stabilization Act.

It is also intellectually dishonest and unfair, and, yes, not appropriate for parliamentarians even to debate this issue. On the one hand, we have government Members saying: "When you were in Government, you were the ones who caused the

high interest rates. It wasn't the international situation. It wasn't the economies of the superpowers or of the European Community that had to do with interest rates; it was you, the terrible Government". Now that the tables have turned and the western grain producer is in this situation they look to the heavens, they look behind them, they look to the media, to the Opposition and, when they are really desperate, they look to the NDP. You cannot have it both ways. Parliament is a place to which men and women of good faith come to tell it like it is. We are here for one reason. Some may interpret it differently, but there is one unequivocal reason why all Members of Parliament are in this Chamber and serving in public life, and that is to serve.

• (2120)

The question is not one of what the problem is and not one of what the solutions are, but simply of where the political will is to exercise the authority which the national Government has on this issue. I can say proudly that yes, I have travelled to western Canada and no, I am not a farmer, but I have listened to their plea, I have heard their argument, and I sympathize with them greatly. They do not want any handouts from Government. They do not want to be on their knees. They only want an equal chance which the Constitution has guaranteed them. Instead we have heard rebuttals, deferment, and that they are considering it.

The latest gimic is the Prime Minister (Mr. Mulroney). He is going to take two planes, four cameras, a couple of bearers in Gucci shoes and go to western Canada to make a whistle-stop tour. Does anyone want to make any wagers that the Prime Minister will be announcing a few cheques along the way? He is a political opportunist. Members may laugh, but if I am wrong they can come back into the Chamber and raise it. This is shameful.

The Leader of the Opposition (Mr. Turner) has said clearly time and time again in the House, outside the House, in western Canada, in Atlantic Canada, in Toronto and in Montreal that the Government must announce deficiency programs so that farmers can make their plans for this and subsequent crop years. He has said that the Government must reinstate the FCC moratorium on farm foreclosures and that it must put a proper debt restructuring program in place. Those are three things that we do not have to ask the United States or the European Economic Community for. Canada can do those things today.

In concluding my brief remarks on this most important subject matter I say sincerely that I have listened to what Members from western Canada have been saying and I will continue to listen. I believe the way in which to solve this particular crisis is to show some real leadership domestically. You cannot go on the international stage and say one thing then do the opposite domestically. Canada must be consistent. That is why I raised in my initial remarks the conduct of our neighbours to the south who have continuously, since entering preliminary negotiations with regard to a free trade agreement, been giving it to us in the neck.

Let it be clear, Mr. Speaker, that I am not anti-American. I may be anti-United States administration, but I find the people of the United States to be a great people. I do not like it when a sovereign nation such as Canada is continuously and repeatedly confronted by the administration to the south which, for its own reasons, selfish as they may or may not be, singles out Canada and the sectors of our economy which are suffering as a result of the lack of leadership of the present administration. Much can be said and much more ought to be said. The Government will pay the price.

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. I am sure the Hon. Member who just finished speaking will not mind me pointing out a grave error which he made in his submission which again demonstrates the fact that the folks across the way are uninformed. He said that Jean-Luc Pepin brought in the Western Grain Stabilization Program.

Mr. Gauthier: That's not a point of order, that's debate.

Mr. Mazankowski: If he checked the facts he would find that he was in error.

Mr. Gauthier: It was Otto Lang, so he made a mistake.

Mr. Mazankowski: At least you know. Why didn't you correct him then?

Mr. Gauthier: Once in a while you make mistakes, too. I don't rub it in to you. I should, but I don't.

Mr. Foster: It was one great Liberal Minister or another.

Mr. Jack Scowen (Mackenzie): Mr. Speaker, it is a pleasure to be able to participate in this debate. I had visions of not being able to participate in it because I was up in northern Saskatchewan when I heard about it and was afraid it would be all over by the time I got back. When I arrived yesterday afternoon the debate appeared to be over and I was afraid I had missed out. I am pleased to be here and participating now.

I was in Lac La Ronge in northern Saskatchewan participating in an agricultural meeting of the native population of northern Saskatchewan. It was a meeting of SIAP, the Saskatchewan Indian Agricultural Program, which is intending to expand the agricultural base.

My background is as a seedgrower and farmer from the northeast corner of Saskatchewan about 20 miles from where the trees start, north of which there is no farming. We grow a tremendous variety of crops and while we are certainly affected by the fight between the European community and the United States we have a bigger variety of markets. The crops of wheat, oats, barley, canola and flax seed have been affected very seriously as have other crops which may not be considered very important in the larger scheme of things in the prairie provinces.

• (2130)

However, dehydrated alfalfa, dried pea, lentils, fava beans, canary seed, some mustard and such, have been very seriously affected and did not qualify for subsidy under the special Canadian grains program, much to the disappointment of some of those growers. They grew many of these crops to relieve the over-production problem and were hoping to find a market for these lesser grown crops which cannot be grown in areas farther south.

Last year we had some good crops of grass seed and alfalfa. The prices were very good. There was a bright spot in that particular area. However, the biggest bulk of our acreage is in common crops. Certainly our farmers are hurting simply because input costs are very much higher than they are farther south.

Fortunately the Conservative Government has been able to help my constituents ever since it came into power in September, 1984. The very first time it helped was in an area in my constituency which suffered from a lot of rain and severe flooding. The Conservative Government subsidized these people to the tune of $7.5 million. Perhaps that does not sound like a great deal of money, but that particular area had been without crops for a good many years and the provincial Government also put up $7.5 million. This helped to save some of those farmers. They certainly appreciated it. I am sure some of them would not be there today had it not been for that particular help. Of course, they have participated in all the rest of the programs which most of the previous speakers have covered. I am sure you are quite familiar with them, Mr. Speaker.

There has been much rhetoric on the part of the Opposition about the lifting of the moratorium on FCC mortgages. I checked what some opposition Members have been saying about this particular matter. So far in my study of the "blues" I have found nothing that made much sense in terms of a solution on the part of the Opposition. As a matter of fact, one of the reasons I am here is because I became kind of angry sitting on a tractor one day and said: "I guess I'll have to do something about it". I got involved in politics simply because of some of the policies which were in place.

I know that members of the NDP have supported the Liberals. I heard much rhetoric from them about money going out of the country for various reasons. In 1982 when they changed the Farm Credit Act from being an assistance to farmers to a banking institution, the situation was made much tougher on farmers, simply because they were borrowing money on long-term agreements and at long-term interest rates which are very difficult for farmers to get out of. The New Democrats supported the Liberals on that particular one.

Since 1982 I believe $1.3 billion has been borrowed in the way of long-term money by FCC and over 50 per cent of the interest on that money goes to countries other than Canada. I wonder how the NDP can say that it supports farmers when all this money is going out of the country and not recirculating back to farmers. It is very interesting that they come to these conclusions when it suits them to be critical, forgetting some of the mistakes they have made themselves.

We must have a little optimism in the farm area. I know there are some sections in agriculture, particularly in western Canada, and in livestock in eastern Canada, which have improved the outlook of farmers. In western Canada the livestock industry is doing well. The cattle and hog industries are doing well. Grass seeds and other products such as lentils are doing well. It is not a complete bust in the over-all farm economy picture. Those who are prudent are able to survive. They are not able to make money but they are able to survive.

The hope of the recovery of farm prices is always there. There is only a slight difference between surplus and shortage. Not long ago in the House we worried about hog producers. There was much talk about supply-management and various short-term solutions. However, the United States came out with a 7 per cent decrease in the farrowing of hogs some three months to six months ago, and the prices have certainly increased considerably. The same could happen to the price of some grains, perhaps all of them. Who knows?

It is a pretty good thing that some of the previous speakers in the Opposition are not the farmers out there. It is probably a good thing that farmers are all busy in the fields these days and not watching this particular performance.

Mr. Mazankowski: What happened to all your socialist friends?

Mr. Scowen: I don't know. I should like to refer to some misquotes which I saw. For instance, I noticed that the Hon. Member for Sudbury (Mr. Frith), from that hardrock country, told us how he was looking at a machine where they were baling grain to inject anhydrous ammonia into it. I think it was probably hay. I will not go into the mining business if he does not go into the farming business, and I think we will probably survive a lot better.

Another one I noticed was, somebody said that the price paid to grain farmers was down by 18 per cent. The truth of the matter is that the initial price is down by 18 per cent, and we do not know what the price will be.

I also saw in *The Globe and Mail*, and I guess that is where opposition Members get some of their information, a picture of a farmer and a big bird in the background, the Farm Credit Corporation. Over to one side was another little bird and a bag of seed. On that bag of seed, it said, "18 per cent decrease in subsidies". The truth of the matter is that there will not be an 18 per cent decrease in subsidies. In fact, if these prices do not improve, it will probably amount to about a 40 per cent increase in subsidies. It is an 18 per cent decrease in the initial price.

• (2140)

As the convict said to the judge, "No, noose is good news". I do have some good news. I have the pleasure of announcing today, for the Minister of State for the Canadian Wheat Board (Mr. Mayer), that the cheques for the initial payment under the Western Grain Stabilization Act were mailed today. I have some figures here that will help put a little smile on some western farmers' faces. To Saskatchewan, my home province, 57,713 cheques were mailed out, to the tune of $382 million. That will be a big help to the economy of that particular province. To Alberta, 34,950 cheques were sent, to the tune of $184 million. To Manitoba, 20,589 cheques were sent, to the tune of $134,100,000. To British Columbia, 1,063 cheques were sent out, to the tune of $4.7 million making a total of 114,314 cheques being sent to the total tune of $705 million.

Some Hon. Members: Hear, hear!

Mr. Scowen: That is some good news for the Canadian farmer. That, along with the final payment, will help farmers in western Canada stay in business.

[*Translation*]

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, I am delighted to take part in this emergency debate, although I must confess that, contrary to the Minister, I am not a first-class expert in the area of agriculture. But there is no need to be an expert in that area to realize that the actions taken by this Government are typical of a Government which unfortunately does not care about the future of hundreds and even thousands of farm producers who are affected by them. And even if my friend who has just concluded his remarks could mention a few measures taken by the Minister responsible for the Canadian Wheat Board, I do not believe they are adequate and will really solve the problem which has made this emergency debate necessary.

This emergency debate was initiated following the insensitive announcement by the Government Monday morning that it was ending the moratorium in effect since February 17, 1985, on the loans granted by the Farm Credit Corporation. It is a tragedy, Mr. Speaker, and it is not without reason that it was described as a historic event. With this decision, the Government is destroying the way of life of the family farm. It is attacking farmers at a time when they are already in a position of weakness, losing their self-reliance and have realizing that the Government is not going to help them at all. That is why they are calling on their elected representatives to emphasize their very severe economic plight and that of their families. They are asking for programs to be implemented right away. They are asking the Prime Minister to set up without delay federal-provincial programs which might allow them to remain on their farms, and more specifically to provide them right away with significant deficiency payments for the 1987-88 crop year.

In spite of all that, Mr. Speaker, the Government dares tell farmers and Members of this House that its last gesture will only have a slight effect on farmers generally. It dares say so when it knows quite well that in fact, its action could be disastrous for all farmers affected. However, there will not be any disaster, because as a result of pressures made by farmers in the three Prairie provinces, the Government will have no option but to make specific commitments on the matter. It will have no option, if it wants to continue to boast about everything it does for farmers.

In the first place, with respect to declining prices for various grains, farmers want to know what will happen during the 1987-88 crop year and whether the Government will maintain the level of agricultural assistance, and they want to be informed right now. The Government should tell them under what circumstances a deficiency payment will be made under a special grain program and what the amount of such payment will be.

As I said, the Government should clearly and unequivocally announce what assistance it will grant farmers during the current crop year. As a result of the measure hastily taken by the Minister when he removed the moratorium on foreclosures made by the Farm Credit Corporation, that decision has raised to an intolerable level the stress experienced by thousands of farmers.

The initiative taken by the Minister will allow foreclosures against farmers who are in arrears in the reimbursement of loans granted by the Farm Credit Corporation, loans which represent 35 per cent to 40 per cent of the long-term debt in the agricultural sector. There are arrears of over two years on some 6,000 of the 75,000 loans granted by the Farm Credit Corporation and in such a case the organization almost always decide to proceed with the foreclosure.

It is not 25 per cent, as suggested by the Minister responsible, but approximately 8 per cent of farmers who obtained a loan from the Farm Credit Corporation who are threatened with foreclosure. The Minister said that we should not worry, that there will be only some 50 foreclosures a month, that the staff of the Farm Credit Corporationm cannot do more and consequently, the number of farmers who have some reasons to fear foreclosure is restricted to 600. What a joke, Mr. Speaker. How can we know, as the Hon. Member for Algoma (Mr. Foster) asked, what are, among the 6,000 loans which could lead to a foreclosure, the 600 cases which will actually be foreclosed? That is what the bank manager will ask the farmer who is seeking a loan to continue his operation. If the manager tells him that the Farm Credit Corporation is carrying out foreclosures, the farmer will be able to reply that he should not be concerned about that, the Minister having indicated that there will not be more than 600 foreclosures a year out of 6,000. He may add that if he is the last one, his property will not be foreclosed before 10 years from now.

This moratorium has been in effect for the past 19 months. The Government should have used this time to devise a debt restructuring mechanism to help farmers. If it had acted then, there would have been no need for a moratorium, but the Government has failed to act and the moratorium was useful in gaining time.

In the meantime, however, no debt restructuring mechanism was set into place. In my opinion, we should continue the moratorium and take this opportunity to devise better programs.

Mr. Speaker, so much for the actions taken by the Government which are causing farm families to go bankrupt, filling them with anxiety and spreading distress as well as financial, economic and social destruction in the agricultural community.

Only a Minister of Agriculture perfectly insensitive to the reality of the situation could make such decisions. The Government did not consult the interested parties to try and find a solution. It has even failed to meet with the farm producers, as well as the representatives of both the federal and provincial governments, the farm organizations and the banking institutions.

When we asked in the House whether it would be useful to meet with the banking institutions which are holding 69 per cent of the loans to discuss this issue, the Minister in turn asked: Why should we do so? Why should we discuss the situation with the banks? We know why the Government should talk to banks. It is because all bankers today are telling themselves, when reading the statement made last Monday by the Minister of Agriculture (Mr. Wise): If the Government can foreclose, why can't we? They will start looking at their overdue loans.

• (2150)

When farmers start canvassing, looking for loans in order to produce, looking for credit for the coming crop year, how do you suppose those banks will react, Mr. Speaker, after the Government of Canada made that shameful and despicable announcement that it is lifting the moratorium and will let the FCC's mechanism shatter farm communities? This is an open invitation to banks and other financial institutions to follow suit. What is now preventing them from doing so? How could they feel obligated when the federal Government, which normally has a duty to look after farmers, when a public institution or at least what used to be one behaves in such a way?

We are faced with a crisis that requires immediate action to save family farms in western and eastern Canada. It is not good enough for Conservatives to refer to what they have done—they must solve the present crisis. They cannot rest on their laurels. This is not good enough, it will not help people through the current crisis.

Our Party urges the Government to do something. It must recognize that farmers are now in a very tight situation. It must recognize the emergency situation. Now is the time to act, not six months down the road. Farmers must be given a chance, they must be allowed to adequately plan their crops. Our Party urges an extension of the moratorium, to avoid unnecessary stress to farmers. Our Party also urges the announcement now of a price support program for this year's crop, in order that western and other Canadian farmers know where they stand. It is my hope that the Government will act before midnight, so that the odd hundred farm producers in Quebec who are facing foreclosure will not be penalized and hit by those foreclosures.

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, it is with pleasure that I rise to take part in this emergency debate on the crisis our Canadian farmers are going through. Since I represent a city riding, one might wonder what kind of an impact my opinion can have, but as a Canadian woman I am concerned about the well-being of all our farmers.

The crisis our farmers are in right now will affect all of us at a certain point in time. We are all consumers and we all need a strong and healthy agricultural sector. I am glad that the Hon. Member for Algoma (Mr. Foster) mentioned figures in his remarks. Otherwise, the Government might have eluded the problem once again. The Hon. Member for Algoma suggested Tuesday night that the Government had to take a clear position and make a commitment to assist our farmers before it is too late.

On *Canada AM* this morning, the Minister responsible for the Canadian Wheat Board clearly demonstrated that the Government, by dropping the moratorium, really does not want to help farmers. Yesterday afternoon, the Hon. Member for Argenteuil—Papineau (Mrs. Bourgault) blamed the Opposition for its refusal to congratulate the Government on its initiatives on behalf of this sector of our economy. There really is not much reason to congratulate the Government. Canadian voters will keep in mind the horrible nightmare our farmers are going through because of this Government.

It is hard to imagine that a technologically advanced country like Canada can show such indifference to our farmers. Our farmers have always been proud to contribute to our economy, but now we penalize them by forcing them to abandon their way of life, their farm, and their means of subsistance.

That economic sector affects our daily life the most. Dairy products, vegetables and grain products are always present on our tables. It is high time we give back some dignity to our farmers.

The Prime Minister (Mr. Mulroney) made the electoral commitment to assist this sector of our economy.

They try to sweeten the pill in each Speech from the Throne through tax initiatives that are beneficial to farmers. Yet today, they blatantly turn around in order to better stab them in the back. Our farmers are discouraged.

Let us face the problem. Many farmers throughout the country and especially those in the west have financial problems for various reasons. According to the figures reported by Ralph Ashmead, Research and Development manager of the Canada Farm Credit Corporation, 68.8 per cent of our farmers have a stable financial situation; 23.2 per cent have cash flow problems whereas 8 per cent are insolvent. In Saskatchewan, 11.4 per cent of farmers are insolvent and in Alberta 9.9 per cent of them are. Those are, I believe, the two most deeply affected provinces. According to an article published in *The Ottawa Citizen* dated April 28, 1987, and I quote:

[*English*]

The average FCC loan is about $120,000. An average of 22 per cent of loans to western producers are in arrears, compared to 17 per cent in Ontario and 9.6 per cent in Quebec. In the Atlantic provinces, the percentage of loans in arrears ranges from 17 per cent in Nova Scotia to 33 per cent in Newfoundland.

[*Translation*]

Mr. Jules Modderman, of the FCC, said:

[*English*]

Only 2 to 3 per cent are in danger of losing their farms.

[*Translation*]

Only 2 per cent to 3 per cent is not serious for our friends in the Government. For the Liberal Party, Mr. Speaker, it is far too much. It is easy for us, Members of Parliament, sitting comfortably in Ottawa with our generous salary, to say as that public servant did that only 2 per cent to 3 per cent of our farmers may lose their farms. It is easy to speak heartlessly about a bankruptcy when we are not personally affected. For our farmers, things are different. It is often a family farm handed down from generation to generation. Our farmers have developed that land with their hands like a sculptor has a work of art.

The Liberal Party is asking today that the moratorium that has existed for over a year and a half be maintained. This is the basis of all our social programs. In the past, we thought it right to assist the unemployed until they could find work. Today, when the price of grain is at the same level as in the thirties, the Government decides to end the moratorium. Why did the Government decide to do it now? Why did they say no to farmers? They did not say no to the two western banks that went bankrupt last year. Mr. Speaker, they have double standards.

When ordinary farmers are concerned, the Government has nothing to offer. This is the difference between the Conservatives and the Liberals. Only the polls and the rich are important to the Conservative Government, it does not care about ordinary people. Canadian farmers are facing the lowest wheat prices since 1933 and this is the time the Government chooses to end the moratorium.

The Minister of Agriculture (Mr. Wise) announced his decision one week only after wheat prices went down by 18 per cent. Wayne Easter, Chairman of the National Farmers Union had this to say to *The Globe and Mail* last Tuesday:

[*English*]

"I just can't understand why he (the Minister) would announce it now".

[*Translation*]

And he added:

[*English*]

"To lose your farm is the same as capital punishment. When they lose their land, farmers feel that the life has gone out of them."

[*Translation*]

I heard a Conservative Member say this morning that the Liberals were at the root of the problem. They keep repeating that same story since 1984. However, in this case as in most other cases, the responsibility rests with the Government which decided to end the moratorium one week after the fall in the price of wheat. This decision has all the trappings of a conspiracy, given that it comes from a Government with a majority large enough to do as it sees fit.

Since 1984, the Conservatives have afforded again an unwarranted level of protection to drug firms which are already billionaires. They managed to shore up two banks which had gone under while at the same time attempting to deindex Old Age Security pensions. And today, they are putting a large number of farmers out of business. All of this teaches us that the Government cares a lot about the haves but considerably less about the have-nots.

Mr. Speaker, it is a well known fact that the Liberal Party has always attempted to narrow the gap between the rich and the not-so-rich in order that all Canadian men and women might benefit from the collective wealth of Canada. We in the Liberal Party are of the opinion that it is only natural that those who are well off should help those who are less well off. Our unemployment insurance program is a case in point. It has often been said that the Liberal Party has an acute sense of political timing. The same cannot be said of the Conservatives. We would never have dared to do what the Minister of Agriculture has done. When things are looking bad is not the time to make them worse. When the price of grain is so low is not the time to lift the moratorium. The Government has a moral obligation to postpone the termination of this moratorium. The Government should show leadership and come up with a debt restructuring program to help our farmers.

History is bound to repeat itself, it would seem. Indeed, in 1930, a Conservative Government was brought to power with a comfortable majority by a disgruntled electorate. Five years later, that same Government fell. The Conservative Government ignored repeated requests by the unemployed for an employment policy, preferring to cause that famous Winnipeg riot. That was a Tory Government listening to the people in the 30's. This modern version of a Tory Government listening to the needs of the people decided to end the moratorium on farm foreclosures at a time when grain prices are at their lowest.

The signal the Government is sending, Mr. Speaker, is this: If your industry has a problem, do not expect the Conservatives to help you.

That is why I am now turning to the maple syrup industry. Mr. Speaker, the maple products industry also is on the verge of facing major financial difficulty. What is the Government doing? It is reviewing the situation with its friends down South.

Sugar-bush owners have been trying to get the message across for a long time. When will we decide to listen to them? When are we going to take their concerns seriously? Are we going to wait till an emergency arises? The emergency already is here, Mr. Speaker.

The Government is not interested in farm problems. This is what I tell maple producers: Do not wait, act now. Show your concerns. Make a lot of noise, because this Government is hard of hearing.

In conclusion, Mr. Speaker, I would like to leave Hon. Members and Canadians with a thought that was expressed by Mr. Gérard Fillion, that famous journalist who came from the Lower St. Lawrence, and I quote: "What is urgently needed is to ensure that farmers, who are both highly skilled workers and entrepreneurs, enjoy a standard of living similar to that of city dwellers with equivalent skills."

That Mr. Fillion wrote on May 12, 1943. And like the *Union des producteurs agricoles*, I say: Forty-four years after that statement was made, the challenge is still relevant.

• (2200)

[*English*]

Mr. Allan Pietz (Welland): Mr. Speaker, it is a pleasure for me to participate in this debate. Having been involved in the dairy business all of my life, I can fairly well say that I have some knowledge of agricultural issues.

I have followed closely the Government's program of agriculture initiatives. I spent the first 25 years of my life on the family farm, and during the latter part of that period, was directly involved in its operation. I have also held office in local and area agricultural organizations in the County of Welland and in the region of Niagara. While Ontario does make a sizeable contribution to Canada's wheat and grain production, the Niagara Peninsula, where my riding of Welland is located, is best known in the agricultural industry because of its productive fruit and vegetable growing areas.

For instance, 90 per cent of all the grapes grown in Canada is produced in the Niagara Peninsula. The farming areas of Thorold and West St. Catharines in my riding of Welland have some of the finest and most productive vineyards in the country.

The Welland riding is also very dependent upon the agriculture industry and the western grain producers in particular, because of the presence of the Welland Canal which runs through the entire centre of the riding and, of course, is an integral part of Canada's grain shipping route to the East.

The canal is central to the western grain industry and the western grain industry is central to the economy of the Niagara Peninsula. The growth of the Cities of Welland, Thorold, and St. Catharines are due to the Welland Canal which was built primarily to provide efficient transportation for the western grain being exported to Russia and other parts of Europe.

In 1829 when the canal was first built it was called the grain lane to Europe. It provided the means to bring grain cheaply and quickly from the interior of the country to the St. Lawrence River and on to Europe. The canal made it possible for grain carrying ships to conquer Niagara Falls, making it possible to link the Canadian West with 2,200 miles of continued inland waterways to the Atlantic Ocean.

Since 1829, the canal had been rebuilt four times. It has gone from a 20-lock system to an 80-lock system, making it progressively easier to ship western grain in ever greater amounts in even larger ships across the Niagara Peninsula and up the St. Lawrence Seaway to their destination.

The Seaway's corporate plan indicates that the Welland Canal, without improvement, would not be able to handle increased demand that will be placed on it in the future, a demand placed on it primarily because of the increased need for shipments of Canadian agricultural products.

As part of the Government's commitment to the growth and prosperity of Canadian agriculture, the Minister of Transport (Mr. Crosbie) announced last November the allocation of $175 million for the rehabilitation of the Welland Canal.

Again and again, in so many areas of government policy, agriculture appears as a primary consideration. Agriculture means jobs. It means a considerable number of jobs in my riding of Welland because agriculture has a domino effect on so many other industries.

When a strike recently left grain shipments sitting for weeks in silos in Thunder Bay, every available ship, including ships that had been out of service for over a year, was called into service to meet the requirements of the Canadian Wheat Board. One hundred and fifty to 200 ships were needed to move the grain and even with such a volume no bottlenecks appeared along the Seaway. The wheat was delivered on time. The co-operation of the shipping industry and the St. Lawrence Seaway Authority was crucial to meeting the needs of the western grain farmers.

The $175 million improvement to the locks on the Welland Canal is proceeding at the present time. Between the closing of the shipping season last November and the opening of the season this spring, major reconstruction has taken place on Lock 7 in the City of Thorold, where a $7.5 million contract has been let. These locks are more than 50 years old. Over the next five to seven years, all the eight locks will be rebuilt and refurbished. The producers of this country, therefore, will be able to look with confidence to the canal and the Seaway as a continuing dependable and capable shipping route.

I am proud of this Government's record in agriculture issues. I am proud of the direction we are going in ensuring that agriculture is front and centre in the GATT negotiations and in our trade talks with the United States.

• (2210)

Canadian farmers can be sure that these trade talks with the United States will bring a good deal for Canadian agriculture or no deal will be made. With the importance that has been placed on agriculture by this Government, I am confident that the current economic slump in world grain prices will be weathered and our agricultural industry will emerge stronger with the persistent efforts of the Minister of Agriculture (Mr. Wise).

When our Government took office, many thousands of Canadian farmers were suffering from the devastation of high interest rates that characterized the last years of the former administration.

In an effort to assist many of these farmers, the present Minister of Agriculture introduced a moratorium so that no Farm Credit Corporation clients would be forced to leave farms while programs to assist them were being developed, and programs were developed. For instance, an $80 million interest rates conversion program administered by the Farm Credit Corporation assisted over 5,000 farmers. Rates have been locked in at 16 per cent and this program reduced these rates by some 4 per cent. The federal Government, therefore, subsidized the corporation loss resulting from the conversion program.

Our Government has given agriculture a priority that is unprecedented. Our record is second to none. Agriculture means jobs. About 1.6 million jobs. We promised in the recent Throne Speech to spare no effort in seeking to protect the interest of Canada's farming community in the face of unfair pricing and subsidy practice conducted beyond our borders. We are providing the largest farm assistance package ever. The billion dollar special Canada Grains Program is putting a billion dollars of new money into the pockets of our farmers.

This Government, led by the Prime Minister (Mr. Mulroney) successfully pushed for agriculture to be included in negotiations under GATT. For the first time, agriculture will be on the table. Bilaterally, we are continuing to push for a better mechanism for settling agricultural trade disputes with the United States. We are seeking secure, reliable access for our farm products.

A motion passed in the House of Commons on March 16, 1987, supports the negotiation of a trading arrangement with the United States while protecting our agricultural marketing systems. Since we took office in 1984 we have introduced over 400 agricultural initiatives at a cost of nearly $6 billion. That is over one new initiative every other working day. I will enumerate some of those initiatives.

First, we provided $200 million in drought assistance for the western provinces. Second, we abolished capital gains tax on the sale of farm land up to $500,000. Third, we effectively eliminated all excise and sales taxes on farm fuels, saving farmers $185 million per year. Fourth, we established farm debt review boards now operating in every province and assisting financially troubled farmers to come to agreements with their creditors. Nationally, arrangements to save the farm have been made in over 50 per cent of the cases. Fifth, a new long-term dairy policy has been established. Sixth, we have new Farm Credit Corporation lending programs with the lowest agricultural credit interest rates since 1979. Seventh, lower interest rates are helping our farmers. Every 1 per cent decline represents a saving to Canadian farmers of $130 million a year.

Our Government has delivered, Mr. Speaker. The promises made during the 1984 election have materialized and more. They have been outlined over and over again by my colleagues on the government benches. They include, as I said before, 400 separate initiatives which will benefit Canadian agriculture by over $5.76 billion. Despite this, more help is needed. The Minister of Agriculture and the Minister of State for the Canadian Wheat Board (Mr. Mayer) are continuing to consult with farm leaders to devise new ways to assist farmers in need, not only to assist them at home, but the Government is providing assistance in opening up new markets for Canadian wheat and other agricultural commodities.

The announcement today by the President of the Wheat Board of a $64 million assistance program to protect farmers from a statutory increase in the 1987-88 western grain freights and the allotment last fall of $175 million by the Minister of Transport (Mr. Crosbie) to rehabilitate the Welland Canal will assure grain producers of the continuing dependability of this historic shipping route are further and continuing indicators of the Government's commitment to Canadian agriculture.

• (2220)

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I welcome this opportunity to speak in a debate on the crisis situation facing our grain producers. In my riding, agriculture plays a very important role, but the industry certainly has its problems. If we are to understand the situation of our grain producers and the context in which they operate, I think we have to try and put ourselves in their shoes. Farmers have to get up in the morning, prepare their equipment, work all day, seed their fields and spend the whole summer working on their land, and at the end of the year, after the harvest, they are not even sure of recovering their production costs. And why not? There are a number of reasons.

First of all, we heard not long ago that this year, the price of grain will drop 18 per cent, and this comes right after last year's drop of 20 per cent. Imagine, Mr. Speaker, the feelings of a farmer who has to cope with this kind of situation. Or perhaps, try to imagine, in the very same situation, the professional or even Member of Parliament. We have to ask

ourselves how many of us, how many workers would be willing to function in that kind of situation? How many workers would be able to work for a whole season and finally earn the kind of pay that has no relation to all the work and effort expended throughout the season? Mr. Speaker, that is exactly the kind of situation facing our farmers. They can look forward to a season of seeding, working the land, harvesting and then, no money in the till because they will not be getting any return on the work they have done.

Mr. Speaker, all this work will be done in a climate of uncertainty. Why the uncertainty? Whose fault is it? Certainly not the fault of the Canadian farmer.

The farmer in this situation is an innocent victim of circumstances, because there is a crisis . . . In fact, during the few days we have been discussing this problem, everyone has agreed that farmers are in a crisis situation. It is a crisis created by foreign governments' intervention in grain production. There is a subsidy war going on between the Common Market countries and the United States. Both parties subsidize grain production without any consideration for the world situation and without any consideration for the harm they are doing to Canadian producers. These governments want to grab the whole market, and they are pouring more and more money into their subsidy programs. And what is our Government doing? Well, nothing for the time being. The Government does not even want to ensure some kind of return. It does not want to provide payments to farmers who are about to seed their fields, payments that would at least cover production costs.

In Canada we already had a situation where some farm operations were experiencing serious difficulties. A number of them were on the brink of bankruptcy. This is why, in a move designed to relieve the stress felt by farmers, a moratorium was imposed on Farm Credit Corporation foreclosures of farming operations. But now that we have just learned that wheat prices are going down, the Minister is telling agricultural producers that the moratorium will be lifted. From now on the Farm Credit Corporation of Canada will foreclose farming operations, those which are in financial trouble, of course. In an attempt to allay our fears, they say the FCC will be allowed to foreclose at the rate of only 50 a month, or almost 600 a year. Really, Mr. Speaker, it is a shame to let these farmers go bankrupt. A whole way of life is threatened.

Efforts have been made over the past two days to find a villain, to find somebody who might be blamed, to find somebody at whom we might point a finger. And I wonder, Mr. Speaker, what is the use of all this. Would the agricultural producer feel any better if he knew they have found someone to blame, that he can point his finger at somebody? This would not change anything at all in the present situation. These past few days, Mr. Speaker, they have tried to boast about what certain people did, including the Prime Minister, they bragged about the merits of certain programs, of course. If everything that has been said is any indication, it would seem that we should not even be going through this crisis. But the crisis is there, it is a fact. Every month we will see 50-odd farmers go under. We will see a way of life disappear gradually. And in all this tragedy, Mr. Speaker, there is the human tragedy.

Much has been said about statistics, about subsidies, about interest rates. Much has been said about a lot of things. There were only a few references to the human tragedy, men and women and children who will have to witness in sadness the seizure and sale of everything they own, their home, their house. Mr. Speaker, what are we going to do with all these farmers who will find themselves on a labour market where the unemployment rate is already rather high, too high for them to expect to find work and be able to earn a decent living? And all those families will experience conflicts because, in such situations, people's nerves are all on edge. People no longer have time to listen to one another. They no longer understand one another. They function in a serious state that leads to conflict. Of course, Mr. Speaker, in such an atmosphere, the Canadian family, the farm family will suffer and pay dearly for the crisis it is going through.

What about the communities that will be affected, Mr. Speaker? I can tell you about that because right now, in New Brunswick we are experiencing massive layoffs that could be called disastrous. You know all about it. We have lost, in the southeast area of New Brunswick, particularly in Moncton, some 800 jobs. Young families are without jobs. They must find another place to live, sell their possessions, because the area cannot absorb all those jobless.

It is as if a storm or a cloud brought over the community a sense of failure, of despair that is very difficult to shake off.

The same thing will happen in farming, Mr. Speaker. What will become of those who will stay, who will try to scratch a living? Needless to say, Mr. Speaker, the lifting of the moratorium will weaken the confidence of those people in the Government.

The timing is bad. It is very bad. The moratorium should have been maintained a little longer to allow the farming sector to get back on its feet. For some of them, even many of them, when things are back to normal it will be too late, they will no longer be there. They will be gone.

In my riding, Mr. Speaker, I have tobacco farmers and you know the situation they are in. The Government is asking them to diversify. They are being asked to go into new crops. I know they are watching what is going on here. Imagine their feeling, now that they realize that the Government is abandoning them at a time when they are most in need of help and assistance. They feel alone and they will not have the heart to go into new crops or even diversify their operations.

Naturally, Mr. Speaker, it is not easy. There is no magical solution, because if there were it would already be in place. The fact remains that we have a crisis situation. What we need, Mr. Speaker, is to restore farmers' confidence. We need to help them. They have to be supported for a little longer.

• (2230)

[*English*]

In closing, I plead with the Prime Minister (Mr. Mulroney) and the Minister of Agriculture (Mr. Wise) to reinstate the moratorium on farm foreclosures for a while to try to regain the confidence of the Canadian farmer. I also plead with the Prime Minister and the Minister of Agriculture to announce a deficiency program for this year's crop at least equal to what was given last year.

[*Translation*]

Otherwise, Mr. Speaker, for farmers it will be a summer of uncertainty and even despair. Mr. Speaker, I beg the Prime Minister and the Minister of Agriculture to act in order to restore the confidence of our farm community in the Government, by taking some action which will reassure this industry.

[*English*]

Mrs. Mary Collins (Capilano): Mr. Speaker, I am very pleased to be able to participate in this debate which is now in its thirty-second hour. I believe I am the forty-third Member to speak from this side of the House.

This has been a historic debate and it is appropriate that this day, April 30, will, I believe, also go down in history because of news we have just heard that tonight the Prime Minister (Mr. Mulroney) and the 10 provincial Premiers have come to an agreement on the basis of which Quebec can enter into the Canadian Constitution. They will meet again in five weeks to ratify those arrangements. I think that is an issue we all care very deeply about in this country. I think it shows, with good will and willingness to accommodate different interests, how we can make some very significant progress. We are deeply heartened by what we have heard tonight of that progress.

I think in a sense the same thing applies to agriculture. The problems we are facing in Canada, particularly those affecting our grain farmers, will not be remedied by any one single solution, any one initiative, but only by a wide range of responses which people across this country and around the world must deal with.

Having had the honour just over two and a half years ago to be elected to this House by the residents of Capilano I must admit that I had very little background in agriculture. I have never been a farmer and my riding does not include farmers. I thought when I came to this august House that probably agriculture was one issue that I would not have to be too concerned about. There were many other issues of particular interest to my constituents on which I thought I would probably spend my time. How wrong I was. I became aware, perhaps for the first time in my life, just how fundamental agriculture is to the way in which the Canadian economy works and the way in which Canadian society works.

I think what I have found moving over the last 32 hours is the fact that Members from right across the country, on all sides of the House, from both urban and rural ridings, have taken part in this most important debate. It is an issue that we all feel very deeply about: the future of the farmers and farming communities of this country.

Perhaps those of us who are city dwellers take for granted the contribution of farmers. It is easy for us to go into a store and buy a loaf of bread, buy a cake, and not really think about the blood, sweat and tears that have gone into growing the grain used to create the product that we so quickly take off the shelf. We also perhaps grumble if it has gone up a cent or two in price. However, if we are to work as a society we know we have to understand the problems facing the farm community.

Over these last 32 hours I have heard some very moving speeches about the farm families and their situation today. Most important, I think it is very evident that this Government does not take for granted the contribution and importance of the Canadian farmer. We have heard time and time again over the last few days about the efforts this Government has made to provide assistance to the farmer and deal with the fundamental problems facing Canadian agriculture. I thought I would just try to summarize some of the points and the issues I have heard about over these last several days.

The problem facing the Canadian grain farmer is a two-part problem. One part has to do with the cost of production. We responded in a number of ways to that over the last few years. However, the major problem is obviously the price that the farmer receives for his commodity, a price which, as a result of international agricultural subsidies, has been dropping lower and lower. We all know that. Whatever kind of work we do, whether we are shipbuilders, small businessmen or anything else, if our costs are greater than the price we receive for our goods, we have a problem. So our efforts as a Government to deal with both sides of that equation have been multi-faceted.

We have also looked at the problem from the point of view of time, recognizing there are some short-term initiatives that we can take, have taken and will continue to take to address that facet of the problem. There are other facets of the problem which can only be addressed by middle to long-term approaches which will take some time to accomplish. It is well known that the agricultural industry contributes to the economy of this country, over $20 billion at the farm gate. As well, the agri-food industry in this country employs about one in every four workers and contributes about 18 per cent of our GNP.

• (2240)

Let us consider what approaches the Government has taken to deal with the problem facing farmers, particularly western grain farmers, with respect to short-term responses to meet immediate concerns. First, the House has heard repeatedly in the past few days that we have dealt with the issue of the removal of capital gains tax on the family farm. It introduced the special Canadian grains payment.

We have dealt with the fuel tax rebate to reduce the fuel input costs to the farmer.

The Government's over-all economic initiatives in dealing with government expenditures and sound fiscal management have meant a decrease in interest rates by over 4 per cent. We know that for each 1 per cent reduction in interest rates there is a saving to the Canadian farmers of some $140 million. This means there is $600 million less that Canadian farmers must pay to banks or financial institutions to support their operations than was the case a few years before the Government took office.

Other measures include the $64 million assistance program announced this morning by the Minister of Transport (Mr. Crosbie) jointly with the Minister of State for the Canadian Wheat Board (Mr. Mayer) to protect farms from the statutory rate increase in the 1987-88 western grain freight rates. Increased subsidies have been provided in this area because farmers would not be able to cope with those increases.

In 1983 the federal Government provided some $350 million in subsidies to Canadian farmers. That has increased in 1987 to $3 billion; made up of $1 billion in the special Canadian grains payment, approximately $1 billion in Western Grain Stabilization payments, and another billion dollars between the Western Grain transportation assistance crop insurance and other agricultural Stabilization programs.

The Hon. Member for Mackenzie (Mr. Scowen) stated a few minutes ago that the cheques worth some $705 million for the Western Grain Stabilization Program are going in the mail today to farmers in Saskatchewan, Alberta, Manitoba and British Columbia. That money will mean a great deal to the farmers as they begin their season's work.

The Government has consulted farm groups on a continuing basis. We have come forward with measures that have helped farmers considerably and certainly helped to create a much better environment than previously existed. In fact, it is expected that net revenues for western farmers will actually be up from $2.2 billion last year to $2.5 billion this year. That general improvement for western farmers is a result of the Government's assistance.

Let me deal with the middle and long-term solutions we must consider for other problems. This week, the Minister announced that there would be a change with respect to the Farm Credit Corporation, with the controlled phase-out of the moratorium, effective from May 1. Hon. Members will know that there are approximately 225,000 commercial farms in Canada, 75,000 of which do business with the FCC. About 20 per cent of the FCC clients are in arrears, including some 6,000 who have made no payments for the last two years.

The plan is that the FCC can deal with about 50 cases per month on a national basis. Therefore, about 600 to 800 farmers will be affected annually by the lifting of the moratorium, which represents about one-quarter of 1 per cent of Canada's farming community.

Let me emphasize that the lifting of the moratorium was only done after a range of other measures were put into place to assist troubled farmers. These include the $80 million interest rate conversion program, the shared risk mortgage program, the commodity based mortgage, and 10 year $700 million program of which about $100 million has already been taken up.

Farm debt review boards have been put in place to give farmers in financial difficulty access to an impartial review of their situation. Of course, there is the Canadian Rural Transition Program.

Earlier this evening the Secretary of State for External Affairs (Mr. Clark) mentioned the Canadian Cattlemen's Association, a highly respected organization involved in the farming community which issued a press release this week supporting this decision by the Agriculture Ministers. In fact, Mr. Stan Wilson, the President, indicated:

> The decision by the Minister responsible for the Canadian Wheat Board to reduce the initial prices for prairie grain, and this week's end to debt moratorium, were tough, responsible, but realistic. We cannot pretend that world grain prices are higher than they really are and certainly no one benefits from the extension of debt moratoria while farmers sink deeper into debt.

He went on to say:

> As responsible farm leaders, we must do more than continually criticize the actions and decisions of our Ministers. We need to take more responsibility for contributing to farm policy formation in Canada.
>
> It took great courage for both Mr. Wise and Mr. Mayer to make these decisions. As producers, we recognize that courage, and support the measures taken.

I also support and applaud my colleagues for taking a difficult but realistic and correct decision.

Another important area with respect to the costs facing farmers is that of soil conservation. Recently, the Minister of Agriculture (Mr. Wise) announced a special research facility of $6 million in a special program in Vegreville. We are familiar with the work of the Canadian Soil Conservation Council, the SWEEP program, and the $62.3 million in the PFRA. All of these initiatives and perhaps more will be needed in the future to ensure that Canadian soils remain productive and of high quality so that our farmers can be as efficient and productive as possible while reducing their costs and becoming more financially viable.

I want to conclude by briefly dealing with the issue of price. We have heard very often over these last 32 hours that the real problem with price is in the international sphere. We know that we must work to break the cycle of international agricultural subsidies. This cycle which is creating international havoc in the agricultural community must be stopped.

I am proud of the leadership that our Government, the Prime Minister, the Secretary of State for External Affairs, and our Minister for International Trade (Miss Carney) are showing in leading this issue at the international scene.

Last year at the Tokyo Summit, the Prime Minister took a leadership role in bringing this issue to the fore and working in an attempt to get a response from his colleagues.

I had the opportunity to attend with the Secretary of State for External Affairs at the ASEAN Foreign Ministers' meeting in Manila. Again, we brought this issue to the fore.

Thailand, Indonesia and Australia have the same concerns. Out of that meeting the response that came was the development of the Cairns Group. Canada, through our Minister of State for the Canadian Wheat Board, attended that first meeting last summer in Australia to work together with these 14 countries to try to come forward with effective ways to influence the international community to get rid of international agricultural subsidies. That work is going on at an increased pace.

• (2250)

We know that at the next meeting of GATT for the first time agriculture will be on the table and will be recognized as one of the most important items to be discussed at GATT.

Our trade Minister was recently in New Zealand for trade talks with colleagues from other countries. Again the issue of agriculture was at the top on the agenda, and from that meeting Canada will now be hosting a meeting of the Cairns Group at the end of May, bringing together representatives of those countries to continue our discussions and initiatives.

Just this past week our Minister for International Trade in Tokyo was lauded for her work, again at the quad round, of raising agriculture to a level of importance and getting international recognition for that. Our Prime Minister at the Venice Summit will be going back again to work with his colleagues. It will not be an easy process. It will not happen overnight, but by increasing international pressure, particularly, as we know, in the EEC and the common agricultural market which has created a lot of these problems for us, we hope and we will be working hard to continue to ask for fundamental changes in the international community because it is only in that way that we will ultimately be able to solve the problem that our Canadian grain farmers are facing.

As the Secretary of State for External Affairs mentioned in his speech, there are certain principles that must be followed in dealing with the international issues. Policies must be price-responsive and we must reduce activities which reduce world prices. First, the basic principles that can be agreed upon must be implemented by all because it will not work if only a few countries do it. This is an effort where all countries will have to work together if it is going to work for all of us.

When I think tonight of what has happened here in Canada where we have 10 provincial Premiers with widely differing points of view under the leadership of our Prime Minister who, after 15 years, have now come to an agreement about a vital national issue, the inclusion of Quebec in our Constitution, I guess I am heartened and optimistic that that same leadership of our Prime Minister and my cabinet colleagues will be lent and that we will see the kinds of changes occur in the international scene that will assist our Canadian farmers as well.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I have been listening patiently to the Members opposite during this debate telling us in the House just what great guys and gals the farmers are, telling us how they have worked hard and how they deserve such excellent treatment from their Government, also knowing what poor treatment they are getting from the Government. Not only are they getting poor treatment but it seems the Government is kicking them while they are down. The Government has brought an end to a 19 month moratorium on Farm Credit Corporation foreclosures only one week after giving farmers the news that grain prices will drop by 18 per cent.

As one farmer has said, why give us the news that you are going to stop the moratorium on foreclosures now? Spring is the hopeful time of year. It is the time of year when we are planting and when we feel that things can change around. To tell farmers that they are going to have their prices reduced by 18 per cent after their prices were reduced by a tremendous amount last year, only to tell them that they are open to foreclosures again, is absolutely callous.

What we are going to have is many, many farmers losing their farms. This year alone there will be 6,000 farms eligible for foreclosure. Of these, 10 per cent will actually be foreclosed. There will be 600 farms closed this year. We have heard about the concern of this Government and how it wants to help the farmers. Yet, during this 19 month period of the moratorium on foreclosures, the Government did not arrive at a decision that would come to grips with this very serious problem. If the Government is so serious about helping the farmers, why during this period could the Government not arrive at a long-term solution? The Government went through a 19 month period sitting on the problem doing nothing about it, hoping it would go away, only to realize that the problem will not go away by itself. Instead of doing something, the Government just abandoned the farmers. That is treachery.

What is the situation in Canada? In western Canada of those with loans, 22 per cent are in arrears, in Ontario, of those with loans, 17 per cent are in arrears, in Quebec, of those with loans, 9.6 per cent are in arrears, in Nova Scotia, of those with loans, 17 per cent are in arrears, and in Newfoundland, of those with loans, 33 per cent are in arrears. The average loan of the Farm Credit Corporation is $120,000. It is absolutely mind-boggling how the Government feels that this problem is going to correct itself. This is a crushing debt. These are people who have actually followed the Government's programs, who have had faith in the Government, in what it has said, only to be led down the garden path.

Where is this friendship which the Government has with the United States and the European Economic Community? These two jurisdictions are stabbing Canadian farmers in the back, yet we are ploughing along merrily as if nothing happened. The Government is tra-la-laaing down the road as if there were no cares in the world. Does our Government feel it can jettison the farming community? What is it that the Government has planned for the farming community? It just cannot let a situation like this go on and on without winding up in a catastrophic state, but that is exactly what is happening. We need a debt restructuring program. We need some kind of solution.

We need a dialogue with the banking community. The banking community is owed almost $9 billion from farm loans and the FCC is owed almost $5 billion. This is not going to go away. What are we doing? We are driving people off the farms. Farms are being closed down. Now there will be more closings because of the Farm Credit Corporation's foreclosures. There are suicides and marriage breakups in the farming community. There is a tremendous concern among people in all walks of life for the farming community.

It is ludicrous to think that this will go away by itself. Do we want to keep people on the farms? If the Government does not, why does it not have the courage and the decency to say that this is not a concern of the Government, that it does not want to keep families on the farm?

• (2300)

If we are going to keep families on the farm, we cannot deceive them. We cannot turn on them. We cannot tell them one thing and build up their hopes only to bring their hopes crashing down at a time when they are most vulnerable. Farmers want the same prices as last year and they are entitled to that. What they are going to get for their crops is going to be less than their cost of production. How can the Government expect farmers to carry on like that?

Farmers want to know when they plant and harvest their crops that they will be able to survive. Can the Government actually tell them that? It has not told them that yet. Oh, sure, there are cheques going out from the arrangement which was made for the farmers last year. What about the situation in which farmers find themselves in this year? What is the Government going to do?

What is wrong with giving the farmers an undertaking? It is not fair to leave them dangling by their fingertips over a cliff the way the Government is doing. It is not enough to say that these problems are caused by the trade war, and the subsidies which are given by the European Economic Community and the United States to their farmers. It is of no use to say that this is too bad and we are working to fix it. This has been going on for months and what has happened? Certainly it is not going to have any long-term value.

It is of short term political value for the European Economic Community and the United States, but why can the Government not convince them of that? Where is the respect the Government likes to think it has in foreign circles? It is not being listened to. Can the Government not make the case that Canadian farmers are being decimated by the policies of the United States, the Government's very good friend which it is trusting implicitly in trade negotiations, that it is playing up to with the future of the wheat farmers and the future of our oil and gas reserves in western Canada?

The Government remains silent when people like Bruce Smart, the Under-secretary of Commerce of the United States, makes ridiculous statements about meeting to negotiate away Investment Canada because it may not agree with the position of the United States? He more or less said, "If we get rid of Canadian wheat farmers, that is less world competition for us". It is callous.

The farmers are referring to May 1 as black Friday. Why not? They have nothing to look forward to as far as the future of their loans which are in arrears are concerned. Those who have had their loans in arrears for two years are really fair game tomorrow for the Government's agency. Black Friday is less than an hour away. Do you not think that they realize that on the farm, Mr. Speaker? Do you not think that is something that is very well known to farmers?

The Minister of Agriculture (Mr. Wise) said that the controlled phase-out of the moratorium and removal of the ban will not precipitate an immediate flood of foreclosures. That is like saying that when one lets loose a plague we know it will be a while before we get it, but it is going to be just as devastating whenever we get it. How can anyone predict who is going to get it and when? Someone is going to get it immediately and that is the case with the farmers who are in arrears who will be subject to review and possible foreclosure.

I really fear for the east and the west of this country. I fear the Government is quite set in thinking that the prosperity of southern Ontario and certain pockets in Quebec is all that it wants to achieve. I do not really think it has any feeling for western Canada or even for Atlantic Canada. They certainly were great places to get seats in the last federal election but, of course, things are going to be different next time.

More important is the Government's attitude towards the people. If we abandon the people in rural communities and in our farming communities, this country is going to suffer greatly. We are going to lose a very valuable supplier of food, particularly grain, who will not be replaced. When farmers leave the farm they will not go back. It is just too expensive for them to begin again.

This is a Canadian tragedy. I really feel badly. I have a sense of hopelessness and helplessness that the Government is not heeding the warnings the farming community is giving. I can only hope that the Government will listen before it is too late.

Mr. Jim Caldwell (Essex—Kent): Mr. Speaker, it is indeed a pleasure to participate in this debate which may well become historic. I must say it has been an interesting debate for the last number of hours. We have heard concern expressed by both sides of the House. I think people realize that agricultural hardship is not a partisan issue, it hits everyone. I do not believe opposition Members can claim they have the market on hardship and knowledge of the people who are facing these problems.

I was rather taken aback by the previous speaker, the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) who has absolutely no idea of how the Western Grain Stabilization Program works in western Canada. The Government did not lower the price of grain. It set the initial price at 80 per

cent of what it thought the market was going to be by fall. The price for grain could very well go up by fall. Therefore, the Government did not lower the price of grain. It set the initial price lower. It can only do that by law. The Government cannot go higher than 80 per cent of what it was told. I think the Hon. Member should take a lesson from his colleague from the New Democratic Party who is sitting with him now. Perhaps he could straighten him out on the Western Grain Stabilization Program and how it works.

I believe I am about the forty-eighth speaker for this side of the House. We have pretty well heard the whole gamut of problems in agriculture. I think both sides agree that there are no easy answers to these problems. There are those who feel we could throw another $1 billion and the problems will all go away. It is not that simple.

We heard the Secretary of State outlining our problems on the international market. We are being beaten into the ground by subsidy wars between the United States and the EEC which is having an affect on our prices here in Canada. I think it is grossly unfair for Members of the Opposition Parties to say this Government has not done anything, and is not going to do anything.

A number of Members who have spoken tonight have indicated the type of action the Government has taken and will be taking in the future. The Government has spared no effort, and will spare no effort on behalf of the agriculture community of Canada. The farm debt review boards are working. We have heard a great deal of discussion that they are not working and not going to work on behalf of the farmers. Each farmer in Canada has the right to appear before the farm debt review board. As has been pointed out, the review boards will be able to hear the cases of about 60 farmers each month. Therefore, approximately 600 to 700 farmers will have their cases reviewed this year. The rest will have to wait until the next year.

I think it is very unfair to say that the Government, because of the moratorium coming off, is going to drive tens of thousands of farmers off their land. That simply is not true. Those people who criticize the farm debt review boards are also criticizing the people who are serving on those farm debt review boards. There are outstanding ladies and gentlemen who are taking the time to serve on those boards and they deserve all the praise we can give them. Many of them are probably out right now, at eleven o'clock on a Thursday night, working with farmers, trying to solve their problems. I think we do a great disservice to those people who are working diligently in trying to solve the farm problems for the farmers.

• (2310)

We have had solutions from the farm debt review boards. Some have been accepted by the farmers and the farming community. They are going the last mile to try and keep farmers on the land. It is not a matter of them going in with the attitude that they are going to get this guy and kick him off the land and Government is going to take the property. That simply is not true. If you are going to be a member of the farm debt review board you have to show compassion towards agriculture and the farm community. That is the type of people we have on those boards. I do not think we are doing a service to those people when opposition Members get up and criticize the boards and the people who serve there when they are taking their time on behalf of Canadian agriculture.

I am sure that you realize, having listened to these hours of debate, that this is a very emotional issue. Agriculture today has serious problems. No one is denying that. One of the most disappointing things I think as far as farmers are concerned is that when they get on their tractors to plant their crops they think that things will be better by fall. They have done that in the past. Now they know that the market-place is not going to improve a great deal by the fall. When there is a U.S. corn crop in storage that is as big as a normal year's production, you cannot be optimistic. Market forces simply will not let prices rise. We have to give all the support we possibly can to the farmers this year and you can be assured that this Government will do that, as much as it possibly can. Federal Government spending on agriculture over the past two years has increased by 68 per cent.

We have heard a great deal about the western farmer and the problems they are having. Yes, the problems are very serious. Those of us from eastern Canada recognize that. However, we have farmers in Ontario who are having very serious problems. Our corn, soybean and wheat producers are facing the same kind of problems facing western grain farmers. It is not often recognized that these farmers have also received assistance from the Canadian grains program. Some $100 million came to Ontario last year through that program. Eastern grain corn, soybeans and barley were also covered under a stabilization program. Last year payments under that program totalled $55.8 million. Last year corn farmers in Ontario received 105 per cent of stabilization. That was unheard of. It has never been done before. We have gone the extra mile with people like corn farmers to make sure they have enough money to maintain viable operations.

I am sure that you, along with many other Members of this House, have had many visits from your constituents regarding farm problems. It is a gut-wrenching business. It is not a pleasant situation. Yet I have asked them how they got themselves into this problem. They said, because a few years ago things looked good. I am not going to stand in this House and blame the other Government. Everyone can make mistakes at one time or another. However, that is where the problem began. Many farmers became over-extended. They were told to expand, remodel, buy farms, because agriculture is going to be a good business. Even during the days of the PIK program in the U.S., payment in kind, when Americans were taking land out of production, what did our Government of the day do? It told farmers to plant more. Does that make any sense? That is where our problems began and we are still living with those problems today.

Some farmers today still have to live with interest rates set by the previous Government when it kept those rates at a very high level. They simply cannot maintain a viable operation on those interest rates. That is where the problem is. That is where most farmers got themselves into difficulty.

I am not going to prolong this debate. I know other Members want to give their views on the agricultural situation. This Government has been concerned. We have a Prime Minister (Mr. Mulroney) who has shown leadership. He has gone the extra mile for farmers. He will go another extra mile. We have a Minister of Agriculture (Mr. Wise) and a Minister of State for the Canadian Wheat Board (Mr. Mayer) who work hard day after day on this problem. They are still here tonight discussing the situation and listening to views from both sides.

This problem is not going to be solved by partisan rhetoric. It will have to be solved by everyone working together. This Government is prepared to work with anyone, at any time, in any place. The Minister of Agriculture meets daily with members of the agricultural community. We are trying to solve the problems but it is not going to be easy and the last thing we need is people in this House giving us partisan rhetoric without any solutions.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I rise to take part in this debate on the crisis in the Canadian grain industry from the point of view of one representing an urban constituency in central Ontario. Very often the interests of producers and those of consumers have more in common than is generally considered to be the case. Furthermore, as a Member of the Canadian Parliament, each one of us has a constituency much broader than the electoral district in which we are elected. When a Canadian citizen anywhere is hurting, that is a concern to me. Our lives are linked economically and socially. As Members of Parliament we have a duty to legislate in the best interests of all Canadians, as far as we can.

As Chairman of the Standing Committee on Public Accounts I have been involved in hearings for the last few days on the Auditor General's report concerning Agriculture Canada. The last report certainly stressed the importance of the agri-food sector. That sector as defined by Agriculture Canada includes not only agricultural equipment and supplies, farming, processing, wholesaling, retailing, restaurants and institutional food service activities, but also important associated industries such as transportation, finance, packaging and construction. It employs about 1.5 million people, 15 per cent of total employment in Canada. It contributes about one-sixth of our Gross National Product.

Consumers in Canada spend $40 billion annually on food. That expenditure represents some 16 per cent of their disposable income. Agricultural exports exceed $10 billion annually compared with imports of about $5 billion. Agriculture makes a major contribution to Canada's balance of payments and relies heavily for as much as half of total farm cash receipts on export markets.

Food processing is the largest processing sector in Canada with sales exceeding $40 billion and a workforce of 250,000. The food service sector employs around 360,000 people, while food retailers employ about 220,000. Decisions taken about agriculture impact on the lives of many, many Canadians over and above those living on the farms.

While the motion which brought on this emergency debate was called with respect to Canadian grain farmers, there are Ontario farmers, Newfoundland farmers, indeed farmers all across the country, who are also facing foreclosure. There have been changes in the farm sector in recent years which have presented serious challenges to farmers. On the whole, farms have become more capital intensive, more reliant on borrowed capital and therefore more exposed to the risk of adverse market forces.

• (2320)

Farmers have also become more reliant on the non-farm sector for fuel, fertilizers, chemicals and other production inputs. Fluctuations in international prices, as well as in interest and foreign exchange rates, subject farmers to further financial stress.

A recent survey indicates that 23 per cent of Canadian farms with $20,000 in farm sales faced severe financial stress in 1984, while a further 11 per cent faced moderate stress.

As the Auditor General pointed out in his report last October:

> Current market prospects suggest little or no growth in net farm income—in some commodity sectors there could well be a decline. As a result, a continued decline is expected in farmers' net worth in the immediate future requiring that very difficult adjustments be made.

That prophesy was certainly borne out. Last week we saw the price of grain drop a further 18 per cent, which followed a drop in price last year.

The Auditor General went on to say:

> Another important challenge facing the sector is the degradation of Canada's agricultural land which, as announced in a speech by the Minister of Agriculture, will cost about $1 billion annually. Most of this cost directly affects farmers in the form of increased chemical costs, lower yields and reduced international competitiveness.

He goes on:

> Domestically, the agri-food sector's two most critical and widespread problems are the farming community's financial difficulties and the sustainability of the land resource base. This stress is compounded by changing world markets. Internationally, the markets on which Canada is becoming increasingly dependent are at risk, with competition increasing and prices falling.

Those are some of the issues that were pointed out in the Auditor General's report last October.

Since then we have seen further deterioration in the international situation. The trade war between the United States and the European Common Market produced an artificial surplus and lower prices of agricultural products. There are the U.S. Farm Bill and the U.S. Export Enhancement Program which give export subsidies to American wheat and create more competition for Canadian Wheat Board sales.

As the United States attempts to protect itself from perceived European Common Market competition, there are times when Canada becomes caught in the crossfire. There are other times when our American friends shoot directly at our house. We do not see any great effort on the part of the Government to protect Canadian industries. The Government seems to be paralyzed as it waits for its trade agreement and fails to stand up for the interests of Canadian citizens.

There are serious problems facing our farming community and it is difficult to be clear about what the Government proposes. The Conservatives made a number of election promises in 1984. They have promised agri-bonds but we have not seen them. They promised to expand the agricultural sector research and development but the 1985 Estimates show $263 million allotted to agricultural research while the 1987 Estimates show a drop to $221 million.

At the GATT meeting in Uruguay last fall there was an agreement as a result of which, last February, the GATT organizers asked participating countries to develop some proposals concerning agriculture. Canada has not responded. Did the Government take any action at all?

A moratorium was imposed on foreclosures by the Farm Credit Corporation 19 months ago. There have been 19 months of inaction, with no attempt in that time to assist farmers to restructure their debts. It seems as though the Government sat for 19 months and hoped that the problem would disappear. Now, the moratorium will be lifted on May 1, in just one-half hour in most of Canada and in a few minutes in Newfoundland.

An article in *The Ottawa Citizen* on April 28 carries the headline: "Black Friday Looms For Farming Families". The article states that as many as 2,200 farmers are facing eviction. We are told that the Farm Credit Corporation can only process 500 to 600 actions in a year. What kind of cruel lottery will this be? Who decides which families will be foreclosed first?

We are told that if the corporation decides to go ahead with a foreclosure, the farm debt review board in that province will be notified and there can be a hearing. The farm debt review boards which were established last August have not exactly had rave reviews. In fact, most farmers consider them useless.

Comments being made by farmers now emphasize how cruelly betrayed they feel by a Government that has done nothing for 19 months and does not seem to have any intention of doing anything. One farmer said, "Normally farmers feel a sense of optimism at this time of year, spring. But this tears the heart out of thousands of farmers". The President of the Manitoba-based Keystone Agricultural Producers pointed out:

> At this time of year, many farmers are trying to borrow money to purchase fuel, seed, fertilizer and chemicals for the coming crop season.
>
> A farmer needs a lot more cash at this time of year than at any other time of year.

He pointed out that the termination of the Farm Credit moratorium will make it more difficult for farmers to get loans from banks and other lenders.

• (2330)

Grain farmers are generally considered to be suffering more than other farmers, but let us make no mistake that farmers generally in our country are in very difficult times. Lifting the moratorium with no plan, and just one week after the announcement that grain prices were dropping again by 18 per cent, seems both cruel and lamentably incompetent. The recommendations on what needs to be done are very clear. Surely the moratorium needs to be continued while, on an urgent basis, some method is found of restructuring debt and allowing farmers to continue. Surely even to this Government it must be obvious that it is in nobody's interest to have farmers forced off the land.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome the opportunity to speak at this late hour, although the subject is not a happy one. It is almost midnight, and parliamentarians continue to show their concern for the unhappy lot of our Canadian farmers. Mr. Speaker, this debate should not only make us reflect on the situation of our grain producers. I believe that anyone who is at all concerned about the future of our country should start asking some basic questions about the kind of country we want to build, the kind of life we want Canadians to have, and look back to the history of this country and consider the important role agriculture has always played in Canada.

Mr. Speaker, let us look at the situation facing farmers in this country and consider that thousands of Canadian families will go to bed tonight, wondering whether tomorrow will bring them a notice of foreclosure in the mail. Will the bailiff be at the door to take away their land? Will they still be able to send their children to the same school or will they have to move? If they do not want anyone to know what they went through, they will have to move way out, perhaps as far as the city.

Mr. Speaker, that is more or less what the situation is like, on top of all the technical considerations. It is a matter of survival, of pride and dignity for many families in Canada, and during the last 30 or 35 hours, the House of Commons has considered the situation of these people who, granted, are now a minority in Canada but a minority on whom all Canadians depend. I am therefore very disappointed to see the Government has failed to provide an appropriate response to the legitimate concerns of farmers across this country and their elected representatives.

Mr. Speaker, in a society as rich as ours, one starts to wonder about the priorities of this Government. During the past two years, we have seen a Government hoping that the problem would simply go away. There are people who owe money to the Farm Credit Corporation and who had gained some relief as a result of the moratorium on foreclosures. They thought that since the situation was not going to improve, they could at least try to refurbish their operations and try to survive, without the nagging fear that the Government would come and take their land away at the very last minute.

The decision made this week will have an impact on people who owe money to the Farm Credit Corporation, but in making this decision the Government is also sounding an alarm signal for all Canada's lending institutions. If the Government no longer has confidence in Canadian agriculture, bank managers across this country are going to be in a panic. Imagine all the calls from credit union managers wanting to withdraw lines of credit.

Mr. Speaker, this decision is like a symbol. It points to a complete lack of confidence in Canada's agriculture industry. And I know my colleagues will get calls from their constituents about the credit manager calling in the middle of the night or coming to their farms in a terrible panic, because it looks like Ottawa does not have much faith in the industry anymore. Mr. Speaker, we know this is going to happen and that it will have a domino effect.

I fail to understand why the Government, which had already announced a few days before that grain producers could expect an 18 per cent cut in prices, then chose to add insult to injury by announcing it would no longer guarantee loans that were in arrears. This is creating a terrible climate in the whole agricultural sector. Anyone who thinks only one region in this country will be affected is in for a big surprise, because the truth of the matter is that farmers across this country will be affected by this decision, and farms will be up for sale all over. There will be plenty of auction sale notices in *La terre de chez nous*. It will also have an impact, obviously, on the value of farm property. When you get a series of sales by the Farm Credit Corporation, automatically the adjoining land, and so forth . . . this is going to have a devastating effect on the value of farm land as a whole.

Mr. Speaker, I feel embarrassed for Government Members who, after making their commitments as legitimate, elected representatives, especially those with western ridings, did not have the mental fortitude to object to the Cabinet's decisions. When Cabinet decided to lift the moratorium on foreclosures, there was not a single Conservative Member who had the courage to say it did not make sense that the timing was very poor.

Mr. Speaker, the Hon. Member for Portneuf (Mr. Ferland) who was talking about the Constitution must be a little confused. We are talking about agriculture here tonight. It is a fact that in his riding as well as everywhere else, his Government's decision will have a disastrous impact on our farm economy as a whole. Instead of cracking corny jokes, I think he should show a little concern for what is happening to the farmers in his riding.

Well, Mr. Speaker, there is some kind of woodpecker on the other side, if only you could keep him quiet—

Mr. Ferland: They were starving when you were in office.

Mr. Lapierre: Mr. Speaker—

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

Mr. Champagne: Mr. Speaker, I am sure that you heard the term used by the Hon. Member as well as I did. I realize this debate is all about agriculture, but still he ought to refrain from referring to wildlife animals and be more relevant. My colleague from Portneuf is certainly not a woodpecker, but I think the Hon. Member for Shefford (Mr. Lapierre) did refer to my colleague from Portneuf as being a woodpecker. Mr. Speaker, I suggest he ought to talk only about agriculture. We are listening carefully. I think he should stick to the topic of debate and watch his language, particularly at this hour when thousands and thousands of viewers are listening to him, as he said.

Mr. Deputy Speaker: Given his experience in this House, I am sure the Hon. Member for Shefford uses nothing but parliamentary language.

Mr. Lapierre: Mr. Speaker, I am convinced that "woodpecker" is not among the unacceptable words.

All I can say, Mr. Speaker, is that some people are thin-skinned. I can appreciate that. If I were the Member for Champlain (Mr. Champagne) or the Member for Portneuf I too would be touchy because I would feel guilty this evening. If I were in their shoes I would feel guilty about dropping a major sector of our economy like a hot potato. They are guilty of letting the Minister responsible for the Farm Credit Corporation behave like a heartless man. He does not lift a finger to prevent the seizure of farm lands where people have been living in dignity, yet in a few short months they will end up by the roadside. They know that, I trust they feel guilty, and I hope they will rise in a few minutes to apologize to their electors. The one thing I can tell you, Mr. Speaker, is that if we consider the measures which should be taken, the economic signals which ought to be sent to the whole farming community, it is definitely not by taking this kind of action that farmers will regain confidence, that we will ensure agricultural stability and proper land development—

• (2340)

Mr. Speaker, I heard my colleague talk about agricultural stability, yet they are about to foreclose. Some stability! Not bad, Mr. Speaker, they want to foreclose. This will prove to be a bonanza for Conservative lawyers, but what a sickening performance for the poor stiff who is only trying to earn an honest living.

Mr. Speaker, I would feel quite ashamed listening to these comments because this is hardly the time to make jokes in the course of a debate which is so important to people who will have no idea which way to turn in the coming weeks and months. Besides, everything is left in limbo, including the very nature of Canada's development because this is just another way of conveying the signal that the Government has lost faith in the agricultural community. That is the message you are sending out.

What you are doing now is making sure that farmers will realize the Government has dropped them, so we will end up in a situation where it will be ever more difficult to find people willing to put all their energy and give the best of themselves to develop Canada's agriculture. We are all aware of the exodus towards urban areas in recent years, Mr. Speaker, but we cannot afford the luxury of endangering our independence and self-sufficiency with respect to food production.

This is just one more very alarming aspect of the kind of signal being sent out, the lack of respect for the agricultural profession. The signal means that we are prepared to compromise the very future of the Canadian agricultural sector.

Mr. Speaker, I cannot understand, and neither could any reasonable Canadian, how the Government can announce an 18 per cent decrease in prices when we know that the price of wheat has gone down by over 50 per cent in the last four or five years.

Mr. Speaker, how many Canadian would calmly accept a 50 per cent decrease in their income? Yet, this is what has happened to farmers in Western Canada. I have visited western Canada many times myself, more often than the Prime Minister (Mr. Mulroney), following the example of my leader. We, Liberals, want to be sensitive to the needs of western Canada. We want to make sure that we understand their problems. We want to make sure that their needs are expressed in the House of Commons, and this is why we have taken such an active part in this debate.

Mr. Speaker, I believe that the guided tour which the Prime Minister will take during the next few days will incite him to reconsider the decision made by his government. I trust that his welcome throughout western Canada will make him understand the concerns and especially the feeling of frustration of western farmers. I find it unfortunate that we can not continue this debate for another three or four days until next week, at which time the Prime Minister could come back and report on his visit, if he's not too battered by then, because I believe that the situation is dramatic, as evidenced by the fact that this Parliament has spent 30 or 40 hours on this matter. The motion of the Opposition, Mr. Speaker, is very much to the point—

An Hon. Member: It is not our motion.

Mr. Lapierre: —and I believe that any economic observer can certainly appreciate it.

The other element, Mr. Speaker—

An Hon. Member: Is it a Liberal motion?

Mr. Lapierre: Mr. Speaker, the Hon. Member is not even able to read his *Hansard*; he should try to learn. Oh! It is the Hon. Member from Portneuf or somewhere in that region. He has not realized that there are farmers among his constituents. If they saw him now, they would be pretty discouraged.

Mr. Speaker, if the Government is the least compassionate, it will realize that the decision to foreclose on farming operations is completely stupid at a time when the farmers will see their income decrease by 18 per cent. However, today before us, the Minister of Transport (Mr. Crosbie) told these same people that their transport costs would increase by 5 per cent or 7 per cent. Mr. Speaker, the farmers will have to figure it out this evening and ask themselves how they will be able to begin seeding in coming weeks. Whatever the Government might say, their income will go down by 18 per cent, transport costs will increase by 5 per cent, and the threat of foreclosures by the Farm Credit Corporation is hanging over their heads. They are faced with an impossible situation.

The other aspect on which we should reflect is that the ones in difficulty today are the grain growers. However, what is going to happen tomorrow? As we have international prices for many products, as competition is fierce and as many countries subsidize their farming industry heavily, tomorrow it could be the Quebec pork producers who find themselves in difficulty, or else it could be our dairy producers, because with higher wheat prices, and so on, no one knows what will happen to Quebec farmers. Our colleagues who are now smiling at the problems of western producers should realize that Quebec producers might be the ones who will need the support of this House and this Government tomorrow. This is the essence of this country and this is why we sit in this Parliament. We have to ensure that the interests of the various regions are expressed in this House and we Liberals believe that there is now a serious inequity in Canada. We are convinced that the Government adds to this inequity by taking unreasonable action and we hope that it will finally come to its senses, because otherwise the situation will worsen and an increasing number farmers will leave the farm, which might threaten our independence and self-sufficiency. I therefore trust, Mr. Speaker, that my small contribution to this debate will raise the awareness of some of our colleagues and that, instead of laughing, they will rise in their caucus and say that such a situation is unacceptable and that our farmers deserve better. They should be able to rise and tell the minister responsible for the Farm Credit Corporation that he has lost his senses. They should be able to tell the Prime Minister: Go to western Canada and listen to the farmers; then propose new solutions because, if this goes on, it is obvious that an entire and very important sector of our economy will slowly disappear.

I therefore hope, Mr. Speaker, that all of us who have spoken on this matter have been able to make Government Members more aware of the daily tragedy we are witnessing in western Canada. We are asking one thing, that they at least go back on the decision these last few days as it will only make matters worse, not better.

Mr. André Plourde (Kamouraska—Rivière-du-Loup): First, Mr. Speaker, I would like to thank you for giving me the opportunity to rise in this debate, or should I say this marathon. I would like to refer to the 1984 election. I listened very closely to the Hon. Member for Shefford (Mr. Lapierre). To my knowledge, the Hon. Member, during the 1984 election, was with his colleague from Papineau (Mr. Ouellet) and his former colleague for Saint-Maurice, who were travelling across Quebec saying all kinds of things, making all kinds of promises, except on agriculture.

Mr. Lapierre: On a point of order, Mr. Speaker.

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

Mr. Lapierre: I am certain, Mr. Speaker, the Hon. Member for Kamouraska—Rivière-du-Loup (Mr. Plourde) is making an error and I would like to tell him that I have in my constituency a large farm component and they elected me *en masse*. This certainly means I made commitments to them and I need not remind him of the commitments we made during the last election. What they should do, however, is remember their own commitments and implement them.

Mr. Deputy Speaker: On the same point of order, the Hon. Member for Champlain (Mr. Champagne), the Parliamentary Secretary to the Minister of Agriculture.

Mr. Champagne (Champlain): Mr. Speaker, I think the Hon. Member for Shefford (Mr. Lapierre) has been running too much around the city, because if he had a look at what we are doing for agriculture, he would realize that our 16 points have been 80 per cent implemented. I think the Hon. Member for Shefford—

Mr. Deputy Speaker: I think we should proceed with the debate. The Hon. Member for Kamouraska—Rivière-du-Loup (Mr. Plourde) has the floor.

Mr. Plourde: Mr. Speaker, when the Hon. Member for Shefford (Mr. Lapierre) is in this House, you know very well he tries to give a show.

I was going to tell him this, and remind him of something the Hon. Jean Chrétien said against farmers during the election campaign, and I would suggest Jean Chrétien at that point was speaking on behalf of the Liberal Party. That sentence hit the farming community very hard in Quebec and Canada as a whole, and I quote: "Farmers, farm producers are damned cry-babies. The more they get, the more they want." So that has been the philosophy of the Liberal Party over these last 20 years, before 1984. That is what the Liberal Party thought of our farm people, the most important in my view of small and medium businessmen in Canada. This is how those people were treated.

Today, the Hon. Member for Shefford rises and says he does not feel guilty of the errors made by his Government. We have been in office for two and a half years, Mr. Speaker. We have been trying for those two and a half years to correct the errors made over 20 years. I suggest that for two and a half years, or during the election campaign as my colleague stated earlier, we made 16, not election promises but 16 commitments to our farming industry, and those 16 commitments we have honoured.

He said earlier he was travelling across Alberta, in western Canada. I understand that for the Hon. Member for Shefford. We have not seen him in this House for a year, Mr. Speaker, he is travelling to prepare the next election campaign. You see the point?

Mr. Lapierre: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Shefford on a point of order.

Mr. Lapierre: Mr. Speaker, I suggest the Hon. Member for Kamouraska—Rivière-du-Loup (Mr. Plourde) is either blind or is not here himself. Besides, he does not know our Standing Orders, because while dealing with an issue, a Member of the House should never mention the presence or absence of any of his or her colleagues. On the other hand, I can tell him that we are prepared to compare his record any time.

Mr. Deputy Speaker: The Hon. Member for Kamouraska—Rivière-du-Loup has the floor.

Mr. Plourde: In turn, Mr. Speaker, I should like to remind the Hon. Member for Shefford that when dealing with an issue, he should tell the whole truth, and not only part of it. I heard him say a while ago that there had been an increase in the grain transportation cost. He was not quite sure whether it was 5 per cent or 7 per cent, but he should have read his document to know that the Minister of Transport (Mr. Crosbie) has announced today a $64 million subsidy, which amounts to $2 a tonne. And that, my friend from Shefford should know, is less than the transportation costs which western wheat producers had to pay before 1984.

Having said that, Mr. Speaker, I should like just the same to mention that—I am ready for the Hon. Member for Shefford come election time—that in my Kamouraska—Rivière-du-Loup riding, there are 52 municipalities, including 49 rural ones with 898 farm producers altogether. I visit my riding regularly and I know these people. During that election campaign, we met a number of UPA organizations. You know that UPA stands for *l'Union des producteurs agricoles*. I know two such organizations in my own riding, namely the *Union des producteurs agricoles de la Côte-Sud* and the *Union des producteurs agricoles du Bas-Saint-Laurent*. You know what happens during an election campaign. These people invite political candidates to answer the following question: Suppose your political Party gets elected, what would be your commitments as a Government? Well, our Progressive Conservative Party had made 16 promises which we have fulfilled, and later on I will provide the House with concrete examples.

Moreover, Mr. Speaker, we went to the general assemblies of these UPA producers and what did they tell us? In my Kamouraska—Rivière-du-Loup riding, there are for instance hog, dairy, cattle, grain and potato producers. All these people who had had open and honest discussions with the then candidate of the Progressive Conservative Party who are now their elected representatives are satisfied with the farm policies which this Progressive Conservative Government has implemented to help them earn a decent living, which is quite different from being treated as second-class citizens by former Liberal administrations before 1984.

• (2350)

If I may, Mr. Speaker, I should like to remind the House of some of the commitments of our Party. For instance, let us take the case of the special Canada grain program. Under this program, our Government will share equitably among the 10 provinces, not only western Canada, a billion dollars to increase the cash flow of grain producers. Without this program, the net farm income which would have decreased by 17.9 per cent in 1987 will increase by 1.8 per cent. The Minister of Agriculture (Mr. Wise) and the Minister of State for the Canadian Wheat Board (Mr. Mayer) will continue their discussions with the various farm organization leaders to get their input as to the best way the Government could meet the future needs of Canadian farmers.

Mr. Speaker, Mr. Pagé, the Quebec Minister of Agriculture, and the provincial UPA have congratulated our Ministers not only in personal letters, but also in newspaper articles and radio and television reports. What was the response first of the Liberal Opposition, then of the NDP? What did they do? They criticized this decision which had been universally accepted. I understand that it is the Opposition's role to criticize. However, what we have on the other side is a systematic attempt to destroy everything good we do. Yet, in their 20 years in power, the agricultural community was totally ignored throughout the country.

Let me quote another passage, Mr. Speaker. "Advance payments for crops. Amendments to the Advance Payments for Crops Act have made it possible to double the maximum level of advanced payments". In Quebec, in 1984, when the Liberals were still in power, what did they do when Canada was faced with the problems of drought, a condition which also affected Quebec? The Liberal Party did not solve anything. It was the Conservative Party, when we were elected, which provided former Minister Garon with some $20 million. You remember, he was the Minister who kept the cheque in his pocket for a week and a half. That is what the Conservative Party did.

Mr. Speaker, mortgages based on the prices of primary agricultural products are to bear interest at a prime rate of 6 per cent. Changes in the capital of the mortgage will be determined under a formula which takes into account the prices of primary agricultural products. Who set up the farm debt review boards? The Conservative Party. Legislation has been passed to set up farm debt review boards composed of people with knowledge and experience in farming and financial matters. They provide the agricultural community with an independent consultative third party review mechanism, and they assist in setting up voluntary arrangements between farmers and their creditors, in order to help ensure the survival of the farm business.

These boards have been welcomed in the agricultural community and constructive arrangements have been made in most cases, thus enabling farmers to remain in the business.

Mr. Speaker, there is also the Canadian Rural Transition Program. It was set up to help families who have to leave farming because of financial difficulties. As you know, those people did not receive any unemployment insurance benefits. If they went bankrupt, they only had welfare to turn to. The Conservative Government has now set up this Canadian Rural Transition Program to help farmers make the transition to a new career.

What about interest rates? Since we came in power, Mr. Speaker, the Conservative Government has taken active steps to reduce interest rates, and not only in the agricultural sector. The drop in interest rates means that farmers have been able to save millions of dollars in interest payments through an interest rate which has dropped to a 13-year record low. The rate on guaranteed loans under the Farm Improvement Loans Act, which is the prime rate plus one percentage point, has been reduced from 16.75 per cent on election day to 11.25 per cent. Mr. Speaker, I think this is no small effort on the part of the Government, an effort that we can mention with pride especially if we bear in mind that the rate of the Farm Credit Corporation has also reached a record low since 1979. As far as I know, in 1979, the Liberals were in power. The FCC's interest rate has been lowered five times since we were elected, Mr. Speaker. Short-and long-term rates have dropped substantially, which translates into millions of dollars of savings for farmers; five-year mortgage rates have dropped from 3.75 to 10 per cent, which means that we now enjoy the lowest rates since 1979.

I could talk, Mr. Speaker, about the shared-risk mortgage plan or about the capital gains exemption. Yes, I will talk about the latter. We used to meet in our ridings farmers who had problems, and they would tell us: "What am I going to do with my farm? I cannot possibly sell it, I would pay too much taxes?" The Conservative Government solved that problem by granting farmers, in the 1985 Budget, a $500,000 capital gains exemption, effective immediately. It was a very efficient way of eliminating taxes on the sale of agricultural properties, most of which are sold with some capital gain.

Mr. Speaker, I will not go into international trade in farm commodities as this was brilliantly dealt with, this evening, by the Secretary of State for External Affairs (Mr. Clark). However, I will talk about the fuel tax rebate. This is another initiative from the Conservatives. It is rumored that farmers will continue to benefit from that fuel tax rebate as it applies to all fuels for off-highway use.

Mr. Speaker, I know my time is fast running out, but I would like to come back to something which is very dear to me and was mentioned briefly by the Hon. Member for Shefford (Mr. Lapierre) a moment ago; it is the long-term dairy policy. I recall very well that during the 1984 electoral campaign, we were challenged by UPA members and dairy farmers who were asking us whether, if the Conservatives were elected, we would sign a long-term agreement regarding the dairy policy? It had expired in 1981 and the Liberals had been promising

from year to year to renew it, but they never did. The Conservative Party, with the agreement of the Agriculture Minister, helped us. We signed that dairy policy and it had been said that the Government's $1.5 billion commitment to the five-year program will garantee the dairy industry a stability that had been lacking since 1981. Mr. Speaker, you know that means $750 million over five years for the dairy producers of Quebec who are said to control about 49 per cent of the milk production, let us say 50 per cent. We have also heard that the policy is based on the extension of the supply management system and on changes aimed at profitting the producers and the consumers. The list of controlled import products will be revised to include bulk powder mixes. Milk producers meeting the national needs will remain eligible for the federal subsidy of $6.03 an hectolitre.

Mr. Speaker, I could also tell you about the Farm Products Marketing Agencies Act. I think my time has expired.

Mr. Speaker, finally, I just want to tell people in my riding of Kamouraska—Rivière-du-Loup and to all farmers of the country that the Conservative Party is listening to them. You can rest assured we will be there to support them.

• (0000)

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I stand to participate in this debate that was commenced by the Hon. Member for Prince Albert (Mr. Hovdebo). I want to thank him for giving us the opportunity to participate in a debate on what I think is one of the saddest and possibly most serious situations we have had in a long time.

Members will know that we are now into Friday, May 1, which many have called Black Friday for some farmers. It is black because, as of today, the moratorium that has existed for 18 months will be lifted. According to the statement by the Minister in the House the other day, there could possibly be some 6,000 farmers who will feel the economic consequences of this decision. Up to 50 a month, or 600 a year, are sure to be affected by the lifting of the moratorium on the foreclosures of FCC mortgages. I find that very difficult to accept.

I want to thank our critic for the Liberal Party, the Member for Algoma (Mr. Foster), who helped to organize our side for the debate and assist our Members in participating in what I believe has been a very interesting debate. I have learned much from this debate, most of which I have attended.

Some may ask what an urban Member of Parliament from downtown Ottawa would know about farming.

[*Translation*]

I am sure that the Hon. Member for Montréal—Saint-Denis (Mr. Prud'homme) has learned something, as I did, because he too has been here almost all the time and even though we are both from the city, we have been able to follow the debate. We feel we have taken part in a general education process but also in a very urgent debate on the difficult situation facing farmers in Canada.

All Members are aware of the serious problems of farmers, particularly grain growers. We know that for the past two weeks, given the announcement of the 18 per cent decrease in prices and the lifting of the moratorium on farm foreclosures, western farmers particularly, since grain growing is very important in the west, are worried and upset and rightly so; they are certainly very upset because of that decision and they fear the impact it might have on their families, on their farms which in many cases, as we all know, have been inherited through generations and have been part of the family heritage for many years. It is a sad situation because we know that when we see a "For sale" sign, Mr. Speaker, it sometimes means more than that. It means perhaps that a sad story is unfolding because the farmer has not met his operational costs, his cash receipts are too small and he is forced to sell his farm and sometimes to go bankrupt.

For almost 33 hours, Mr. Speaker, my colleagues in this House and myself have been discussing two major topics; the 18 per cent decrease in grain prices and the Government decision to lift the moratorium on Farm Credit Corporation loans, which will lead to the foreclosure of some farms.

Mr. Speaker, I must admit that I am no expert in agriculture, but I worked on farms probably as much, if not more, as many Members in this House when I was a boy. The tradition was to send us to work on a farm, and like a number of youths during the 1940s and 1950s I went haying, stooking the grain—

Mr. Ferland: That's a long time ago.

Mr. Gauthier: Yes, that's a long time ago, but I think the expression is still in use today, the difference of course being that in those days it was done by hand. It is true that I was still wearing short pants, but I had strong arms and our labour was cheap since we ate mostly eggs, for breakfast, lunch and dinner. The only decision we had to make was whether we wanted our eggs boiled, fried or scrambled. That was the way of life of poor people in those days and we accepted it—

Mr. Ferland: You were probably in good shape.

Mr. Gauthier: I certainly was. I was in good physical condition. I probably pitched as much manure, and milked as many cows as any one in this room, since I did that for at least 10 summers.

So I think I am one of those who can say: "I worked at it." I may not be an expert, but I worked at it and I know, Mr. Speaker, that is is hard work. I know the work can take a lot of time and can also be exhausting and that is why I am most saddened today, on this Friday, May 1, to take part in a debate which will cause dismay for some farmers, some farm families who, in 1987-88, will most likely be among the 600 who will be forced out of business through foreclosure by the Farm Credit Corporation.

Mr. Speaker, I would like to review what I have heard during this debate. I assure you it will not take too long. I will simply summarize if possible some points that have been made, because I have heard some good ones. I heard positive comments and other things which I think are instructive for us.

For instance, I heard the Prime Minister say yesterday morning: "We will answer every call from the west."

• (0010)

[*English*]

The Prime Minister (Mr. Mulroney) was saying yesterday morning that he would answer every call from the west. The Prime Minister is going out West next week. I understand that he will be travelling to Red Deer, Lethbridge, North Battleford, Moose Jaw, Saskatoon and Winnipeg between Wednesday and Friday. Since he has invited Members and farmers to call him, perhaps his phone number would be helpful. It is area code 613-992-4211. If you live in Red Deer, North Battleford, Moose Jaw, Saskatoon and Winnipeg, please go out and tell him about your problem or call him, and I repeat the phone number, which is 613-992-4211.

[*Translation*]

He asked for it.

So, any problem should be looked after.

I have also heard the Agriculture Minister tell us in this House not to get excited, not to worry, that the matter is under consideration, that the Government will show sensitivity about possible foreclosures of farms of which there would be no more than 50 a month.

[*English*]

I want to repeat some of the main points made during the debate. The prices announced by the Canadian Wheat Board reflect the fifth straight decline, dropping 18 per cent from the 1986-87 prices. No. 1 wheat in 1984-85 was $170 a tonne; in 1986-87 it was $137 a tonne; and in 1987-88 it is $110 a tonne. No. 1 barley in 1984-85 was $125 a tonne; in 1986-87 it was $80 a tonne; and in 1987-88 it is $60 a tonne. These are the same figures given by the Secretary of State for External Affairs (Mr. Clark) this afternoon. He was giving us his views. I appreciated the sincerity of them and I appreciate why international negotiations at this time were rather difficult because of the unfair competition given Canada by the United States and the European Economic Community in the trade war. These countries, we were told, protect their farmers with subsidies. We do not. Canada has kept its market share, but has done so on the backs of farmers who get much lower returns. U.S. farmers receive about $6 per bushel for wheat as opposed to $3 per bushel in Canada. Farm expenses continue to rise. For example, fertilizer costs, chemicals, machinery and fuel. Even the Tory House Leader, I see him rise, will want to contribute to this debate. Yes, he is in good spirits. Prices are lowest in real terms since the Depression, Mr. Speaker. I am just repeating some of the things that I have heard. The Secretary of State for External Affairs outlined them this afternoon and I thought he made a very interesting and good speech.

Some Hon. Members: Hear, hear!

Mr. Gauthier: I appreciated some of the things he said. I learned certain things that he brought to our attention.

In my view, there is no provision in the Budget right now for funds for a deficiency payment. The $1 billion allowed last year was only announced in desperation during the Saskatchewan election campaign. We heard repeatedly over the last 33 hours that farmers need to know now what their returns will be so that they will know what to seed, how much to seed, and so on. Many farmers are having trouble getting operating loans from the banks and cannot afford to seed. I could go on and read editorials, articles and press clippings in which it is quite evident that this situation is critical for many farmers. It is indeed a very serious situation.

• (0020)

The only guaranteed assistance the farmers have is the Western Grain Stabilization Fund, brought in by the Liberals, I remind the House, and fought—I repeat, fought—all the way by those Tories who are responsible for some of the difficulties these farmers are in. They opposed it systematically but now brag about it to all who will listen.

I want to read some of the correspondence which was received by the Government as of April 28, 1987. I have a letter signed by Mr. Garf Stevenson, President of the Saskatchewan Pool. Mr. Stevenson states in part:

> The Pool asks that all Members of Parliament recognize the very critical economic situation confronting western Canadian families and communities. This crisis has far reaching social and economic implications for the national economy as well as for the west.
>
> We specifically recommend:
>
> 1. That programs be immediately developed through federal and provincial co-operation to keep families on their farms in productive capacities.
>
> 2. That early consideration be given to the acute need for a substantial deficiency payment for the 1987-88 crop year.
>
> 3. That government continue its efforts to restore sanity in the international grain market.

These three points are indeed essentially what we have been addressing in this debate of some 33 hours. I want to address the question of the $64 million announcement made today by the Government. We have not received the press release as yet. I understand it is in the mail. However, from what we have been told in the House and what I have heard on television, there will be a payment of $64 million given to the transporters, the railroads, under the Western Grain Transportation Act. The Hon. Member for Algoma (Mr. Foster), in a speech on March 18, 1987, at page 4309, said:

> —it would be most helpful if the Government would make a commitment to freeze the grain freight rates, the part the farmer pays himself. Last year the Minister of Transport ordered the Grain Transportation Agency to roll back its estimate of some 31.5 million tonnes to something in the 27 million to 29 million tonnes range. In fact, it did roll it back to 28.5 million tonnes which resulted in an effective freezing of the freight rates.

We know that the freight rates rise under the Western Grain Transportation Act as railway costs rise, depending upon volume shipped. The Tories last year kept the rate from rising by forcing the Grain Transportation Agency to bring forward an artificial and unrealistic low estimate of grain to be shipped. Therefore, there would have been a huge 39 per cent to 40 per cent increase in shipping costs this crop year. The Government brought forward a $2 per tonne subsidy today on grain shipped which will hold the increase to 5 per cent. However, that 5 per cent will still have to be paid by the producer, the farmer, to the transporter, the railroad.

Freight rates as a percentage of grain prices continue to increase dramatically. Holding cost increase to 5 per cent, while decreasing price by 18 per cent is no great gift. I submit that this Government has not done anything today but play a game of smoke and mirrors, and the $64 million subsidy will not in any way affect, and I say that sincerely, this year's production and help the farmers.

I want to end my remarks on what I hope is a note of some optimism. I see three Ministers here tonight. In fact, I see a lot of Members who should be Ministers but they cannot all be Ministers. I ask the Deputy Prime Minister who is in the House to look again at this question of the moratorium on the Farm Credit Corporation. I ask him to be serious and do something. All of us have acknowledged there should be a prolongation of the moratorium. For God's sake, let us be reasonable. Have some heart and understanding and give the farmers what they want, and that is a prolongation of the moratorium.

Mr. Scott Fennell (Ontario): Mr. Speaker, it is a great privilege this morning to follow the Hon. Whip of the Liberal Party. I am delighted to understand from what he has told us that he has learned so much from this debate. His Party tonight has done an extremely fine job of catching up. It is trying to catch up with the other Party, that is, the New Democratic Party, and I notice from the record that each Party has had 27 speakers, so he did catch up. I would also like to mention, while I am at it, that we are now on our forty-sixth speaker, 11 of whom were Ministers.

The Hon. Whip for the Liberal Party also mentioned throughout his speech his ability to shovel manure and the importance of fertilizer to the farm industry. I would say that he may be one of the best people in this House in that area. I would like to commend him on his experience and the benefit it has been to him now that he is here in the House of Commons. I too shared that experience in my youth and in most of my life. I still live on a farm. However, I do not think I will catch up with the Hon. Whip of the Liberal Party.

I listened with interest to this debate over the last few days. It was reminiscent of the time when, sitting in this House, I went to the then critic for transportation who was carrying on a very strong and important debate on the Crowsnest rate. I said to the now Deputy Prime Minister (Mr. Mazankowski): "What is this all about?". He took me by the arm and said, "We are just about to have a meeting". The week-end before I had told my wife that I did not know what this Crowsnest rate was all about. By the time the Hon. Member for Vegreville had finished with me, I knew much more about the Crowsnest rate than I had ever intended to know, and it was a great experience for me. It gave me a real feeling of the importance of that debate in Canada's history.

It was the present Deputy Prime Minister and his colleagues from western Canada who led this debate. I heard that because of the Western Grain Transportation Act which was brought in, we have been able to keep this rate down to $6. I recall saying how bad this increase was going to be for the farmers of western Canada.

• (0030)

Mr. Mazankowski: They did not care.

Mr. Fennell: They did not listen to us.

Mr. Mazankowski: Foster was there. He did not care then and he does not care now.

Mr. Fennell: I knew then how important it was. I had an opportunity to explain to this House the importance to my constituency which borders on Oshawa. I say a great deal more about my industry in Oshawa than the Hon. Member who represents Oshawa and happens to be my neighbour. It was a very important discussion because we were afraid that if this rate got out of hand it could have a serious effect on industry in Ontario which supplied goods and services to the West.

I also remember other debates on the National Energy Program. I remember how one factory in Scarborough had to close down. It made nothing but half-ton trucks and it closed down for a year because of the NEP which imposed inequitable penalties on the West. I know it affected all of Ontario. It affected Kingston, the steel industry in Hamilton, and Algoma Steel in the Hon. Member's riding. It affected all of eastern Ontario.

I have heard the Opposition talk about what we have not done. I heard the Secretary of State for External Affairs (Mr. Clark) tonight set forth in great detail all of the benefits we have brought to this country through—

Mr. Foster: How come everyone is going broke?

Mr. Fennell: I will tell him the reason everyone is going broke. The Minister explained it and the Hon. Member should have been listening. When interest rates were 22 per cent the farmers were going belly-up by the dozen every day. I knew those people. Do not talk to me about farmers getting into trouble. My friends in my community were affected. Your damned interest rates got out of control. You had no control, no voice in your Government to bring them down. I hate to hear the Liberals telling me what they did for the farmers when they did not do a damn thing.

This Party represents all of Canada. It represents the farm community. We have put up 46 speakers and very few were from the City of Toronto or the City of Montreal. Many were from rural areas.

Mr. Foster: What about Whitby?

Mr. Fennell: I come from a rural area so do not talk to me about Whitby. It is part of my constituency. I live in a rural area.

Talking about Whitby, I want to tell the Hon. Member what the Liberals did to the farmers in my riding. I want to tell him what they did to 18,000 acres of prime agricultural land in my riding. They drove farmers off that land because they decided they were going to build an airport in 1971.

Some Hon. Members: Shame!

Mr. Fennell: Not only that, they went to Quebec and destroyed 98,000 of the most arable acres in the Province of Quebec. It was about 1 per cent of the total arable land. Yet it was our Party that took 80,000 of those acres and returned them to farming. It is our Party that will return most of the acreage involved in my riding. Do not tell me about my riding and what the Liberals did for farmers. You hurt the service industry, you hurt the co-ops, you hurt everyone. We will get the land back to its original owners.

We have a major problem in the industry because of the critical problem internationally. Today many farmers cannot afford to pay the rent for their land. It is not worth their while to seed that land. I even approached the manager of the airport property and said that possibly he should give it to farmers just to keep the weeds under control. He said that unfortunately, because of over-supply, farmers do not want to invest the money in planting. That is a tragic situation.

What happened? France is a prime example of what happened. They have done extremely well and produce abundant amounts of cereal grains. Right after World War II they were a net importer but now they are an exporter. Many other countries we have assisted to become self-sufficient are now net exporters of grain. We have to deal with that. We cannot afford to pay our farmers a subsidy of $320 a tonne. We are not rich enough. It is only those countries with a much larger tax base who can afford it. We have to make do with less. We are a very large country with a very small population.

Farmers have also been faced with a change in eating habits. Not as much grain is consumed today as there was 10 years ago. This is a serious problem and our Government is trying to deal with it and at the same time give some dignity back to the agricultural industry.

The announcement today that we have reduced the freight rate increase to 5 per cent was very important. Under the method set up by the Liberal Party that increase would have been about $11 this year as opposed to the $6 announced today. I was talking to the Minister of Agriculture (Mr. Wise) before I came in here tonight. After I read a number of pages of what we had done for agriculture I turned to him and asked, what else are you going to do for the farmer? I sort of smiled and looked at him and said I have never seen such a complete list of assistance for the agricultural community in the eight years I have been here.

I am proud to be a Progressive Conservative. I am proud to be working with this Government. I am proud to work directly with the Prime Minister (Mr. Mulroney) of this country who, I have said many times, will go down in history as the greatest Prime Minister this country ever had.

Some Hon. Members: Hear, hear!

Mr. Fennell: I am proud to be a Canadian. I am proud particularly to be able to speak about western Canada with the same feeling that I speak about my own area. They have suffered. Go back to the dirty thirties, the dirty seventies and the early eighties. They have suffered. I do not know how much more we can do but we must rationalize on an equitable basis.

The Opposition has talked about our removing the moratorium on FCC loans. In 1982 and 1983 we pleaded with them to do something to save these farmers. We put a moratorium on foreclosures and we put a review board in place. Not only that, we provided advance payments for crops. We provided crop and livestock drug assistance. We made a record interim payment under the Western Grain Stabilization Act. We have done more for the exports of this country than has been done in 20 years of Liberal Governments before us. We increased our sales to Russia, and have sold grain to Egypt and Brazil.

• (0040)

We have had to take numerous initiatives on behalf of the agricultural community because of the neglect of the Liberals while they were in government. The Liberals never cared about the farm community.

Unfortunately, the Member for Assiniboia (Mr. Gustafson) is not here, because he is largely responsible for these initiatives. I want to congratulate him for his persistence in our caucus in expressing the concerns and views of western Canadians who are in agriculture. He is a western grain farmer and probably grows more grain than all the farmers in the Opposition combined.

Members opposite rose with a holier than thou attitude to talk about the dreadful things we are doing to farmers. The majority of the 46 Members from our Party who spoke in this debate are farmers or live on farms.

I want to say a few words about the capital gains tax. The capital gains tax exemption was a serious inequity. Someone from Toronto who owned a house worth $1 million and sold it for $2 million a year later would have to pay no capital gains tax. However, a farmer in my area who owned a $100,000 farm that became worth $200,000 had to pay capital gains tax. We rectified that terrible inequity.

The Opposition has spread fear throughout the country about what our free trade initiative will do to the agricultural community. I can tell the House that we will protect agriculture because we intend to maintain the good agricultural industry in this country.

When I met some 240 dairy farmers at a meeting I told them that while I cannot relieve their fears about what might happen, since they have suffered so much through different periods, I could promise that I would stand up for them and ensure that we would protect the marketing boards that had been put in place.

Mr. Prud'homme: Do you speak for your Party or for yourself?

Mr. Fennell: I am telling you what I have been told by the Minister of Agriculture. Supply management has been successful in this country and has even been adopted by many European countries. We cannot afford the subsidies that the Americans give their farmers because we do not have enough money. Therefore, we have developed another method and it is working. Those farmers left that meeting knowing that they have a Government that cares.

I had an opportunity to speak to 80 members of the feather industry. They included broiler chicken producers and egg producers. They were also very concerned, but I tried to allay their fears. I had a final meeting with a small group from the local durum agricultural association. I was somewhat complimented by the response I received when I asked why the meeting was so small. They told me that I had answered most of their questions already.

We have taken major steps on behalf of the agricultural industry and I am proud to be part of this Party and tell farmers in the rural communities in my riding that we have stood up for them and will continue to do so in order that they may become a healthy component of this economy.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased to have this opportunity to participate in the debate. There is absolutely no truth to the rumour that although I represent a rural community I was elected by the farm vote on a promise that I would not speak on agricultural issues. They sent me here to speak on those issues.

I want to say a few words about the participation in this debate. First, we heard some very knowledgeable speeches from members of the New Democratic caucus who represent the farming community. However, those knowledgeable speeches got off track when we heard from the Hon. Member for Ottawa Centre (Mr. Cassidy). He is a notable expert in rural items, who once told the House that his riding of Ottawa Centre was a microcosm of Canada. I do not know whether he is farming what he is throwing, but I point out that he is the Member who continually stands in the House to complain about the $500,000 capital gains tax exemption which the NDP has fought since we introduced it. There does not seem to be anyone in the NDP who realizes that the capital gains tax exemption was implemented immediately for farms because the Conservative Party realizes that the farm represents the pension of farmers when they retire. Day after day, members of the NDP complain about the fact that we have exempted that pension.

We then heard from the Member for Vancouver East (Ms. Mitchell). I was moved when I heard her speech. I realized why she is put on so many travelling committees. Then we heard from the Member for Burnaby (Mr. Robinson) who went through a whole speech without moving an amendment. Subsequently the Member for Terrebonne (Mr. Toupin) made one of his few speeches, while he is still a New Democrat, before he becomes an independent. That is the only Party he has not represented.

Having been somewhat caustic, I want to compliment my good friend, the Hon. Member for Prince Albert (Mr. Hovdebo), who commenced the debate. I have worked with him on the Public Accounts Committee and I commend him for his efforts in this debate, as well as the Members of his Party who represent rural communities. Had it not been for the NDP, this debate would certainly have collapsed because there was very little knowledgeable participation from the Liberals.

That brings me to the Liberal Party. I want to highlight some of the speeches made by their Members. We heard from the Right Hon. Leader of the Opposition (Mr. Turner) whose knowledge of the rural community out west is basically from a 30,000 foot level as he flies back and forth between Vancouver and Ottawa. He stayed in Vancouver longer, before he sold his condo. Now that he has sold it, he does not take as many trips and is losing some of that knowledge of the rural community.

We then heard from the Member for Winnipeg—Fort Garry (Mr. Axworthy). He is one of the two members in the western caucus, and he did a good job.

The Hon. Member for St. Henri—Westmount (Mr. Johnston) spent 20 minutes denying that there were high interest rates during the Liberal depression. We listened to 20 minutes of explanations that simply did not wash.

• (0050)

Having said that, I want to compliment the Hon. Member for Algoma (Mr. Foster) who briefed his colleagues, and I am sure it was not easy. He hung here in the debate and I compliment him on his efforts.

There are two reasons this debate has been welcomed by the Government Party; because we had two things we wanted to get across. First, we have an excellent record to brag about as a Government in our efforts to assist Canadian farmers. We understand the problems. We do not have them all solved yet, not for a minute, but the effort and the steps have been there. Second, the west is finally fully represented on agricultural issues at the table, as a region and in the House. Members from all areas of Canada in our Party fully understand the

problems of the western grain producer. We break bread with our colleagues from the west. We sit on committees with them. We participate in the House of Commons and there is absolutely not one Member of Parliament from the Maritimes, Quebec or Ontario in the Progressive Conservative Party who does not have an empathy with our colleagues from the west. We understand fully.

If I had one message I would like the people from the west to take from what I say it is this. The Members of Parliament from the central provinces, Ontario and Quebec, and they are here tonight, understand. There is no learning curve with us. We understand the problem and our Government, from the Prime Minister (Mr. Mulroney) down, has the full support of the Members of Parliament in the Progressive Conservative Party from Ontario, Quebec and the Atlantic provinces in the work they are doing on this problem.

The work is considerable. Because it has been referred to at length in this debate I will not walk the House through the details of the programs. There is however, a special grains program, there is crop and livestock drought assistance, there are interim pay-outs, the Western Grain Transportation Act amendments and the commodity based mortgages. All of these steps have been taken to help the west.

I would like to dwell on interest rates for a minute. We have worked as a Party to lower interest rates. We have saved farmers millions of dollars. Those steps have been taken. We have the Farm Credit Corporation rates at the lowest levels since 1979. Interest rates have been reduced five times.

With respect to farm debt review boards, legislation has been passed to set up these boards composed of people who have a knowledge of the agricultural community and have the experience in farming and financial matters to try to ease these tensions.

We have the Canadian Rural Transition Program. In my riding, this was referred to from time to time by my constituents, who are farmers. I got the best example a couple of weeks ago. On the seventh concession of Orillia Township in 1956 there were 21 farm families. Now, 31 years later, there are four farm families on that same concession farming the same amount of land. What has happened is that the ability of our farmers—and we should all be proud of this—to expand production and produce has increased faster than anyone's ability to find the markets and to be competitive in them. Being competitive in them is really the problem we are talking about today.

We have been at the forefront in calling for a new set of ground rules for international agricultural trade. The Prime Minister raised it in Tokyo as Canada's number one agenda item. We have been trying to get an informal international agreement on agricultural trade practices during the negotiations of the the new GATT rules. This may take years, but we have been there. We have made all this effort.

We know how our farmers are facing problems because our competitors are just out-subsidizing us. It is just not practical in this world where we have people who are hungry, not to get food to them. It is just not practical that we are competing with the European Economic Market and the United States which subsidize their producers. I do not think anybody in this House, no matter to which Party they belong, thinks that is a very effective way of doing things.

I went to the annual Simco County Federation of Agriculture meeting. Many Members of Parliament and Members of the provincial Legislature attended. A lot of briefs were presented at that meeting from the Cattlemen's Association, the corn producers, the egg marketing board, the maple syrup producers, the milk committee, the pork producers, the sheep producers and the wheat growers. We heard the briefs and we had a back and forth discussion. There was public participation. I was pleased to hear people tell us that they are in general agreement with the efforts of the Government, that they know what we are faced with and they are behind our efforts in trying to do something.

As I suggested earlier, we do not have all the answers and we have not won the battle. There is no question that our Government has made the effort to win the battle. We have a Prime Minister who time and time again is very, very vocal, and who has then followed his vocal comments with efforts to address the concerns of agriculture. We have a first class cabinet Minister of Agriculture (Mr. Wise) from Ontario and his colleague, the Minister of State for the Canadian Wheat Board (Mr. Mayer). They work in tandem.

It would be interesting if I were to tell the House just exactly how this ministry works. It works with complete co-operation between the two Ministers, along with the Parliamentary Secretary from the riding of Champlain, Quebec, to give it a Quebec focus. The Ministers have excellent staffs who always have time for Members of Parliament and their problems. They have a concerned Public Service staff backing them up.

The caucus is fully behind all of those people and the Prime Minister in their efforts on the issue. Let me say to the people who are suffering at this time that we do have an understanding of your problems no matter where you live in Canada. Speaking as an Ontario Member of Parliament, especially Ontario, we do have an understanding, and we intend to continue the good fight.

I want to finish my speech by complimenting everybody, the Speakers in the chair, Members at the Table, the pages, the staff, and especially the *Hansard* staff. With some exceptions, it has been Parliament at its best, and we have truly focused the concern of Canadians on this very important issue.

• (0100)

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I just want to say that we have no further speakers. I would like to join in thanking you first, Mr. Speaker, for your extraordinary

good presence and patience. I thank very warmly the people from the Table, all the staff, the Pages and those devoted people who take notes of all of what has been said, including the last speaker. Unfortunately, they had to take his speech also. But that is all right.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I would like to say it has been an important debate about a very basic and noble industry. We have talked about some of the concerns of agriculture and I think we have raised the level of awareness of all Canadians of the problems of agriculture. When one thinks about it, it is a very useful way to make use of the House of Commons, this very noble institution. It is almost an irony that we are here tonight talking about surpluses which are causing us problems when there are all kinds of people around the world who are hungry.

We have heard over 100 speakers representing all 10 provinces. We thank everyone who has had an opportunity to participate. There has been some political rhetoric and some very good speeches. May I say in many ways one of the most thoughtful speeches we heard from the opposition benches was from the Hon. Member for Saint-Denis (Mr. Prud'homme). I think it is fair to say that we all enjoyed what the Hon. Member for Saint- Denis had to say.

The debate has lasted over parts of four days and in many ways it has been an historic debate. I just want to join in thanking everyone who stayed with us, the House of Commons staff and everyone who participated.

Mr. Deputy Speaker: Pursuant to Standing Order 29(13), I am satisfied that the debate has now been concluded. I therefore declare the motion carried.

This House stands adjourned until tomorrow morning at 11 a.m.

The House adjourned at 1.04 a.m.

HOUSE OF COMMONS

Friday, May 1, 1987

The House met at 11 a.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

STATUS OF WOMEN

WOMEN'S EXPECTATIONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, although Canadian women were delighted with the appointment of Mrs. Claire L'Heureux-Dubé to the Supreme Court of Canada, they realize that the Government has a long way to go before it fulfils its campaign promises with respect to women.

The Conservatives promised to double the number of women sitting on boards and councils, but we have not seen much progress. Not a single woman has been appointed to the War Veterans Allowance Board of Canada, for instance. The Conservatives promised that the Public Service would be a model of employment equity. However, less than 10 per cent of management appointees are women. On the Nielsen task force which recommended changes in all government programs, less than 10 per cent of the members were women.

The present Government has never said how many women were affected by job cut-backs.

Mr. Speaker, Canadian women want results, not just nice words, and we expect the Government to act accordingly.

* * *

• (1105)

[*English*]

THE CONSTITUTION

RESULT OF FIRST MINISTERS' MEETING—TRIBUTE TO PRIME MINISTER

Mr. William G. Lesick (Edmonton East): Mr. Speaker, I rise to offer my congratulations to our Prime Minister (Mr. Mulroney) for his historic achievement yesterday at the First Ministers' Conference.

Some Hon. Members: Hear, hear!

Mr. Lesick: Through sheer determination, overwhelming preparation, and hard work, the Prime Minister has managed to achieve a momentous agreement in principle to changes to the Constitution. He has displayed great sensitivity to the needs of the provinces and has included them in every step of the negotiations.

The provinces have gained new powers in many areas, including a voice in the reform of the House of Commons, the Senate and the Supreme Court. This in particular is welcome news to my home Province of Alberta. Premier Getty and all Albertans are ecstatic at the potential offered by Senate reform. This is indeed an example of the fact that the Prime Minister is listening to the needs of western Canada.

We are in a new era of federal-provincial relations. This constitutional agreement is a true example of effective federalism and I am proud to be part of a Government which has helped to achieve this historic agreement.

* * *

TRADE UNIONS

PARLIAMENT HILL OPERATIONS WORKERS—VOTE IN FAVOUR OF UNIONIZATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to draw the attention of the House to an historic moment in our history yesterday when Parliament Hill employees voted to join the union of their choice, the Public Service Alliance of Canada.

In a certification vote for which 537 employees were eligible, 82 per cent voted, and 72 per cent voted in favour of joining the Parliament Hill local of the PSAC. This overwhelming endorsement for the union demonstrates that the men and women who serve this institution so faithfully wish to have the same representation right which is granted to, and taken for granted by, so many Canadian workers.

The certification is the culmination of a five-year struggle to establish the collective bargaining rights of workers on Parliament Hill. Members of the NDP salute the persistence and patience these workers have shown in their efforts to establish their union. I fully expect these negotiations to be successful and to be followed by many others as all eligible staff on the Hill exercise their collective bargaining rights in the years to come.

S. O. 21

[*Translation*]

THE CONSTITUTION

AGREEMENT IN PRINCIPLE PROPOSED BY PRIME MINISTER—UNANIMOUS SUPPORT OF PROVINCES

Mr. Richard Grisé (Chambly): Mr. Speaker, April 30, 1987, will go down in history as a memorable day for the Government of Canada.

The 10 provincial premiers, representing four different political parties, unanimously supported the agreement in principle proposed by the Prime Minister of Canada (Mr. Mulroney), which will allow Quebec to become a signatory to the Canadian Constitution, with honour and enthusiasm.

Thanks to the constant efforts of our Prime Minister and the unprecedented flexibility of his provincial counterparts, Quebec can now become a full-fledged member of this wonderful country of ours.

This historic agreement is good for all Canadians since it gives our federation more flexibility, a better balance and more safeguards, and makes for a more united, stronger and more equitable country. This historic event is in line with the political agenda of the Conservative Government, which has national reconciliation as one of its main priorities.

Mr. Speaker, the people of Quebec and the people of the riding of Chambly rise together to speak with one voice to the man who brought about this historic event, the Prime Minister of Canada and Leader of the Conservative Government, the Right Hon. Brian Mulroney: Bravo and thank you! Mission accomplished!

Some Hon. Members: Hear, hear!

* * *

THE CONSTITUTION

PARTICIPATION OF QUEBEC AND UNITY OF CANADA

Hon. Jean Lapierre (Shefford): Mr. Speaker, following the remarks of my colleague from Chambly, I should like to join all Hon. Members and congratulate the Prime Minister (Mr. Mulroney), and the provincial premiers.

Some Hon. Members: Hear, hear!

Mr. Lapierre: As you know, Mr. Speaker, unfortunately the constitutional patriation process was an unfinished undertaking. I want to rejoice at the agreement in principle, but of course we will have to see all the details to make sure that everything is fine. Mr. Speaker, you would be aware of precedents or agreements in principle which were not necessarily ratified. Still, Mr. Speaker, I want to tell you that as a Quebecer I think that the participation of Quebec in the Canadian Constitution is a prerequisite to the unity of this country. Progress in this matter which the newspapers and various media are highlighting is heartening, and hopefully it will be completed in the coming months.

In my opinion, this is not a partisan but a basic issue in the life of this country, and I can only rejoice.

Some Hon. Members: Hear, hear.

* * *

THE CONSTITUTION

PARTICIPATION OF QUEBEC

Mrs. Mary Collins (Capilano): Last evening, Mr. Speaker, like all Canadian men and women I was particularly happy to learn that the Prime Minister (Mr. Mulroney) and the 10 provincial premiers have concluded an agreement in principle which will enable Quebec to adhere to the Canadian Constitution.

Some Hon. Members: Hear, hear!

• (1110)

[*English*]

Mrs. Collins: We know there are differences in this country as there are in any family, but the sign of greatness, the sign of real caring, is when each one of us, individual or province, puts our self interest aside for the interests of the whole.

True leadership was shown last night by the leaders of our country. Today I am proud to be a Canadian and a British Columbian in a country which can be, at long last, united. Each Canadian can stand a bit taller as we show to the world our strength, our unity, and our concern for each other.

All Members will join me in congratulating the Prime Minister and the provincial Premiers for this historic accomplishment, a hallmark in the annals of the history of this country.

* * *

APARTHEID

SOUTH AFRICA'S FUNDING OF MOZAMBIQUE NATIONAL RESISTANCE ORGANIZATION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in Mozambique, South Africa funds and directs the terrorist organization known as the Mozambique National Resistance, or Renamo. Renamo creates violence, terror and destruction in a nation already suffering from severe drought, chronic poverty and underdevelopment after centuries of Portuguese colonialism. As a result, Mozambique has more than one million refugees, three and a half to four million people at risk of starvation, and the highest child mortality rate in the world. One child dies every six minutes.

In Canada we must understand the message: Apartheid kills. We must ask why our Government does not take stronger action against South African apartheid by imposing total sanctions against South Africa and giving the front line states the resources they need to defeat apartheid-financed guerrilla movements within their borders.

* * *

[*Translation*]

THE CONSTITUTION

PARTICIPATION OF QUEBEC

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, April 30, 1987 will be a date to remember in Canadian history. Yesterday, a giant step forward was made in the constitutional issue, and as a Quebec representative, I am incredibly happy and proud of the agreement in principle reached by the 10 premiers and the Prime Minister (Mr. Mulroney), which will enable Quebec to rejoin the constitutional family in the very near future.

I wish to underline the open-minded attitude of the premiers as well as the leadership, the performance and the determination of our Prime Minister which brought about a unanimous agreement, to the satisfaction of the Quebec Government and all the other provinces.

This agreement in principle is excellent not only for Quebec, but for Canada as a whole. It is factual proof that we have achieved national reconciliation.

Some Hon. Members: Hear, hear!

* * *

THE CONSTITUTION

SITUATION OF MINORITIES—PRESSING APPEAL FOR GENEROSITY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I do not wish to put a damper on this collective rejoicing. The agreement in principle announced last evening makes me as happy as anyone else, but I would not want the majority, both in English Canada and in French Quebec, to forget Francophones outside Quebec or Anglophones within Quebec. I trust that this agreement will include provisions to eliminate on the one hand the quantification of rights for Francophones outside Quebec in our schools, and so on, and to extend linguistic rights as generously as possible on the other hand, so that all Canadians will be treated as first class citizens and feel proud of their heritage, without being subject in certain regions to restrictions and even sometimes to unwarranted prejudice.

• (1115)

[*English*]

THE CONSTITUTION

RESULT OF FIRST MINISTERS' MEETING—TRIBUTE TO PRIME MINISTER

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, last night we received word that an historic agreement had been reached which would finally see Quebec become a full partner in our Canadian Constitution.

The Prime Minister's determination and dedication have brought about an agreement in principle which will result in the Province of Quebec signing the Canadian Constitution, a milestone in Canadian history.

His skill as a negotiator allowed him to find common ground for agreement between the federal Government and the provinces that will not only accommodate Quebec but will strengthen our country and reinforce the bonds that tie our provinces together to form this great federation.

The Prime Minister (Mr. Mulroney) deserves both our congratulations and heartfelt thanks for his outstanding contribution to this long awaited accord. I am certain my colleagues will want to join me in applauding the Prime Minister and the Premiers for their success.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Winnipeg North Centre (Mr. Keeper).

And the Prime Minister having entered the Chamber:

Some Hon. Members: Hear, hear!

Mr. Keeper: Mr. Speaker, I appreciate the warm welcome.

* * *

CANADA POST CORPORATION

SUPERMAILBOXES CONDEMNED BY THE HANDICAPPED

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, yesterday the handicapped appeared before the Government Operations Committee and stated that supermailboxes rather than door-to-door delivery are a derogation of their human rights. That may sound like a strong statement, but let us consider that Canada has signed an international declaration and has established a Charter of Human Rights, both of which guarantee access to the handicapped and a system that provides access.

The handicapped point out that systems that fail to provide full access do in fact discriminate. Mailboxes that can only provide service when the sun shines and not when the snow flies are discriminatory. They recommend generic services, services that are not vulnerable like specialized services, services that do not stigmatize.

S. O. 21

The handicapped call upon the House to move forward with regard to their rights, to ensure their human rights are respected, and to consult them when changes in systems are made.

* * *

[*Translation*]

THE CONSTITUTION

PARTICIPATION OF QUEBEC

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, as a Canadian, a Quebecer and a Quebec-elected representative in this House, it was with considerable emotion and pride that I learned late last night that Canada's 11 First Ministers had reached an agreement in principle to bring Quebec into the Canadian Constitution.

After 10 hours of intense discussions, the First Ministers agreed to respond positively to Quebec's five prerequisite conditions. Moreover, this agreement in principle is consistent with the proposal submitted by the Prime Minister of Canada (Mr. Mulroney) to the provinces.

We should praise the many initiatives taken and the leadership shown by the Prime Minister of Canada in this matter, as well as the provincial Premiers' open-mindedness towards Quebec's conditions. April 30, 1987, which will remain from now on an important date in the history of our country, provides a beautiful conclusion to the 1982 incomplete efforts which had isolated Quebec from the rest of Canada.

Quebec joining the rest of the Confederation will truly make Canada a richer and more united country. The great and marvellous Canadian family welcomes Quebec!

Some Hon. Members: Hear, hear!

* * *

CHALLENGE '87

DECREASED GRANTS TO GLENGARRY—PRESCOTT—RUSSELL

Mr. Don Boudria (Glengarry—Prescott—Russell): Last year, Mr. Speaker, my riding of Glengarry—Prescott—Russell received $378,997 under the Challenge 186 Program. This contribution was greatly appreciated by my constituents, for the unemployment rate in my riding was about 14 per cent. Unfortunately, Mr. Speaker, the Minister has decided this year to reduce this amount by some $100,000 to $283,990.

This decrease is altogether unacceptable, for the unemployment rate in my riding is higher now than it was last year. Glengarry—Prescott—Russell voters want to know what has happened to the $100,000 owed to their riding. Mr. Speaker, they want and need that money. The tourist office in my riding is about to close. A radio station will be unable to pay its employees holidays. Mr. Speaker, it is a catastrophe for my Glengarry—Prescott—Russell riding. I demand what we are entitled to. Glengarry—Prescott—Russell voters are entitled to their fair share, even under a Conservative Governent.

* * *

• (1120)

[*English*]

THE CONSTITUTION

RESULT OF FIRST MINISTERS' MEETING—TRIBUTE TO PRIME MINISTER AND PREMIERS

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, it is with great pride that I stand as a Member of Parliament from Atlantic Canada in this Chamber today. The Prime Minister (Mr. Mulroney) has concluded an historic constitutional agreement with the provincial Premiers. This is quite remarkable given Canada's history in this area. Congratulations and thank you, Mr. Prime Minister, for your leadership. Quebec's participation in the constitutional process fills a void and completes the process.

As a Nova Scotian, I am also proud of the pivotal role played by Premier Buchanan and other Atlantic premiers in these talks. Nova Scotians and Atlantic Canadians are proud of their political leaders.

To all our leaders I express congratulations for their maturity, sensitivity and determination. Finally, I welcome the Province, the Government and the people of Quebec as participating members in the constitutional process. You are an essential partner and indispensable part of the Canadian fabric. Once again, congratulations, Mr. Prime Minister. I look with even more enthusiasm to Canada's future.

* * *

ORGAN DONOR AWARENESS WEEK

MEMBERS OF PARLIAMENT URGED TO SIGN DONOR CARDS

Mr. Bruce Halliday (Oxford): Mr. Speaker, on Tuesday of this week, the Minister of National Health and Welfare (Mr. Epp) brought to the attention of this House the designation of this week as Organ Donor Awareness Week in Canada.

As members of the Canadian Medical Association, my colleagues, the Hon. Member for Bruce—Grey (Mr. Gurbin), the Hon. Member for Gaspé (Mr. Marin), the Hon. Member for Hull (Mr. Isabelle) and I have made available to all Members an information package prepared by the CMA which encourages all Members of Parliament to play a leadership role by signing organ donor cards and encouraging their families and associates to do likewise.

As family physicians we are all aware of the life threatening situations which can be overcome through organ transplants. Donated hearts and livers can mean new and useful life to many facing certain death. The gift of a cornea can allow the blind to see again and skin transplants can mean less suffering for the severely burned.

A gift of life and renewed hope is yours to give and I urge all of you to consider signing and carrying with you an organ donor card. Do not stop there. Discuss the idea with family and friends, and pass along the message that we can all play a vital role in restoring health to many thousands of Canadians.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

RESULT OF FIRST MINISTERS' MEETING—REQUEST THAT PRIME MINISTER TABLE DOCUMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, yesterday was an important day for Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Gray (Windsor West): Mr. Speaker, yesterday was a historic day for Canada.

[*English*]

I congratulate the Prime Minister and the Premiers for reaching an agreement which could mean that Quebec will formally sign the Constitution of Canada. This is significant and important. After all, my Party has taken a position in favour of further constitutional change to achieve this purpose. However, we do not know as yet exactly what was agreed to last night. Therefore, I want to ask the Prime Minister if he will table in this House immediately a document giving full details of exactly what was agreed to at the meeting last night at Meech Lake?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in regard to the question put by my hon. friend, I thought it was agreed among House Leaders that I would wait for the appearance of the Right Hon. Leader of the Opposition around 12.30 p.m., at which time the three Leaders would make statements with regard to this important matter.

However, I am happy to assure my hon. friend that any documentation with regard to last night's meeting will, of course, be made available. It was an agreement in principle on the important principles. Drafting instructions were given immediately to our respective officials which will translate, hopefully, into a constitutional amendment. At all times the House will be fully advised and there will be full opportunity for participation and debate on all aspects of any proposal.

[*Translation*]

QUERY CONCERNING DATE OF NEXT MEETING

Hon. Herb Gray (Windsor West): Mr. Speaker, could the Prime Minister inform the House when the next First Ministers' meeting will be scheduled to discuss the Meech Lake agreement? He promised to table a document, but when will the next meeting be held to discuss it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, last night I said my personal preference would be to have this meeting within the next few weeks. Some Premiers expressed theirs, saying they needed some time to consult their respective legislatures or the National Assembly, in the case of Quebec. In any case, I intend to ask the Premiers to meet as soon as possible to ratify this historic agreement.

• (1125)

[*English*]

IMPLEMENTATION OF MEECH LAKE AGREEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, in addition to the information the Prime Minister has just given us about when the next meeting of First Ministers will be held, I want to ask him if he will give us more information today about the process that will be followed to implement the Meech Lake Agreement. There are documents setting out principles about which the Prime Minister has told us. We know that he will be making a statement later today in the House. However, the process is likely to be complex, and we would appreciate more details with respect to exactly what that process will be and of what it will consist.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I intend to touch upon the process in my remarks to the House at 12 noon or 12.30. Briefly, what is required is that, after drafting instructions have been given to our respective Attorneys General and officials, a meeting of First Ministers must take place to ratify and to ensure that that document faithfully reflects the agreement in principle. Resolutions then have to be placed before our respective Legislatures for debate and consideration, after which an official proclamation on behalf of the Parliament of Canada and the various legislatures will take place to give effect to the agreement that will be submitted to Parliament. Essentially, that is the procedure.

I tell my hon. friend that at all times there will be ample opportunity for all Members of the House to participate fully in what is an important dimension of nation-building for Canada, as the First Ministers themselves described it last night.

Some Hon. Members: Hear, hear!

[*Translation*]

INQUIRY WHEN DEBATE ON AMENDMENTS WILL BE HELD

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, as a proud Quebecer with a passionate faith in Canada, I am very pleased to see that apparently we have started to come out of the constitutional impasse, and I think that whatever is in Canada's interests should be welcomed without any hint of party politics.

As the Prime Minister just pointed out, the Constitution Act, 1981 provides that any amendment to the Constitution of Canada must be considered by Parliament. Could the Prime Minister inform the House today when the debate will take place?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, obviously, as soon as possible, but at least two Premiers made it clear that they intended to submit everything to their respective legislatures for debate. I indicated that we should nevertheless act quickly to get everything finalized. I think that within the next few weeks, Parliament may be asked to consider all the relevant documentation.

SUGGESTIONS CONCERNING DEBATE ON CONSTITUTION

Mr. Marcel Prud'homme (Saint-Denis): My thanks to the Prime Minister. Since there will be a debate in the House, there are two things we could do, and I would like to make a suggestion, with all due respect, to the Prime Minister and to the House. Perhaps it would be in Canada's interest, considering the widespread public interest in this matter, a foregone conclusion in Quebec, need I add, to take the following approach. First we could have a general debate to discuss the entire question, and this would be entirely aside from the obligation we have under the Constitution Act, 1981, to have debate. Subsequently we could have the regular, formal debate which could proceed very quickly when the time comes to sign. In this way, we could show the provinces that might still be somewhat reluctant the considerable support there will be in Parliament, and I don't think we should doubt the support is there until proven otherwise. When we look at all the details, the changes in the Senate and so on, it is clear that what we have here is history in the making, also thanks to previous action by the Prime Minister's predecessors—

Some Hon. Members: Oh, oh!

Mr. Prud'homme: —and to the tremendous co-operation of the provincial Premiers, but I expect there may be some reluctance in some parts of the country.

Therefore, would the Prime Minister agree, in his wisdom, and I know he is wise in these matters—I try to be— that it might be wise to set the tone for the debate?

An Hon. Member: Say that again, please.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that was probably the greatest speech the Hon. Member has made since his comments on the agriculture question, which were brilliant as well. Mr. Speaker, the Hon. Member made some excellent suggestions. I will look at them closely. I will discuss them with the Government House Leader, who will consult with his colleagues. One thing is certain: We intend to consider any suggestions that will enable Hon. Members and the House to be as actively involved as possible and will also enable the House to provide moral leadership for the country and for the other governments involved in the decision making process. I want to thank the Hon. Member for his comments.

* * *

• (1130)

[*English*]

FARM CREDIT CORPORATION

END OF MORATORIUM ON FORECLOSURES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, in light of the fact that the three party Leaders will be commenting at 12.30 p.m. on the successes of last night, let me simply say on behalf of my caucus that we recognize and appreciate the Prime Minister's hard work that resulted in an agreement yesterday.

Some Hon. Members: Hear, hear!

Mr. Riis: I would like to turn to another important issue at hand and that is, of course, as of this morning hundreds of farmers across Canada, perhaps in a sense thousands, will be concerned that now foreclosure proceedings will be initiated by the Farm Credit Corporation as a result of a decision taken by the Government.

In light of the fact that we spent three days and nights in a sense in debate and heard well over 100 Members of Parliament on all sides of the House, most of whom agree that there is a real crisis in the farm community for which we are seeking solutions, and in light of the fact that the farm crisis did not end with the debate, would the Prime Minister indicate now that his Government, sensitive to the concerns particularly of the western grain farmers, will reinstate the moratorium on Farm Credit Corporation foreclosures?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member is quite right. We did have, I think, in many ways an historic debate that lasted over parts of four days which saw people participate from all 10 provinces right across the country. One of the most important contributions to that debate was made by the Prime Minister when he outlined the many initiatives that he has taken internationally.

Some Hon. Members: Hear, hear!

Mr. Mayer: I think we all would agree that we are facing exceptional times in the Canadian grain and oil-seeds business, but from the many Members who spoke, the Hon. Member would have to agree that the Government has been responding in exceptional fashion to help Canadian farmers stay on their land.

Let me say that the Minister of Agriculture has put in place many things that will assist farmers who are in financial difficulties in dealing with the Farm Credit Corporation. None of us like to see personal hardship, but there are many programs that will assist people facing financial difficulties as a result of the exceptional times we face in agriculture.

ACTION TAKEN BY SASKATCHEWAN GOVERNMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, can I suggest to the Hon. Minister that if he wants to help farmers who are experiencing crisis situations, particularly financially, the way to do it is to reinstate the moratorium which is exactly what happened 19 months ago. That is the way to bring relief to hard-pressed farmers experiencing financial problems.

A major concern expressed by Members on all sides of the House during the important debate—

Mr. Crosbie: Question.

Mr. Riis: It is part of the question—has to do with the fact that now the Government has sent a clear signal to the banks and other financial institutions that it is lifting the moratorium and will provide open season for the banks across Canada to start moving in on hard-pressed farmers.

Would the Minister of State for the Wheat Board rise and say that he is prepared to follow the example set by the Conservative Government in Saskatchewan? When it recognized there was a serious problem that Government decided to put a moratorium on all foreclosures, the Farm Credit Corporation, the banks—all lending institutions—so that we could keep the family farm in place during these difficult economic times.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I do not know what the Hon. Member is talking about. He does himself, his Party and Canadian farmers a disservice when he talks about sending signals of open season. That is simply not the case. He knows better than that.

Mr. Riis: He doesn't.

Mr. Mayer: Through the debate, if the Hon. Member had been listening, he would have found that there is a record amount of financial assistance going to farmers at a critical time of year. Just to say it again, $1.3 billion is going to western Canada between now and the end of May. That is a tremendous amount of money.

In terms of dealing with the situation, let me outline some of the things that have been done. There are shared risk mortgages available. We have commodity-based loans. The Farm Debt Review Boards are set up and there is a Rural Transition Program. For the first time ever we are breaking new ground in many of these areas. The Hon. Member will find that in a year from now many of those programs have worked extremely well to help farmers through a very difficult time.

REQUEST THAT PRIME MINISTER MEET FARM ORGANIZATION LEADERS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, let me come back to the Prime Minister. The Prime Minister indicated in his speech the other day that when westerners call he will listen, take action and respond to their request whenever and wherever possible. The Prime Minister is going to western Canada next week. Will he make a commitment that when he goes there it will not be a PR exercise but that he will be sitting down discussing and negotiating with the leaders of the farm community and organizations of western Canada ways and means of resolving this very serious situation, not a PR exercise, but a working visit to western Canada to resolve this farm crisis?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have met with farm leaders on a regular basis. I believe—I may be wrong—that the Secretary of State for External Affairs and I met groups in Vancouver, we had formal meetings in Ottawa and meetings with the farmers in Edmonton—I believe that I am the first Prime Minister in a long period of time to have met so regularly with farm leaders across Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In terms of assistance to farmers, although I was not here yesterday, I was with my colleagues, of course, responding to requests for assistance. Sixty-four million dollars in federal assistance was granted yesterday for prairie grain farmers which was announced by the Minister of Transport. That is a pretty tangible further indication of our commitment to the well-being of farmers.

Mr. Riis: Are you going to meet with them?

Mr. Mulroney: My hon. friend asks if I am going to meet with farmers. It would never occur to me to go to western Canada and not meet with farmers.

Some Hon. Members: Hear, hear!

Oral Questions

AGRICULTURE

SALE OF UNITED STATES WHEAT TO U.S.S.R.

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of State for the Wheat Board. The House knows that this is black Friday. This is the day that the Government is starting to foreclose on thousands of farmers with FCC loans.

Yesterday the United States announced it was selling some four million tonnes of wheat to Russia under the Export Enhancement Program under which, last fall, the United States Government offered a subsidy of some $20 a tonne to the Russians. We can only assume that the Americans now are making this same offer, perhaps more. With this news, which is bound to depress world grain prices for all farmers including Canadian farmers, will the Government agree to giving a commitment to the farmers, or when the Prime Minister is in the west next week, to a deficiency payment and calling off the foreclosures today?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, there are so many questions to answer. Let me see if I can address the export enhancement sales to the Soviet Union. The Hon. Member will know that Canada, with the assistance of the Prime Minister and the Secretary of State for External Affairs, last year signed a five-year 25 million tonne grain deal with the Soviet Union. We are selling what we hope will be very close to a record amount of grain to the Soviet Union this year. We are doing very well selling.

Let me put it in context if I can. Two years ago the Americans sold six million tonnes of wheat to the Soviet Union. This year so far they have not sold any. For the Americans to sell to the Soviet Union is something we think that is normal given the fact that they have been major suppliers to the Soviet Union in the past.

Instead of having a black cloud over our heads—the Hon. Member talks about black Friday—there may be some optimism if the Hon. Member would want to look. To the extent that the Americans have sold a considerable amount of grain, it may take some pressure off the market and we may see an improvement in it. There is room for optimism in this announcement if the Hon. Member would want to take the little black cloud away from his head and look for something positive.

Some Hon. Members: Hear, hear!

• (1140)

Mr. Foster: Mr. Speaker, there is certainly a black cloud over the heads of the 6,000 FCC mortgage holders who are two years in arrears this morning, with the foreclosures going ahead.

U.S. EXPORT ENHANCEMENT PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. Yesterday we learned that the United States is putting in place new measures under its Export Enhancement Program to subsidize 1.2 million tonnes of barley to Saudi Arabia which, as the Minister knows, is a traditional Canadian market. This could cost Canadian farmers some $75 million to $85 million in sales.

Will the Secretary of State for External Affairs call in the United States Ambassador to see that the United States will stop this raiding of traditional Canadian markets with its Export Enhancement Program?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we do that on a regular basis. The Hon. Member will be pleased to know that we have already communicated with the Americans to let them know our concern in this area. The Hon. Member will also know that so far it is a rumour of an offer which has not been accepted.

The other interesting point to note in the over-all exchange—and perhaps the Hon. Member could choose to be a little optimistic—is that the Americans are basically sold out of barley. Unless there is something additional to the rumours, which there very well may be, we really do not see that this will have much of an over-all effect on the market, except to say again that it looks like—because of the good selling efforts of the Canadian Wheat Board and the support of the Government for the board in selling—and this is in direct contrast to what happened in the early seventies with the LIFT program—Canada has the potential this year to export a record amount of grain. Again, this is a certain amount of good news to Canadian farmers.

INTERNATIONAL NEGOTIATIONS ON MARKETING OF GRAIN

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the Minister of State for the Canadian Wheat Board has told us on many occasions, as have the Prime Minister and the Secretary of State for External Affairs, that Canada is hoping to get out of the grain war situation and depressed prices through international negotiations.

I am trying to be optimistic this morning, despite the announcement of the Soviet purchase from the Americans. However, can any of those Ministers point out to me or give me some hard news that will tell me that these international talks, in which they have engaged, will be completed faster than three years to five years?

I note, for instance, that many of the initiatives do not even include the Americans and the Europeans who are the main players in the problem.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there has already been some movement in the common agricultural program of the European Economic Community; not as much as we would like to see, but some movement is better than none. There used to be none, and now there has been some movement in certain commodities away from their protectionist practices.

The Government has taken a very active lead under the direct and personal direction of the Prime Minister to force the issue at virtually every international conference and, when there is not an international conference that month, to call one.

There will be a meeting here in Ottawa later this month, presided over by the Minister for International Trade, of the so-called Cairns Group of Fair Traders in Agriculture. We will continue to maintain pressure there.

We have agriculture under the GATT. It was not under the GATT before. We hope we can make progress within the time limits the Hon. Member mentioned toward some solution of this cycle of subsidy which is the principal cause of the devastation and the uncertainty being faced by Canadian farmers today.

Mr. Althouse: I thank the Hon. Minister for that answer.

FEDERAL GOVERNMENT ASSISTANCE TO GRAIN PRODUCERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, given that the Minister admits that it will be three to five years before such an international agreement could optimistically be possible, what financial assistance is the Government offering Canadian grain producers across the country to keep them competitive with their American and European competitors?

It will be at least three to five years before we can stop this stupid trade war which has been going on. The Cairns Group does not even include the Europeans and the Americans, so I think our producers want to know whether they will still be in business by the time the trade war has been brought to an end and there is grain peace in the world.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are two ways one can approach difficult problems. One can sit back and complain and trivialize the progress that has been made, and that is the position of the NDP.

The Hon. Member just got up and attempted to trivialize the fact that $1.3 billion will be in the hands of Canadian producers by the end of this month. That is not trivial; that is a very major contribution to Canadian producers.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): There was a day when the socialist Party believed in trying to take action internationally to solve problems. The Government is doing that now, doing that with effect, doing that with the United States, doing that with the European Economic Community, but not limiting ourselves to those major nations. The Government is also joining into active partnership with other countries like us—with Thailand, with Argentina, and with other nations which share our view that we must work together to break the cycle of subsidies.

Some Hon. Members: Hear, hear!

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF ATTORNEY GENERAL OF BRITISH COLUMBIA

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery of the Hon. Brian Smith, Attorney General of British Columbia.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

AGRICULTURE

LIFTING OF MORATORIUM ON FARM FORECLOSURES—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Prime Minister. He has surely been very busy over these last few days, and the announcement by the Minister of Agriculture that the moratorium on farm foreclosures was being lifted must have escaped his attention. So I would like to ask him whether he thinks that is the kind of signal we should be sending financial institutions at this point, whether that is the kind of support we want to give the farm community by sending as of today bailiffs to seize their lands, thereby causing a farm exodus.

I will therefore ask the Prime Minister whether he will consider discussing this anew with his Minister of Agriculture and tell him that his announcement makes no sense?

[*English*]

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member should know that it did not escape the attention of the Prime Minister. He was here very early on Wednesday morning and played a major part in the debate.

Mr. Mazankowski: Where were you?

Mr. Mayer: As a result of that his Leader showed up.

Mr. McDermid: He got your Leader out of bed, and Broadbent was right behind him.

Mr. Mayer: Let me also say, Mr. Speaker, that the Minister of Agriculture has put in place many, many mechanisms to help farmers who find themselves in a period of financial difficulty and unable to meet their commitments with the Farm Credit Corporation. They are not treated summarily.

One of the reasons they are in this problem is the high interest rate policy followed by the previous Government. That is something we have addressed and now have interest rates down to an eight-year low as far as the Farm Credit Corporation is concerned.

[*Translation*]

GOVERNMENT'S ALLEGED CONTRADICTORY ATTITUDE

Hon. Jean Lapierre (Shefford): Mr. Speaker, I think the Minister's comments will bring no comfort whatsoever to those who will be expecting the bailiffs over the coming weeks.

If there are as many programs as he suggests, and if there is as much help available to farmers, why is he then lifting the moratorium at this point? If, as he suggests, the farm industry has no problem why will he be foreclosing on thousands of farm loans? The question is: why is the Government sending conflicting signals? On the one hand, it says it has programs to help the farmers, and on the other it is sending bailiffs after them.

[*English*]

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, people in the farming community know that the Government is not sending out contradictory signals. They know that the Government is standing with them in an extraordinary time with some extraordinary measures. That is what people in the farm community know.

If the Hon. Member looks at the cases—and, if he has cases in his own riding, I am sure the Minister of Agriculture and I will be more than willing to look at them—he will find that one of the reasons, if he has some constituents in trouble, is the high interest rates when he was part of a Government which let the rates for farm improvement loans go way above 20 per cent.

* * *

RAILWAYS

GRAIN FREIGHT RATES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is either for the Minister of Transport or for the Minister of State for the Canadian Wheat Board.

Yesterday the Minister of Transport announced a 6 per cent increase in grain freight rates to be paid by grain producers. During the Crow rate debate, the Tories gave the impression that they would keep rates down for producers, and last year they froze those rates.

Why is the Government now reneging and raising freight rates?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am pleased the hon. gentleman asked that question. It is just as accurate and informative as are most of these questions.

Yesterday we announced an 18 per cent decrease from the freight rate paid by producers of grain in the year 1984-85 just before we came to power. After three years, we have reduced the price of grain to the prairie producers by 18 per cent and yesterday's announcement, together with the $64 million in assistance, will help them in their grain transportation costs. In the preceding two years, the rate—I do not have the exact figures here—was $5 and in this present crop year it is $5.97.

• (1150)

I believe our record shines in comparison with the record of any other Government of Canada. We have never had an NDP Government so we could see how dismal and abysmal their record would be.

INQUIRY CONCERNING GOVERNMENT ASSISTANCE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the farmers will not see one penny of that $64 million of which the Minister is speaking. Most of the Tory Members who spoke in the recent debate committed the Government to assist the grain producers. Is this increase in freight rates a signal of the kind of assistance we can expect, the kind of assistance the Government will be giving to grain producers in the next year?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is a signal of the Government's continuing interest in and support for the farmers of Canada.

Some Hon. Members: Hear, hear!

Mr. Crosbie: The facts are that when our predecessors in the Liberal administration had the House pass the Western Grain Transportation Act, they projected that this year freight rates to the producers would be $13.67 under their legislation. Instead of that, the cost will be $6.32 as a result of our actions. Compare that to the fact that in 1984-85 the cost to the producer was $7.70, and $6.32 from $7.70 shows a considerable improvement of $1.38 per tonne. Still the hon. gentleman is not satisfied to do anything but complain rather than supporting the Government and encouraging it in what it is trying to do.

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ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. On April 24, Amoco Canada wrote to at least one hopeful bidder on Dome Petroleum to try to intimidate that party into not making a bid for Dome Petroleum. The Minister's own officials were briefed over the Easter weekend as to the fact that letter would be sent.

Why is the Minister of Energy, Mines and Resources condoning this intimidation by Amoco Canada of potential bidders? Will the Minister not tell Amoco Canada and Dome Petroleum that the Government wants to review all possible bidders as soon as possible?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, under Canadian law, the Government is apprised through Investment Canada of take over proposals by corporations with foreign majority control. I repeat that through Investment Canada, this Government has received no proposal whatsoever at this time, so we are unable to take a position on a non-existing proposal.

[*English*]

MINISTER'S POSITION ON PROPOSED PURCHASE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, Amoco Corporation of Chicago will not allow its subsidiary Amoco Canada to issue one share to Canadians because it wants to retain 100 per cent interest in Amoco Canada so it can qualify for extensive tax benefits in the United States. How can the Minister allow Canadians to give away their resources without even getting equity just to allow an American multinational to get tax benefits in the United States? The Minister said that this deal would be good for Canada. How can he say that this is good for Canada?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I want to repeat once more that the Minister of Energy, Mines and Resources is unable to make a judgment on a proposal that has not yet been received. But I can assure the Hon. Member that when the Government receives a proposal, either by Amoco or any other corporation with which Dome Petroleum is interested in reaching an agreement, this Government will take its responsibilities and ensure that Canadian interests are well represented and defended.

* * *

[*English*]

IMMIGRATION

LANGUAGE TRAINING FOR IMMIGRANT WOMEN

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of State for Immigration. Last week I was pleased to be able to accompany the Minister on a visit to Mosaic in Vancouver to see in action the important impact that the pilot program of English-language training for immigrant women was having in aiding these women to contribute to Canadian society, a program which had been recommended by committees of this House. However, funding for this pilot project and others ended yesterday.

Given the very beneficial impact of this program, particularly in British Columbia, will the Minister undertake to find funds to establish these programs on an ongoing basis in order to ensure that immigrant women have access to language training? This training makes such a tremendous difference in their futures and their children's futures in their new homeland.

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, last month I visited a number of these projects not only in British Columbia but indeed in Ontario, Manitoba, and Alberta last month. I am excited by the progress the program has made and by the tremendous contribution it has had in integrating new Canadians into society and particularly members of target groups like women and seniors. I would like to commend the former Minister of Employment and Immigration, the Hon. Member for Kingston and the Islands, for putting this program into place. An evaluation is being done to see what the result has been and I can assure the Hon. Member that we will indeed try to find a way to continue the program in one form or another.

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ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO OF CANADA

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Government has stressed that it wants an open private-sector solution to the Amoco-Dome situation. How can this be possible if Dome and Amoco are preventing details from reaching the public and competitors, details that would permit them to make public bids that would be preferable?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, we as a Government, through the principles we put forward, the parameters we established, and our actions have ensured that, while six months ago the only question being put about Dome Petroleum was whether the corporation would fail, we are now being asked in this House how many people can make a bid for Dome Petroleum. That is as a result of this Government's efforts, Mr. Speaker.

[*English*]

REQUEST THAT MINISTER INTERVENE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, given that the Government has already intervened to stop Petro-Canada from playing a role in this potential purchase, will the Government take action and use its leverage to see to it that the information which is required by TCPL and others to make a public bid is available to them in order to keep Dome a Canadian-controlled company?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Government's guiding principles in this area are to ensure that the bids are made by the private sector in Canada, or the private sector in the United States or any other country that may be interested. We do not want the bids to come from Finance Canada. In that context, the Government made its views clearly known and Petro-Canada took them into account. In the area of business operations, the Government has always given Petro-Canada a free hand.

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[*English*]

FINANCIAL INSTITUTIONS

PROPOSED INTERNATIONAL BANKING CENTRES—COMMITTEE'S REPORT

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance who has now received the finance committee's report on international banking centres. Does the Minister plan to follow the committee's recommendation to delay the setting up of IBCs in Montreal and Vancouver in order to deal first with the question of withholding taxes, a significant disincentive to any new business that might otherwise be attracted to IBCs in Canada?

• (1200)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have the report here and I have read it. I do not see any recommendation by the committee which suggests that we delay, pending study of the withholding tax question. I should point out that the withholding tax agreements between Canada and other countries are the subject of substantial negotiations which can take a considerable period of time. Since the Government's intention is to proceed with the establishment of International Banking Centres in Montreal and Vancouver, and since, as I understand it, the committee acknowledges that there are certain comparative advantages for international business activity both in Montreal and Vancouver, I see every reason for continuing as we have set out.

MINISTER'S POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, the evidence received by the committee made it clear that the 15 per cent withholding tax and high operating costs associated with it are the main barriers to Canada's further increasing its participation in international banking. If the Government is serious why not deal with this situation? Or, is the Minister saying he was not seriously interested in increasing international banking and that the limited Ways and Means motion we have before us was simply a public relations exercise for Montreal and Vancouver?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is far from what the Hon. Member has suggested. The committee has made two recommendations. One is to the effect that we should consider broadening the proposal. I think we have had a sufficient degree of discussion on whether or not it should be broadened. Our proposal is for loans and deposits and I believe that is sufficient.

The second recommendation deals with withholding taxes. I have been quite interested in the media conclusions drawn from this report. I think they reflect possible leaks of what the report was going to say rather than what it actually did say. I am not turning down out of hand what the report has said on withholding taxes. We will look at that and see whether there are ways of broadening our withholding tax agreements with other countries. However, I repeat what I said in my first answer: I do not believe that is a reason for delaying the Ways and Means motion now before the House.

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ACCESS TO INFORMATION

POSSIBLE BREACH OF LAW

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Attorney General of Canada. Yesterday the Information Commissioner revealed that following a complaint of possible political interference by the Prime Minister's Office in the release of information from the Department of External Affairs she turned over to the Minister evidence of a possible breach of the law. Can the Minister now confirm that he ordered an RCMP investigation into this possible breach, and will he explain to the House the precise nature of the alleged obstruction by the PMO apparently in relation to the Prime Minister's Asian travel expenses?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I of course was not at the committee meeting. The Hon. Member was. I have not seen the transcript. I have only seen press reports this morning and I am not clear as to what actually transpired with respect to relating specific instances to allegations by the Hon. Member.

Let me say this. It is not my practice, and I think the Hon. Member would agree that this is a proper approach for an Attorney General, to comment on investigations by the RCMP. I can tell the Hon. Member only that if such a circumstance were to arise I would immediately turn the matter over to the RCMP. The reality is that the RCMP are very jealous of their right to bring forward charges under any federal statute on the basis of their investigation. I can say that since I have been Attorney General there have been no charges laid by the police with respect to any aspect of the Access to Information legislation.

Mr. Robinson: Mr. Speaker, the Minister will of course know that the Information Commissioner continues to investigate this matter and may be issuing subpoenas to officials of the Prime Minister's Office.

REPORTED INVESTIGATION BY ROYAL CANADIAN MOUNTED POLICE

Mr. Svend J. Robinson (Burnaby): My supplementary is directed to the Solicitor General as the Minister responsible for the RCMP. Is he prepared to turn over all the evidence gathered by the RCMP about this possible obstruction by the PMO to the Attorney General of Ontario—

Some Hon. Members: Oh, oh!

Mr. Robinson: —to avoid any possible perception of conflict which may arise from the Minister of Justice—

Some Hon. Members: Shame!

Mr. Robinson: —which may arise from the Minister of Justice—

Mr. Clark (Yellowhead): The master of innuendo. No wonder your Party is ashamed of you.

Mr. Robinson: —reviewing allegations of a possible breach of the law by the Prime Minister, his boss?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, it amazes me that the Hon. Member continues to be the justice critic for the NDP.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: The basic principle here is that one does not comment on these matters while they are under investigation. I want to give the Hon. Member this assurance. If there was a complaint against him involving an investigation by the RCMP I would refuse to answer on the floor of this House or outside this House as to the existence of the investigation. I believe every Canadian citizen is entitled to have their rights protected. If the NDP wants to involve itself in sleazy and underhanded accusations with respect to the integrity of the RCMP, it rests on their head. I wish the Leader of the NDP would show some leadership.

Some Hon. Members: Hear, hear!

[*Translation*]

SUPPLY AND SERVICES

CONTRACT AWARDED TO ASTRA MÉCANIQUE—INQUIRY WHY COMPETITORS NOT INVITED TO SUBMIT BIDS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Supply and Services and relates to a contract award.

Why did the Government of Canada not call for tenders before awarding a $680,000 contract to Astra Mécanique of Ville Saint-Laurent in April 1987 for the supply and installation of laundry equipment, especially considering the fact that certain competitors, like Laval's Équipements Calmek, had been previously assured that they would be invited to submit bids? Why were competitors not invited to submit bids, at least the other four from Quebec?

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I received the letter of the firm's president. I answered yesterday and told him I intend to review this case personally.

[*English*]

Mr. Boudria: I am sure it will all come out in the wash.

REQUEST THAT MINISTER TABLE DOCUMENTATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, when the Minister completes her inquiry concerning the untendered contract for laundry equipment will she consent now to table the results of that inquiry in the House of Commons so that all Members can be apprised of the reasons which led officials of her department or others to give this contract for $680,000 in that unusual manner, that being an untendered contract?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): As I just said, Mr. Speaker, I will review this case personally because I want to make sure the rules and procedure have been properly followed. I will be pleased to convey the results to Hon. Members.

[*English*]

Mr. Speaker: I would like to advise the House that in view of some delays in Question Period I would ask its patience to extend Question Period for another minute or two. I am going to call on the Hon. Member for Windsor—Walkerville, and the last question will be from the Hon. Member for Parkdale—High Park.

Oral Questions

HEALTH

AIDS DISEASE—LICENSING OF AZT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. As he knows, there are now 1,000 cases of AIDS in Canada. Yet Dr. Solder of McMaster University says Canada has been less expedient than other countries in the licensing of azidothymidine or AZT. As of today no new patients will be treated with AZT.

My question is very simple. What is the hold-up and when is the licensing going to be provided so that AIDS patients will have access to at least that treatment?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman knows that the Government of Canada has been very diligent in trying to provide AZT for clinical trial as well as for compassionate trial.

• (1210)

When discussions with Burroughs Wellcome were started one of the concerns was the matter of protection of patent in Canada, which relates to Bill C-22 which his Party strongly opposed. He cannot have it both ways. That is an example of why we need that type of legislation. With the Hon. Member's background he will know of the side effects of AZT. There are also toxicity and other issues which I will not go into.

The point is that we have had discussions with Burroughs Wellcome. The present circumstances will remain in effect until May 15. I have been informed by my officials as late as this morning that they believe that along with Burroughs Wellcome there will be a regime in place which will allow anyone who now has access to AZT to maintain that access after the middle of this month.

Mr. McCurdy: Mr. Speaker, the Minister knows very well that Bill C-22 has not a thing to do with the licensing of that drug. He knows as well that the same side effects are experienced in Africa, France, Israel and all around the world, so he should not use that excuse.

COST OF TREATMENT FOR PATIENTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Minister knows very well that it will cost $10,000 per patient. At this stage I will accept his assurance that something will be finally done by the 15th. Have arrangements been made to provide the money necessary to ensure that those patients will have AZT available to them at the expense of Governments rather than their personal expenditures?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Member can say what he will. He knows very well that the companies which have put a lot of money into the development of new drugs want protection of their intellectual property. To put it any other way is simply not to deal with reality.

The Member should also know that his Party and Canadians in general, as they are entitled to, do not want the Minister of National Health and Welfare to interfere in the process of clinical trials in order for a notice of compliance to be issued. He knows that. He will argue the exact opposite position with me on another drug tomorrow.

We know that AZT has had some positive effects in terms of prolonging the lives of AIDS patients and have therefore not been reluctant or dragging our feet. That is why the discussions are taking place.

With regard to pricing, when we started with AZT the cost was $25,000 per year. It is now in the $10,000 range. If we go the American route and give the product a licence the patient will be totally responsible. However, the Member will not say that. He does not like to say those things.

We are working on a regime under which the patient will be covered under Canada's universal health system. That is the point which the Hon. Member should make. He should not put forward points which he knows are patently wrong.

Mr. Speaker: The Hon. Member for Cape Breton—East Richmond, one question, and then the Hon. Member for Parkdale—High Park.

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INDUSTRY

FUTURE OF TRENTON CAR WORKS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of National Revenue and is with regard to the meeting which took place this morning between himself, the Premier of Nova Scotia, and the Right Hon. Prime Minister with regard to the Trenton Car Works.

Can the Minister indicate to the House what plan of action has been consummated by the Government of Canada and the Government of Nova Scotia in order to bring relief to the workers at that facility? While he is on his feet, would he also indicate the time frame within which they will be able to make a concrete announcement to the people of the Trenton Car Works?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, if you will permit me to respond although this is not within my ministerial responsibility, I am very glad to assure my colleague from Nova Scotia that it was a very satisfactory meeting. Substantial progress was made and I feel quite certain that we will have a positive announcement within a few weeks.

HUMAN RIGHTS

UKRAINIAN DISSIDENT DANYLO SHUMUK—POSSIBLE ISSUANCE OF EXIT VISA

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister will know that Ukrainian dissident Danylo Shumuk was recently released after spending 38 years imprisoned in Soviet gulags for his activities on behalf of fundamental human rights in Ukraine. Earlier this week there were reports that Soviet officials are finally prepared to issue Shumuk an exit visa following years of representations and a personal intervention by the Minister during his 1985 visit to the Soviet Union.

As Shumuk has relatives in Canada who are anxious for him to join them here, can the Minister confirm whether the reports on Shumuk are true? If so, will he be allowed to come to Canada? Will the Minister assure Canadians that the Government will continue its leading role in pressing the Soviet Union to respect human rights and to release the thousands of political prisoners, dissidents and refusniks, still imprisoned by Soviet authorities?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I welcome that question. I think all Members of this House will welcome the fact that I am able to confirm that Danylo Shumuk will be released from the Soviet Union. We expect that the exit visa will be granted in the very near future. That is important news, not only for the family of Danylo Shumuk, but also to the very many Members of Parliament and very many Canadians across the country who have taken a personal and active interest in his case.

I want to assure the Hon. Member that we will continue to work in other cases as we have in the case of Danyl Shumuk to seek the freedom from imprisonment of those citizens of the Soviet Union who want to leave that country and come to be with their families here in Canada.

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BUSINESS OF THE HOUSE

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as was indicated earlier, the Leader of the Opposition (Mr. Turner) is not available at the present time. The Prime Minister (Mr. Mulroney) will be making a statement on the results of the discussions yesterday with the 10 Premiers. Might we agree to proceed with Routine Proceedings with the understanding that at approximately 12.30 we will revert to Statements by Ministers to hear the statement of the Right Hon. Prime Minister and the responses of the Leader of the Opposition and the Leader of the NDP. I think that has been agreed to by all Parties.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to thank the Deputy Prime Minister (Mr. Mazankowski) for his courtesy in this matter. The Leader of the Opposition (Mr. Turner) is driving back to Ottawa from Montreal in order to respond to the statement given by the Prime Minister (Mr. Mulroney). He should be here shortly. I am very happy to confirm the arrangements which the Deputy Prime Minister has just mentioned.

In addition, there may be a disposition of the House to continue sitting past the ordinary time of adjournment for lunch, if necessary, in order that all three Party Leaders may have their remarks on the record without interruption.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I understand from discussions with our House Leaders that the suggestions made by the Deputy Prime Minister (Mr. Mazankowski) and the House Leader for the Liberal Party are agreeable to our Party.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to the suggestions of the Deputy Prime Minister (Mr. Mazankowski) and the House Leader of the Official Opposition?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to the following 154 petitions: Nos. 332-1338, 332-1343, 332-1344 to 332-1417 inclusive, 332-1435 to 332-1453 inclusive, 332-1457 to 332-1508 inclusive, 332-1513 and 332-1554 to 332-1559 inclusive.

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CANADA COUNCIL

TABLING OF SUPPLEMENTARY REPORT 1985-86

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of Communications): I have the pleasure to table the supplementary report 1985-86 of the Canada Council pursuant to Standing Order 67(2). In accordance with Standing Order 67(4), it will be referred to the Standing Committee on Communications and Culture.

Interparliamentary Delegation Report

[*English*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF FIRST REPORT OF CANADA-JAPAN INTERPARLIAMENTARY GROUP

Mr. Bill Kempling (Burlington): Mr. Speaker, pursuant to Standing Order 101 I have the honour to present to the House, in both official languages, the first report of the Canada-Japan Inteparliamentary Group.

[*Editor's Note: See today's Votes and Proceedings.*]

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COMMITTEES OF THE HOUSE

ENERGY, MINES AND RESOURCES—FIFTH REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Energy, Mines and Resources, in both official languages.

Your committee, Mr. Speaker, considered two Order in Council appointments, one to the board of examiners under the Canada Lands Surveys Act and the second of a temporary member on the National Energy Board.

• (1220)

JUSTICE AND SOLICITOR GENERAL—THIRD REPORT OF STANDING COMMITTEE

Mr. David Daubney (Ottawa West): Mr. Speaker, I have the honour to present in both official languages the third report of the Standing Committee on Justice and Solicitor General on our review of the report of the Statute Revision Commission, Volumes 1 to 17.

ELECTIONS, PRIVILEGES AND PROCEDURE—FIFTH REPORT OF STANDING COMMITTEE

Mr. Lorne McCuish (Prince George—Bulkley Valley): Mr. Speaker, on behalf of the chairman of the Standing Committee on Elections, Privileges and Procedure, I have the honour to present in both official languages the fifth report to the House.

[*Editor's Note: See Today's Votes and Proceedings.*]

* * *

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present 18 petitions, 17 of which are signed by hundreds of residents of Winnipeg, and deal with Bill C-22. They state that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and severely restrict the ability of average Canadians to buy necessary prescription drugs. Therefore, your petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

I have another petition on the same subject signed by residents from towns of Garson, Erickson, East Selkirk and Selkirk in Manitoba. They state, whereas the proposed measure will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis, and whereas the proposal of the federal Government will result in higher costs to provincial government drug plans, your petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have five petitions today. The undersigned residents of Canada who now avail themselves of their ancient and undoubted right to present a grievance common to your petitioners state that the monopoly granted to innovative pharmaceutical companies will prevent competition from less costly generic products. This will result in an increase of drug prices for Canadian consumers and will severely restrict the ability of many people to buy the drugs they need. They also state that the proposed changes to the Patent Act will directly affect all Canadians who are not protected by private or governmental medicare programs; that the Federal Government's proposals will raise the cost, already high, of the provincial health care programs; and that the changes to the Patent Act proposed in Bill C-22 are another example of the Canadian Government's concession to the free trade negotiations with the United States at the expense of ordinary consumers.

Wherefore, the undersigned humbly pray and call upon Parliament to reject these proposals which will increase drug prices for Canadians.

[*English*]

RIGHT TO LIFE OF UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOM

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I have the honour to present several petitions from residents of the federal constituency of Yorkton—Melville, including the Towns of Kansack, Wroxton, Pelly, Verigin. They are petitioning the House to support Motion M-37, allowing unborn babies to be protected by the Charter of Rights.

[*Translation*]

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I also have the honour to present a petition signed by 488 residents of my consituency who support Motion No. 37, the Private Members' Bill whose purpose is to include the rights of the foetus in the Canadian Charter of Rights and Freedoms.

[*English*]

Mr. Joe Reid (St. Catharines): Mr. Speaker, it is my privilege to present a petition duly certified, signed by some 40 St. Catharines residents petitioning Parliament to support Motion M-37 with a view to protecting unborn children under the Charter of Rights.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have 21 petitions to table today. They are signed by residents from Ontario, Quebec, Nova Scotia, British Columbia, Saskatchewan, New Brunswick, Prince Edward Island and Newfoundland.

Whereas the proposed changes to the Patent Act will affect directly all Canadians who are not protected by private or governmental medicare programs; and whereas the federal Government's proposals will raise the already high cost of provincial health care programs; and whereas the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in an increase in drug costs and prices, and will severely restrict the ability of average Canadians to buy necessary prescription drugs; and whereas the proposed changes to the Patent Act are another example of the Canadian Government's concession in the free trade negotiations with the United States at the expense of everyday Canadians, the petitioners humbly pray and call upon Parliament to reject the proposals of Bill C-22 for the negative effects it will have on Canadians, particularly the senior citizens and the poor of this country.

* * *

COASTING TRADE AND COMMERCIAL MARINE ACTIVITIES ACT

MEASURE TO ENACT

Hon. Flora MacDonald (for the Minister of Transport) moved for leave to introduce Bill C-52, an Act respecting the use of foreign ships and non-duty paid ships in the coasting trade and in other marine activities of a commercial nature.

The Acting Speaker (Mr. Paproski): Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 99.

[*Text*]

PACIFIC RIM NATIONAL PARK

Question No. 99—**Mr. Caccia:**

1. Is the Government committed to pay the Government of British Columbia $25 million, plus interest, for timber rights in the Pacific Rim National Park by March 31, 1989 and, if so, will this money be provided (*a*) over and above the A-base funding of Environment Canada (*b*) by the operating budget of Parks Canada?

2. Was a $8 million payment made to the B.C. Government on February 19, 1987 and, if so, was spending reduced on any departmental programs to make that payment and, if so, for which programs was spending reduced?

3. Will spending be reduced on programs between now and March 31, 1989, to complete the balance of payments and, if so, for which programs?

Hon. Tom McMillan (Minister of the Environment): Yes. (*a*) No, (*b*) No.

2. Yes. The reductions were made in activities deemed non-essential for the protection and presentation of park resources to the public; deferrals on expenditures for through highways repair and upkeep; the recapitalization of canals in Ontario and Quebec; and the recapitalization of infrastructure in the town sites of Banff and Jasper.

3. Yes, as indicated in 2.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if question No. 96 could be made an order for a return, that return would be tabled immediately.

The Acting Speaker (Mr. Paproski): The question enumerated by the Hon. Parliamentary Secretary has been answered. Is it the pleasure of the House that question No. 96 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

BUSINESS TRAVELLING BY PUBLIC SERVANTS

Question No. 96—**Mr. Fulton:**

For the period September 4, 1984 to March 4, 1987, did public servants travel on business (*a*) inside Canada (*b*) outside Canada and, if so, by department, what were the cost for (i) travel by air (ii) travel by car (iii) taxis (*iv*) hotels (*v*) meals while on such travel (*vi*) other expenses incurred while on travel?

Return tabled.

Patent Act

[*Translation*]

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

• (1230)

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if you would call Orders of the Day, I would suggest that immediately following we might recess the House in order to allow the House to reassemble for the Prime Minister's (Mr. Mulroney) statement and the replies of the Leaders of the Opposition. However, I would request that Orders of the Day be called first.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed from Tuesday, April 7, consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee, and Motion No. 12 (Mr. Orlikow, p. 4936).

SITTING SUSPENDED

The Acting Speaker (Mr. Paproski): Is it agreed that we suspend the sitting?

[*Translation*]

Mr. Gauthier: Mr. Speaker, we are willing for the House to suspend its proceedings for a few moments to give the Prime Minister (Mr. Mulroney) an opportunity to enter the House and make his statement. I see that the Leader of the Opposition (Mr. Turner) is now here and we are willing to proceed at the convenience of the House.

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I take it the sitting is suspended until such time as the Prime Minister is available to make a statement.

The Acting Speaker (Mr. Paproski): The sitting will be suspended to the call of the Chair.

At 12.32 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 12.35 p.m.

The Acting Speaker (Mr. Paproski): As per agreement made earlier today, the House will now revert to Statements by Ministers. The Right Hon. Prime Minister.

ROUTINE PROCEEDINGS

[*English*]

THE CONSTITUTION

FIRST MINISTERS' CONFERENCE—MEECH LAKE AGREEMENT

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I rise to report to the House on the meeting of First Ministers yesterday at Meech Lake. I am honoured to inform the House that at about 10 p.m last night the Premiers and I reached unanimous agreement in principle on a constitutional package which will allow Quebec to rejoin the Canadian constitutional family.

Some Hon. Members: Hear, hear!

Mr. Mulroney: This agreement enhances the Confederation bargain and strengthens, I believe, the federal nature of Canada. Although it remains to be formalized, it represents in the judgment of First Ministers from all political stripes and from all areas of the country an historic accomplishment.

The Meech Lake Agreement springs from the Canadian tradition of honourable compromise and is a tribute to the statesmanship and leadership that all First Ministers demonstrated yesterday at Meech Lake. Our task, simply put, was to settle a constitutional impasse which was incompletely resolved in 1981. Our task was to attempt to reconcile Quebec's distinct needs with the interests of all other provinces and the good of the country as a whole.

[*Translation*]

Mr. Speaker, at this time I am pleased to table the statement of principles that constitute the Meech Lake Agreement.

The essence of the agreement is as follows: We agreed to recognize the distinctiveness Quebec brings to Canada, which includes within it two main linguistic communities.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We agreed to give constitutional protection to an expanded immigration agreement with Quebec and to enter into accords with other provinces, appropriate to their circumstances.

We agreed to entrench the Supreme Court of Canada and the requirement that at least three of the nine justices appointed be from Quebec, and to provide for provincial involvement in Supreme Court appointments.

We agreed that reasonable compensation be granted to provinces that do not participate in future national shared-cost programs in areas of exclusive provincial jurisdiction, if they undertake their own initiatives or programs compatible with national objectives.

We agreed that all provinces must approve changes to national institutions under Section 42 of the 1982 Constitution act, and that the Government of Canada will provide reasonable compensation in all cases where a province opts out of an amendment transferring provincial jurisdiction to Parliament.

[*English*]

We agreed that there will be annual First Ministers' Conferences on the Constitution and that the first will be held before the end of 1988 to discuss Senate reform, the fisheries and other items to be agreed upon. Until Senate reform is achieved appointments to the Senate will be made by the federal Government from lists of candidates furnished by the provinces. We are also entrenching in the Constitution the annual First Ministers' Conference on the Economy.

[*Translation*]

Mr. Speaker, the Meech Lake Agreement is good for Canada, and good for Canadians.

It will unblock the constitutional reform process and enable Canadians to turn their attention to other issues such as Senate reform and fisheries.

Mr. Speaker, this agreement represents the best features of a vital federal system, one which I believe responds to the aspirations of Canadians in every corner of the country.

It reflects a spirit of partnership—and not one of endless federal-provincial power struggles.

• (1240)

[*English*]

The work of nation-building goes on. Shortly, officials will begin drafting a constitutional text which will reflect the Meech Lake Agreement. I shall be convening a conference of First Ministers within weeks, the purpose of which will be to seek formal agreement. On the assumption that a formal agreement is reached at the conference, the constitutional amending process will proceed. An amending resolution will be tabled in Parliament and in the legislative assembly of each province. Proclamation will follow once all the resolutions have been approved.

Mr. Speaker, Sir Wilfrid Laurier once said:

> The governing motive of my life has been to harmonize the diverse elements which compose our country.

Surely, that is the wish of every Member on all sides of the House. That is our policy, our purpose—building a stronger Canada for all Canadians.

Some Hon. Members: Hear, hear!

[*Translation*]

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, first I congratulate the Prime Minister of Canada (Mr. Mulroney) as well as Quebec Premier Robert Bourassa and the other provincial premiers for their constructive work and the result achieved yesterday.

It is a happy day for Canada and for Quebec, particularly for all those who believed that our country would remain united by respecting the diversity of its regions and the equality of its citizens.

I have always believed that it was essential to the future of our country that Quebec be a major and leading partner of the Canadian Federation and a full-fledged participant in its evolution.

That is what I stated in an interview with *Le Devoir* in June 1986, and what has led the Liberal Party of Canada to adopt, at its convention last November a clear position on the place of Quebec within the constitutional agreement of 1982.

I must tell the House that the constructive work of the Liberal Opposition and of the New Democratic Party did contribute to create a favourable atmosphere and context for agreement.

Our Party held a democratic debate on a resolution dealing with each point of the agreement, and thus we showed that a national Party, with representatives of all regions of Canada, could reach a firm consensus which could be a reasonable basis for an agreement.

In addition, we refrained from politicizing this question in the House of Commons. I, as much as the Members of the Official Opposition and the New Democrats purposely avoided embarrassing the Government about this issue. We knew that the provincial premiers and the representatives of the Canadian Government were studying the views set forth by Quebec, and that it was desirable that the interests of the country take precedence over partisan considerations.

Also, we must admit that Quebec is led by a Government which is openly federalist, nationalist but federalist, and which believes in the future of our country. It is a Government which is inspired by positive nationalism, which is aware that there is a way to conciliate and reconcile the objectives of the preservation and defence of the French language and culture while guaranteeing minority rights.

I was also advised that the Premier of Ontario played a leading role in the definition of a consensus, a fact I should like to emphasize in this House.

I just heard about the agreement—I didn't have time to read the text on my way back from Montreal this morning—so I am not in a position to comment on the contents. However, I will say that recognition of Canada's linguistic duality, of Quebec's distinct position as the main, but not exclusive, source of French language and culture in this country, and of the multicultural character of Canadian society would seem to be a sound foundation on which to build our future.

A more specific definition of powers with respect to immigration will guarantee that Quebec and other provinces, if they so desire, will be in a position to enhance the balance between language groups.

The amending formula should also be changed to provide explicit guarantees that the status of federal institutions will not be modified without the consent of Quebec and the other provinces. In other words, the national interest must be served.

I would have to read the text. Perhaps the formula is too rigid for the future. We will have to look at this very closely.

We have recognized that spending authority is also a major concern. We intend to take a positive approach to the proposed text, while bearing in mind that because of this authority, Canada has today a social security and income support system that is among the most progressive in the world and the envy of many countries.

We shall therefore wish to ensure that nothing in the future will prevent the Government of Canada from improving the lot of medium-and low-income Canadians and to take action to guarantee greater social justice and equal opportunities for all Canadians.

The history of our country shows that our nation has evolved thanks to the reasonable nature of the aspirations of its citizens and the legitimate claims of both federal and provincial Governments.

This agreement will not be the last in our history. More progress can be achieved in relation with Senate reform and a clearer definition of some of the powers shared by the two levels of Government.

However, we recognize that, by taking its rightful place at the constitutional table, Quebec will continue to act as a catalyst for change and progress, and that there is some hope a better definition of the status of native Canadians can finally be achieved.

It is in this spirit, Mr. Speaker, that we shall take part in the coming debate on the resolution which must be passed by this House to implement the agreement reached by the Prime Minister of Canada and the provincial premiers.

[*English*]

In commending the Prime Minister and his colleagues, the First Ministers of the provinces, I want to say to him that the work accomplished yesterday was encouraging and constructive for the country. Bringing Quebec into our constitutional fabric, fully into the Canadian family, was an objective worth his time and worth the time of the First Ministers. We are very encouraged by the result.

I have not had an opportunity, nor have my colleagues, to study the text. As I said in French, I came back from Montreal when I learned that the Prime Minister would be making a statement this morning. We will, of course, have some questions to put to him and to the Government.

• (1250)

We are concerned, first, about the limitations on the spending power. Do they preclude national programs? Does this mean that in future a national child care program is impossible? What about a guaranteed annual income? Would medicare have been possible under the agreement now contemplated by the Prime Minister (Mr. Mulroney) and the provincial Premiers, or unemployment insurance for that matter? We will want to study the text of the spending power very carefully.

How will the expansion of opting out with compensation affect the quality of services and the uniformity of services in Canada? Who will decide national objectives? Senate reform will now require unanimous approval. Maybe the amending formula, even affecting federal institutions, will be too tight and too rigid. Until that formula is resolved, of course, and until Senate reform becomes a fact, we now understand that the provinces will submit lists of potential Senators to the Prime Minister. There are a lot of sad faces over there, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I think they have taken it very well this morning.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Are we now, however, in a constitutional strait-jacket? Will we ever really see Senate reform? Will we ever see an elected Senate under the formula agreed upon between the Prime Minister and the provincial Premiers?

We will want to study, the language of the distinctive character of Quebec. Will it be in the preamble? Will it be in the body of the Constitution? Do we yet know how widely it will influence the interpretation of that Constitution?

The Prime Minister seems to have accommodated many provincial concerns. That is the reason for the success, I am sure, of the negotiations. We will want to know from him what the federal Government got in return and what it sought. Did it seek changes to Section 23, the minority language rights feature of the Charter? Did it seek to eliminate the "notwithstanding clause", Section 33? If these questions were not raised at Meech Lake, will they be raised before the final deal is signed?

The Constitution requires, obviously, parliamentary assent to the text as it is eventually drafted. The Prime Minister must bring that before Parliament, as the Premier of Quebec must bring it before the Assemblée Nationale and as the other provincial premiers must bring it before their respective legislatures.

Will this Parliament have an opportunity to debate these issues before the final test is negotiated and signed? It is clear that Parliament will have to approve whatever the final text is in order to give it constitutional validity, as will provincial legislatures. My question to the Prime Minister, which we will pursue over the forthcoming days is, will this Parliament have an opportunity for some input into the final text before it is finally signed?

That being said, Mr. Speaker, it is a notable day for Canada. The Prime Minister deserves to enjoy his weekend, despite some of the events that will be happening; but for today it is a very significant accomplishment.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as someone who has participated in this House in the process of constitutional change in recent years, I do know something about the immense difficulties, in a country of our nature, that are involved for the Prime Minister (Mr. Mulroney) and the other Premiers of our nation. I too want to begin my comments by complimenting the Prime Minister and the Premiers for reaching an Accord that I hope will be seen, after final analysis, to be something that all of Canada can cherish.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Constitutional change is always a difficult process, especially in our country with its great economic and cultural diversity. In Canada, we must be sensitive to the needs of assuring adequate powers to provincial governments so that they can meet the needs of their quite different regions.

At the same time, Mr. Speaker, there is a crucial necessity of ensuring that the power and the authority of the central Government is fully adequate, not only to carry out certain national functions important to all Canadians now, but also to be sufficient to enable the Government of Canada to initiate for the future in ways that can make our country even better. The need for a national child care program is a perfect current illustration of this point.

[*Translation*]

All Canadians know that the Premiers had the important and very special task of agreeing on proposals which would open the door to Quebec, the only province not to have signed the 1982 constitutional agreement.

The unique character of Quebec in Canada, the only province where the language and culture of the majority are French, is a fact which enriches the lives not only of Quebecers, but of all Canadians.

This fact must be recognized in the Canadian Constitution. Such is the policy of my Party.

[*English*]

The Prime Minister and the Premiers therefore had a very challenging task before them. All Canadians, I am sure, were pleased to hear that an agreement in principle was reached at Meech Lake last evening. The coming together of the Canadian family is desired by us all in this House and by all Parties and regions in our country. I compliment the Prime Minister and the Premiers representing such diverse regions, cultures and political Parties in reaching that agreement in principle.

I hope, like all Canadians, that when we see the fine print and study its implications our initial, genuine pleasure at the news of an accord will be sustainable. The Prime Minister will understand that my withholding of a complete endorsation of the agreement at this point is not at all churlish in nature, but rests entirely on the responsibility of my Party to study the details and the implications of what has been agreed upon. I deeply hope that such study will warrant wholehearted endorsation.

I would like to conclude with reference to one item in particular. In the accord, as the Prime Minister knows, there is a proposal to put in the Constitution specific commitments to meetings of the First Ministers on Senate reform and on economic matters. As one Canadian, I regret the complete absence of any reference to our aboriginal peoples. There was a conference, as the Prime Minister knows, that took place not long ago in this city in which we as a country and as political Parties failed to meet the needs and legitimate aspirations of our aboriginal peoples. I had hoped that there would have been a reference in the document that had been agreed upon to a commitment to carry on with such conferences in the future until the legitimate aspirations of our aboriginal peoples have been met.

I conclude, as I began, on a positive note, Mr. Speaker. I congratulate the Prime Minister and the First Ministers on this new beginning, and hope that when we see the final wording it will be an historic day indeed, and one that all of us will be able to look back upon with pride and with pleasure.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in the course of the statement of the Prime Minister (Mr. Mulroney), he did make reference to the statement of principles arising out of the Meech Lake meeting yesterday and his willingness to table the draft of those principles.

With the permission of the House, I would be prepared to have these tabled and appended to *Hansard*.

[*Editor's Note: For draft statement of principles referred to above, see Appendix*].

• (1300)

Mr. Speaker: I wish to inform the House that because of the ministerial statement Government Orders will be extended by 23 minutes beginning at one o'clock p.m.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee, and Motion No. 12 (Mr. Orlikow, p.4936).

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, as the House will recall, I was defending Motion No. 12 when the debate last ended some weeks ago, and I believe I have four or five minutes remaining.

I should like to remind the House what is at issue with Motion No. 12. Basically what the Hon. Member for Winnipeg North (Mr. Orlikow) has in mind is commendable. In his motion he is proposing to put in place in Bill C-22 a recommendation of Mr. Eastman who, in his testimony before the committee, pointed out that there were three shortcomings in the legislation. I will just review them very quickly.

The first one in his opinion was that we should allow the research and development ratio of individual firms to be revealed. His suggestions were ways of improving the legislation, so he was hoping the R and D ratio would be revealed. The second one was that the board should remove, if need be, the exemption from compulsory licensing from all the patents of firms with excessive prices, a power which is not in Bill C-22. His third recommendation, with which the amendment deals specifically, was to reconsider the transitional arrangements and allow firms which have compulsory licences to exercise them when they receive a notice of compliance. This amendment proposes to do precisely that.

As you will know, Mr. Speaker, because you have been following the debate very carefully, 153 applications were caught when the Government decided to stop the issuance of further licences or notices of compliance beyond July 27 of last year. I believe I mentioned to the House earlier that one of those drugs was a generic drug to take the place of the ulcer drug Zantac.

I also pointed out some of the economic advantages to the users of such drugs.

The Canadian Association of Consumers and the New Democratic Party feel that it is unfair and unreasonable for these 153 applications for licence to be stopped simply by a ukase from the Minister performing the ancient function of his art. The result will be much higher drug prices for consumers who will not have access to these 153 generic drugs which were on their way to being made available to Canadian consumers.

Motion No. 12 would correct that situation and would allow all these 153 applications, which are part way through the system, to be accepted and to receive a licence or a notice of compliance to make them available to the public.

In closing, I point out to Hon. Members of the government Party, who do not seem to be too interested in supporting this motion up to this point in time, that in effect Bill C-22 is retroactive legislation. I remind the older members of the Government who were here during the last Parliament that they made that particular point loudly and clearly. They rang bells and stormed the Speaker's chair as a result of a retroactive clause which was as reprehensible when the Liberals did it as it is when the Conservatives are proposing to do it.

I hope they recall their earlier rationalization and apply it to clear up this shortcoming in the Bill and to do away with an attempt by the Government to introduce what is in effect retroactive legislation. I plead for support for Motion No. 12.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 12. Mr. Orlikow moved:

That Bill C-22 be amended in Clause 15 by striking out lines 11 to 14 at page 12 and substituting the following therefor:

"licence has been issued in respect of the medicine or a notice of compliance in respect of the medicine has been issued to a person other than the patentee."

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 14.

That Bill C-22 be amended in Clause 15 by striking out lines 41 to 49 at page 12 and lines 1 to 10 at page 13 and substituting the following therefor:

"41.14(1) Notwithstanding anything in section 41 or in any licence granted under that section, where a patentee of an invention pertaining to a medicine gives notice in the form and manner prescribed to the Commissioner, within six months after

(*a*) the date on which this section comes into force, where the notice of compliance that is first issued in respect of the medicine is issued after June 27, 1986 and before the date on which this section comes into force, or

(*b*) the date of the notice of compliance that is first issued in respect of the medicine, where the notice of compliance is issued after the date on which this section comes into force,

that the patentee intends to make the medicine in Canada for the purposes of completely or substantially supplying the Canadian market for that medicine, the Commissioner shall, by order, declare that this subsection applies in respect of the invention, and in such case, while the order remains in effect, no person shall, under a licence granted under section 41 in respect of a patent for an invention pertaining to the medicine, have or exercise any right,

(*c*) where the invention is a process, to use the invention for the preparation or production of medicine, or

(*d*) where the invention is other than a process, to make or use the invention for medicine or for the preparation or production of medicine

for sale for consumption in Canada, until the expiration of 10 years after the date of the notice of compliance

that is first issued in respect of the medicine.

(2) Every patentee who has given a notice to the Commissioner under Subsection (1) shall provide the Commissioner with

(*a*) in such form and manner and at such times and subject to such conditions as are prescribed, information and documents concerning the medicine-making activity to which the notice relates; and

(*b*) such additional information or documents with respect to the matter referred to in paragraph (*a*) as the Commissioner may require, within such time as the Commissioner may specify.

(3) Where, after providing every person against whom an order of the Commissioner under this subsection is proposed to be made with a reasonable opportunity to be heard, the Commissioner finds that a patentee in respect of a medicine

(*a*) has failed to provide information or documents in accordance with Subsection (2),

(*b*) has not commenced making in Canada the medicine that is the subject of the notice under Subsection (1) within two years after the date of the notice of compliance that was first issued in respect of the medicine, or

(*c*) after the two years referred to in paragraph (*b*), is not making in Canada the medicine that is the subject of the notice under Subsection (1) so as to completely or substantially supply the Canadian market for the medicine,

the Commissioner may, by order, direct that, effective on the coming into force of the order, the prohibition set out in Subsection (1) ceases to apply in respect of the medicine and, in any case where paragraph (*b*) applies, the Commissioner may also by such order direct that the prohibition set out in subsection 41.11(1) ceases to apply in respect of the medicine effective on the coming into force of the order."

He said: Mr. Speaker, in my view this is a very important amendment. It might well be called the "Michel Côté clause" or, better still, the "C. Joe Stettler clause".

Everyone who has followed the progress of this Bill knows of the great changes which occurred over the summer of 1986 after the Bill was almost introduced by the former Minister of Consumer and Corporate Affairs on June 27, 1986, and was finally introduced by the present Minister of Consumer and Corporate Affairs (Mr. Andre) on November 7, 1986.

There were several changes to the Bill, and three of them significantly weakened it. What was dropped were the requirements of manufacturers to manufacture in Canada in order to keep exclusivity. The penalty clause was softened for excessive prices, and the criteria used by the drug prices review board were significantly weakened by making the costs of making and marketing drugs a secondary criterion for determining costs.

What our amendment does is bring back the original clause in its entirety. For those who would like to see a Canadian drug manufacturing industry as opposed to one that exclusively imports its active ingredients, this amendment is worthy of support.

Attention was drawn to the matter when C. Joe Stettler, the head of the Pharmaceutical Manufacturers Association of the United States, disclosed on *The Journal* television program that he knew the previous Bill had been substantially changed or "toned down", as he put it.

Since the interview had been filmed a week before Bill C-22 was introduced, the question naturally became, how did he know? The Minister of Consumer and Corporate Affairs kept insisting that he had never met with or never heard of C. Joe Stettler, and neither had his department.

Of course C. Joe Stettler does not have to bother to know the Minister. He can simply get the same information through his client organization in Canada, the Pharmaceutical Manufacturers Association of Canada, which is well connected enough to hire the likes of Government Consultants International and even the former Minister of Consumer and Corporate Affairs in the Liberal Government, Judy Erola, so that this information is supplied to him with no fuss or protocol.

However, the lasting impression about the incident is that the Bill is being significantly influenced, if not written, in the United States. The Minister can maintain, as he does, that he knows of no U.S. influence on him, but the features of the legislation have been so shaped that the benefits are accruing to U.S.-based companies and the costs are being paid by Canadians.

Let me digress for a moment to point out to the Minister the objections made to the Bill by hundreds of organizations representing hundreds of thousands of people, despite the protestations of the Minister that they did not really understand what was involved. Despite all the pledges of the Minister that this Bill when enacted would not substantially increase the cost of drugs to ordinary people, until today they have been rejected by most of those organizations.

• (1310)

I would like to read from a letter sent to the present Minister by the Canadian Conference of Catholic Bishops. This letter was written on April 22, 1987, and the bishops had this to say:

On behalf of the Episcopal Commission for Social Affairs of the Canadian Conference of Catholic Bishops we wish to express our concern over changes to the Drug Patent Act (Bill C-22).

We have followed the debate on this legislation and have noted that the pressure to change Canada's generic drug laws has not come from the people of this country. Indeed, national organizations representing thousands of Canadians from virtually all sectors of society have been unanimous in calling upon your Government not to proceed with the proposed legislation.

> We add our voice to that call because we believe that this legislation, if enacted, would have detrimental effects on average Canadians, especially on the elderly and the poor. Thanks in large part to existing drug patent legislation, Canadians enjoy low prescription drugs prices and high standards of health care.
>
> The proposed amendments will cost Canadians hundreds of millions of dollars annually in drug price increases. The changes will also have serious implications for health care costs and for the future of Medicare in this country.
>
> We urge your government to resist the pressure from the multinational drug industry and from the United States Administration. At the moment in history when your government is negotiating a bilateral free trade arrangement with the United States, the people of Canada are watching vigilantly to ensure that the interests of the common good of the Canadian people are not sacrificed to market interests.

I will not continue reading because of time limitations.

That letter was signed by Paul J. O'Byrne, Bishop of Calgary, Chairman of the Episcopal Commission for Social Affairs. I hope the Minister will take the time to tell us his reply to that Bishop of the Catholic Church speaking for all the bishops, a bishop from his own city.

Just last week hearings were held by a committee of the United States House of Representatives which deals with questions of health. Let me read a couple of paragraphs from the report on that, which appeared in *The Globe and Mail* of April 22, 1987:

> Witnesses praised and condemned Canada's system during the hearing at which Harry Eastman, the Toronto economist who led a Canadian inquiry into the subject, testified that Canada's current rules have saved drug consumers millions of dollars.

Let me digress to point out to the Minister again that Professor Eastman has said repeatedly that the system we have in place has saved Canadians many millions of dollars. The article goes on:

> Subcommittee staff prepared a report showing that prescription drug prices in the United States have increased more than 79 per cent during the past six years and that the industry has spent only one of every three dollars from that increase on research and development . . .
>
> The consumer-oriented American Association of Retired Persons, however, praised the Canadian system as "an appropriate market-oriented model for moderating the trend in escalating prescription drug prices."

I say to the Minister that, as we have said all along, the Bill the Government is forcing through the House despite the representations of dozens of organizations will be a major blow to ordinary Canadians.

Let me return for a moment to the statement made by the former Minister in praise of the new policy of his Government. I quote from his press statement of June 27, 1986:

> Here are the specific changes we propose: patent-holding pharmaceutical firms in Canada will receive a phased-in period of exclusivity ranging from seven to 10 years. This, let me point out, is still less than the full patent protection which applies to other products.
>
> In order to be assured of this exclusivity, however, an innovative firm must manufacture the fine-chemical ingredients in Canada . . . While the previous policy encouraged the importation of fine chemicals, our new policy will encourage their direct manufacture in Canada.

That provision was disposed of between the time the former Minister proposed to introduce the Bill and the time the present Minister brought the Bill in. It went because the American Government put the pressure on the Minister and the Government caved in.

We say that this Bill is wrong. The amendment I have moved would improve the Bill and I would urge Hon. Members to support it.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to speak to this amendment to Bill C-22 moved by my colleague from the New Democratic Party. In the few moments I have before you call it 1.23, Mr. Speaker, I want to point out that the intent of this particular amendment is to try to facilitate, as best one can under these very adverse circumstances, a Canadian pharmaceutical industry predicated on the viability of Canadian-owned firms.

As it now stands, the legislation makes it very easy for multinational corporations to come to Canada to participate in the pharmaceutical sector of the economy. I think the over-all objective of any public legislation, particularly when dealing with pharmaceuticals, ought to be to build on the pillars of a public policy. I feel that one of these pillars is that we provide fair prices to Canadian consumers, whether they be the sick, the elderly, the poor or those on fixed incomes.

Fair prices for Canadian consumers is one such pillar, but we should also try to provide incentives to those individuals who are trained in a profession. We want them to reap some of the benefits of their innovative works. As well, real dollars should be directed into research and development in Canada, not just mere quotations from the newspapers about the lofty intentions of multinational corporations.

In my view, another such pillar must be the facilitation of the development of a Canadian pharamaceutical industry. I think it is fair to say that there is not a country in the world that has developed a viable pharmaceutical industry based solely on the existence and operation of multinational corporations. In this instance we have an opportunity to facilitate with reason, as always, a Canadian pharmaceutical industry. I know that I, as well as Members opposite and Members to the left, can fully appreciate that Canada is not a major player in the world market. However, that should not lessen our will and desire to try and enhance our own pharmaceutical industry.

• (1320)

I think the amendment attempts to do that in a number of ways. Yet the Government, for whatever reasons, some of which have been alluded to and some of which have not, is reluctant to reward Canadian entrepreneurs, reluctant to give them a legislative framework to assist and enhance their opportunities in a Canadian market. If it did, that could very well mean Canadians would become leaders in this sector. Then they, too, would be able to export their products as well as the technology which went into formulating the various new drugs. The Government consistently and persistently refuses to try and assist in developing a policy along those lines.

In November of 1986 the Minister of Consumer and Corporate Affairs (Mr. Andre) said that for the previous four months he had an opportunity to fully review the draft legislation. He had consulted many interested parties and was

convinced of its merits. The thrust of this Bill is the same as that announced in June with some modifications which I will refer to later. The Bill that the Government attempted to introduce in June had a few provisions which are not in the present Bill. However, it is very clear to all Members of Parliament that the philosophy behind the Bill is that of a giveaway of our pharmaceutical industry to multinational corporations wherever they may be based.

I note it is 1.23 p.m. I hope I can resume debate at two o'clock under your chairmanship.

The Acting Speaker (Mr. Paproski): It being 1.23 I do now leave the chair until two o'clock this day.

At 1.23 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Paproski): When the House rose at 1.23 p.m., the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) had the floor and has three minutes remaining.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I support the motion of my colleague from the New Democratic Party. In the few minutes I have I want to reiterate for Members opposite that we must be concerned and must be prepared to take concrete and specific actions with regard to Canadianizing our pharmaceutical industry.

It is well and good to say that Canada must abide by certain international conventions, whether the Paris Convention of 1904 or the subsequent treaties with regard to the issue of intellectual property rights, but it should be noted that since that time many countries have taken it upon themselves to try to develop their own pharmaceutical industry based upon their human resources, and also to use the state as an instrument of public policy to achieve their objectives.

In this instance the Government of the day, as many have argued, is trying to appease its neighbours to the south. As I indicated last night on the debate on the farm crisis, I am not anti-American. I want to make that perfectly clear. I have great difficulties with the American administration, but I am not anti-American. It seems that in our dealings with that country we in Canada always seem to be taking it in the neck.

I think this is a prime example of a case in which Canada has consented, both intellectually and in practice, to the wishes of our friends to the south, thereby giving multinational corporations in the United States and elsewhere everything they have asked for while we in Canada are failing to achieve the goals and objectives which are necessary to make the Canadian economy vibrant and viable.

In the minute which I have remaining I want to congratulate my colleague from the New Democratic Party who put forward this amendment. As was said in the Committee on Bill C-22 which studied this legislation, it would have been nice if Members opposite had been in agreement with the objectives which we laid out so early in our deliberations. As time has progressed we have seen that the Government is falling prey to multinational corporations. I suggest, with great respect to you, Sir, that that may very well not be in Canada's best interests, particularly in the long term.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to speak in support of Motion No. 14 placed before the House by my hon. friend, the Member for Winnipeg North (Mr. Orlikow). It is a fairly substantial amendment which attempts to rectify some of the shortcomings of this Bill and bring back the rights of the generic drug industry to enable it to continue to operate as it did prior to the Government's decision of last July to stop 153 applications which were in the process of being accepted for additional generic drugs.

This entire exercise by the Opposition has been aimed at keeping down the cost of drugs to Canadians. The policy put into effect in the mid-1970s in this country to allow the manufacturing, under compulsory licence, of generic drugs has attracted attention around the world from consumers and health care personnel. It has been widely accepted as a good thing for the health care system in Canada as it provides relatively new patented inventions to consumers at a low cost. It also provided some protection to the patent holder because of the compulsory licence feature.

• (1410)

This initiative has attracted the attention of a wide range of Canadian society beyond the consumer association and some of the health care groups. It has attracted the attention of farm organizations like the Keystone Agricultural Producers in Manitoba, who have written to all Members of Parliament pointing out that the existing generic drug law has been good for Canadian rural residents. The Keystone Agricultural Producers speak on behalf of farmers and their families and point out that they have a double concern about what they believe is a flawed initiative.

They believe, as consumers of health services and drugs, that the generic drug law should remain as is and that the changes proposed in Bill C-22 should be dropped.

Their second concern as agricultural producers who use farm chemicals is that it has been a long-standing effort by farmers, through their organizations, to attempt to have on equivalent generic drug law and compulsory licensing for farm chemicals that they require in order to maintain the high productivity of Canadian farms.

The Standing Committee of the House of Commons on Agriculture has taken upon itself a special project to investigate farm input costs. One of those input costs that has received substantial attention has been farm chemicals and veterinary drugs. Virtually without exception, the witnesses who appeared before us said that from the farmer's point of view the farm chemical industry needs some legislation similar to the generic drug law so that there could be compulsory licences applied to farm chemicals. Some have also indicated that this should be extended to include veterinary medicines. These submissions to the committee point out that the farm community has a parallel concern in this area.

I also have a letter from the Canadian Conference of Catholic Bishops, signed by Paul J. O'Byrne, Bishop of Calgary, Chairman of Episcopal Commission for Social Affairs. He has addressed the letter to the Prime Minister (Mr. Mulroney), the Leaders of the opposition Parties and numerous Members of Parliament. He points out:

> On behalf of the Episcopal Commission for Social Affairs of the Canadian Conference of Catholic Bishops we wish to express our concern over changes to the Drug Patent Act (Bill C-22).
>
> We have followed the debate on this legislation and have noted that the pressure to change Canada's generic drug laws has not come from the people of this country.
>
> Indeed, national organizations representing thousands of Canadians from virtually all sectors of society have been unanimous in calling upon your government not to proceed with the proposed legislation.

That is, in fact, the case. No Canadian organization or group loudly called for these kinds of changes. The change seems to have come from south of the border where there is considerable pressure placed on the Prime Minister and his Government to create a legislative level playing field so that our drug laws more closely resemble those of the United States as a forerunner to a free trade arrangement between the two countries.

The letter continues:

> We add our voice to that call because we believe that this legislation, if enacted, would have detrimental effects on average Canadians, especially on the elderly and the poor.
>
> Thanks in large part to existing drug patent legislation, Canadians enjoy low prescription drug prices and high standards of health care. The proposed amendments will cost Canadians hundreds of millions of dollars annually in drug price increases. The changes will also have serious implications for health care costs and for the future of medicare in this country.

This point has been made by many groups and individuals across the country. It is not only the opinion of the Canadian Conference of Catholic Bishops, whose letter I am reading now. It goes on:

> We urge your Government to resist the pressure from the multinational drug industry and from the United States administration. At the moment in history when your Government is negotiating a bilateral free trade arrangement with the United States, the people of Canada are watching vigilantly to ensure that the interests of the common good of the Canadian people are not sacrificed to market interests.
>
> As the federal Commission of Inquiry on the Pharmaceutical Industry declared in its 1985 report, the Canadian compulsory licensing policy "can be thought of as a mechanism to provide socially optimal patent protection in the pharmaceutical industry that other countries might well emulate".
>
> Because the people of Canada affirm that this policy is not—and should never become—a trade issue, we urge you, in the name of Canada's most vulnerable citizens, to withdraw Bill C-22.

I believe the bishop has expressed the sentiments of hundreds of other Canadians, groups and institutions that have appeared before the committee, presented briefs, and written letters to individual Members of Parliament. The House will know that we have received petitions from hundreds of Canadians who have urged the Government to give up its effort to push through Bill C-22. I urge government Members to support this motion and reconsider the Government's decision to put forward Bill C-22.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to rise in the House this afternoon to deal very briefly with Motion No. 14 which was moved by our NPD colleagues. I feel it is a major otion because it would change significantly the Bill introduced in the House by the minister.

[*English*]

This amendment should probably be referred to as the Joe Stettler clause, because we know that the Bill went through great changes after the initial flawed attempt of the then Minister of Consumer and Corporate Affairs, the Member for Langelier (Mr. Côté).

I remember the day when he was sitting at that end of the House and tried to introduce his Bill, but forgot the required Royal documentation necessary to present the Bill. This mistake was probably caused by the fact that he spent too much time that day at the press conference across the street and not enough time concentrating on what he should have been doing in the House.

Nevertheless, after that flawed attempt by the Government to introduce the Bill at that time, the present Minister of Consumer and Corporate Affairs (Mr. Andre) brought the Bill in. It came out differently than the Bill of his predecessor. Mr. C. Joe Stettler, the head of the Pharmaceutical Manufacturers Association, not of Canada but of the United States, said on *The Journal* television program that he knew the previous Bill had been substantially changed or, as he said "toned down". It is interesting, of course, that no one in Canada knew that but someone in the United States knew it well.

[*Translation*]

As Canadians, Mr. Speaker, we should ask ourselves what are we here for. Have we been elected to the House of Commons of Canada to protect the interests of Mr. C. Joe Stettler, President of the Association of Drug Manufacturers of America, or those of Canadians?

• (1420)

[*English*]

The Acting Speaker (Mr. Paproski): I do not usually call on a Member for relevance to a particular Clause, however we are now on a particular Clause and I would like the Hon. Member to stick with Motion No.14 (*a*)(*b*)(*c*) and (*d*) and tell me just exactly where the relevance is in what he is speaking about, particular to this motion?

[*Translation*]

Mr. Boudria: With great pleasure, Mr. Speaker. I thought I had clearly indicated that the amendment proposed by our NDP colleagues was meant to re-establish this clause as it was before the intervention of Mr. C. Joe Stettler, an American who apparently was delighted with a change That is contrary to what we are trying to do now and was based on consultations with American interests and no consultation with Canadian interests. What our NDP colleagues, therefore, would like to do with our support is to re-establish the Bill as it was before the so-called intervention which I have just described.

Mr. Speaker, I am sure that you realize right away the importance of mentioning that Mr. C. Joe Stettler, of the Association of Drug Manufacturers of America, had been apparently informed of the proposed changes we are trying to reverse today.

That is the reason why I am trying to emphasize this fact. I am sure that if I went about explaining this even more slowly, the Hon. Member for Madawaska—Victoria (Mr. Valcourt) might understand, although I might have to go really very slowly. He would catch on very quickly, on the other hand, if the idea was to take money from the poor in my riding. This morning he was laughing his head off when we raised this matter. As the House can see, unfortunately, he has not changed much. Come election time, we will look after him.

[*English*]

I want to bring to your attention, Mr. Speaker, that in June of last year, the then Minister of Consumer and Corporate Affairs said in a statement that he wanted to bring it to the attention of the House, but of course all this could not happen because the Bill could not be tabled, as I reviewed with you, Mr. Speaker, a few moments ago. I am sure you remember it well. However, perhaps I should repeat it again so that the Hon. Member for Madawaska—Victoria understands because he understands a lot more slowly than most of us.

The Minister said in his statement:

> As I stated a moment ago, we are also proposing new incentives to encourage pharmaceutical fine-chemical manufacturing in Canada. Pharmaceutical production in Canada is today basically an assembly operation. The chemicals are first imported and then packaged into pills, capsules and other product forms. While the previous policy encouraged the importation of fine chemicals, our new policy will encourage their direct manufacture in Canada.

I could argue that the Conservative policy will encourage the manufacture by the multinationals, Americans primarily, at the expense of generic Canadian companies. That, of course, is the result of Conservative policy. That is really what I wanted to bring to your attention this afternoon, Mr. Speaker, in the few moments I had.

I would like to continue much longer because I know the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) would want me to do so. However, I am afraid I will have to end my comments right now so I can allow the Hon. Member from Parkdale—High Park (Mr. Witer) to make his contribution to this debate.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 14. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The question is on Motion No. 16.

Mr. David Orlikow (Winnipeg North) moved:

> That Bill C-22, be amended in Clause 15 by adding immediately after line 15 at page 13 the following:
>
> "(3) Subsection 41.14(1) does not apply in respect of any licence or application for licence under Section 41 where the Commissioner finds that the licence that has been obtained or is sought by a person is necessary to the utilization, for the manufacture and sale of a medicine, of a biological process patented by the person, or for which a patent has been applied, and the process has been invented and developed by the person in Canada to such extent as is prescribed."

He said: Mr. Speaker, this amendment could well be called the "Cangene amendment" because it was inspired and suggested by a representative of Cangene, which is a new and successful Canadian biotechnology company located in Mississauga, Ontario. Hon. Members should know that we do not have very many biotechnology companies and even fewer successful biotechnology companies.

In an appearance before the committee, the officers of Cangene pointed out that they had organized and prospered so far under the present Canadian patent law and they now feared that they would suffer greatly because of changes to the law being made by Bill C-22. It was another twist on the story of Canadian companies, such as the generic drug industry, being penalized in the future for having grown up under existing Canadian patent law. They were particularly concerned about the switch from patents on a process to patents on products, which is what this Bill, if it passes, will do.

In the words of Dr. Robert Garvin, the vice-president for Research and Development at Cangene:

> On the verge of our success, you propose to change the rules. Under the new rules, the Cangene process, already successful with one, perhaps successful with others yet to be tried, will be useless. It will be useless because you, in the amendments, will allow product patents. The natural health giving proteins will become the private property of a single company. The process used to make that protein, the Cangene process, will be immaterial.
>
> Under your new rules or the rules proposed in the amendments, the battle for the market-place will move into the courtroom as it has in the United States. That will doom Cangene and Canada forever . . . from establishing a Canadian niche in the protein-based pharmaceutical manufacturing industry. Surely together we can write legislation which will not throw out the baby, Cangene, with the bath water.

That is what my amendment, Mr. Speaker, is trying to do. The committee was quite impressed with the presentation Cangene made and adopted an amendment to Section 41(1). It is meant to provide transitional arrangements for a period of four years in the case of microbiological processes intended for food and medicine.

• (1430)

This delay in the switch to product patents is to assist Cangene and other biotechnology companies to make the transition. However, this was only one of the proposals which Cangene made to the committee. Cangene also sees the value of compulsory licensing in its work, which is the purpose of the amendment brought forward here as Motion No. 16. It is restricted to the biotechnology area.

The purpose of the amendment is explained on page 14 of the Cangene brief to the legislative committee which dealt with Bill C-22. I quote from its submission:

> The question still remains whether the prohibition of product patents in the biotechnology field would be sufficient to encourage the development of Canadian research and manufacturing firms such as Cangene. In Cangene's view, although such a change would be an enormous step forward, some aspects of compulsory licensing might still be necessary, because of the necessity in many instances to rely on enabling patents in order commercially to market a product. A patent rarely stands alone. Without some access to compulsory licensing, even though Cangene might own the patent to make human growth hormone by its own patented special process, the use of certain aspects of that process, or even the bottling of human growth hormone, might require access to patents not owned by Cangene and only available through licensing.

I could go on to quote further from the Cangene presentation. However, obviously, I do not have time.

I would like to put on the record some of the views which were outlined by Dr. Eastman in his report on which, supposedly, much of this legislation is based, although most of the recommendations he made have been ignored and rejected. I would like to quote from the section in his report which appears beginning on page 348 and which is entitled: "Compulsory Licensing and the Growth of Generic Production in Canada" in which he states:

> The performance of the pharmaceutical industry in Canada does not differ significantly from that in other industrially advanced countries.
>
> Its level of research and development is comparable to the disproportionately low level prevailing in such countries as Australia, Austria, Belgium, Denmark, Finland, New Zealand, and the Netherlands. This contrasts with the very high level of research and development expenditures in France, West Germany, Japan, Switzerland, the United Kingdom, and the United States. The structural characteristics of the industry are everywhere similar as are, in consequence, the incentives to which firms are subject, their behaviour, and their performance.

To stray for a moment from Professor Eastman's views, it is interesting to note that most of the countries he mentions, which are not doing any more than we are, do not have our laws. They have the laws to which we will move and which were in place before 1969. In those countries the industry is still not doing much in the way of research.

I would like to continue to quote from Professor Eastman's views. He stated:

> Canadian federal policy, on the other hand, is indirect and seeks to affect the industry's performance by altering the conditions of competition at the manufacturers' level . . . That Canadian policy is currently all but unique among industrially advanced countries does not make it wrong. Indeed it can be thought of as a mechanism to provide socially optimal patent protection in the pharmaceutical industry that other countries might well emulate.

He then goes on to state:

> The new policy of compulsory licensing to import gave rise to a vigorous and growing generic sector of the industry . . . On the whole, compulsory licensing has caused no decline in the economic health of the patent-holding firms . . . Nevertheless, it is known that the generic sector was of negligible size in 1968 but contributed about 8 per cent of sales in 1983 and employed about 1,300 persons in 1982.

Professor Eastman concluded by stating:

> However, it should be kept in mind that the generic sector grew to significance in the industry because of the profitability of compulsory licensing and might well not have obtained a share of the post-patent market without that base.

We see that Dr. Eastman's view is that compulsory licensing is the corner-stone for the generic industry and is part of a policy "that other countries might well emulate." By supporting the amendment which I am moving today the unique Canadian system of drug patents will be strengthened for biotechnology companies. Given the tremendous increase and the almost unbelievable explosion of new research and development in other countries, the few companies operating in this country need every bit of assistance they can get. That is why I am moving this amendment.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise to speak on the amendment put forward by my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow). For the record I wish to read the amendment, because it is important that we understand that the amendment that is being put forward is being done so after having received some impressive submissions.

I think all members of the committee who studied Bill C-22 will agree that one of the most impressive presentations made to our committee was by Cangene. It was a succinct submission. Officers of the company were forthright in their presentation. They were very candid when they were questioned by Members of Parliament from all three political Parties. The amendment reads:

—Subsection 41.14(1) does not apply in respect of any licence or application for licence under Section 41 where the Commissioner finds that the licence that has been obtained or is sought by a person is necessary to the utilization—

I have read but part of the amendment.

It should be noted that in making its presentation to the committee Cangene spoke not only about the pharmaceutical industry in Canada but also about the biotechnology industry. We had other witnesses who came before the committee other than those from this particular corporation. The Science Council of Canada appeared before Members studying Bill C-22. Representatives from the Council talked about the biotechnology industry in Canada and its potential.

It ought to be remembered that if one is concerned with regional economic development, this is the sort of thing in which the western economy is very much interested. I know that this area is dear to your heart, Mr. Speaker. The people of Alberta have been attempting to diversify their economy. This is one high-tech area, the biotechnology area, in which they wish to become involved. Unfortunately, or fortunately, Cangene is not located in your constituency, Mr. Speaker, at the present time. Perhaps in the future it might be, I do not know.

However, I do wish to quote from the submission of Cangene, even though my colleague has perhaps already done so. When Dr. Garvin, the Vice-President for Research and Development at Cangene, was before the committee he said this, and it is worth repeating because its importance will become obvious to Ministers and to Members of Parliament quite readily:

> On the verge of our success, you propose to change the rules.

That is precisely true. Here is a Canadian corporation operating in a new and innovative sector of our economy, the biotechnology industry, and prospering under the present legislation, the Patent Act as it now stands without any amendments thereto. The company was reasonably successful and hoping to make major break throughs. Yet the Government has come in and said, "We are going to change the rules of the game for Canadian corporations". Dr. Garvin went on further to state:

> Under the new rules, the Cangene process, already successful with one and perhaps successful with others yet to be tried, will be useless. It will be useless, because you, in the amendments, will allow product patents. The natural health-giving proteins will become the private property of a single company. The process used to make that protein, the Cangene process, will be immaterial.
>
> Under your new rules or the rules proposed in the amendments, the battle for the market-place will move into the courtroom, as it has in the United States. That will doom Cangene and Canada forever . . . from establishing a Canadian niche in the protein-based pharmaceutical manufacturing industry. Surely together we can write legislation which will not throw out the baby, Cangene, with the bath water.

• (1440)

I come back to my initial intervention when I talked about the pillars of a Canadian pharmaceutical industry and the amendment submitted by my colleague on the left. You can see quite readily, Sir, that it is not merely opposition Members proposing amendments for the mere sake of debate. We have a legitimate corporation operating here in Canada with men and women employed in a very sophisticated complex industry who will now have their particular operation, if you will, cut because of the new changes in Bill C-22, hence the purpose of the amendment submitted by my colleague.

Again and again I must repeat, not for the purposes of trying to deafen Members opposite, who may be listening very carefully, but to try to irk them into rethinking and reconsidering their position with regard to the Patent Act and the pillars of developing a Canadian industry. This is one of them. I would have hoped that Members opposite would avail themselves of every opportunity to stand in the Chamber to support the amendment and the intent of it. As we have seen in the past, this has not been the case, Mr. Speaker.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

Pursuant to Standing Order 114(11), the recorded division on the proposed Motion No. 16 stands deferred.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 17:

> That Bill C-22, be amended in Clause 15 by striking out lines 17 to 20 at page 13 and substituting the following therefor:
>
> "tion pertaining to a medicine shall provide, every three months, the Board with
>
> (a) in such form and manner and subject to such condi-".

Patent Act

Motion No. 18:

That Bill C-22, be amended in Clause 15 by striking out line 28 at page 13 and substituting the following therefor:

"ing the medicine in Canada and elsewhere, where such informa-".

Motion No. 30:

That Bill C-22, be amended in Clause 15 by striking out lines 15 to 17 at page 17 and substituting the following therefor:

"shall provide every three months the Board with

(a) in such form and manner and subject to such condi-"

Motion No. 39:

That Bill C-22, be amended in Clause 15 by striking out lines 20 and 21 at page 23 and substituting the following therefor:

"tion pertaining to a medicine shall, every three months, in such form and manner and"

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 40:

That Bill C-22, be amended in Clause 15 by striking out lines 30 to 33 at page 23 and substituting the following therefor:

"medicine;

"(c) expenditures made by the patentee in Canada towards the cost of research and development relating to medicine; and

(d) expenditures to be made by the patentee in Canada towards the cost of research and development relating to medicine to the years 1990 and 1995 respectively."

The Acting Speaker (Mr. Paproski): I recognize the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall).

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, just to be clear, we are debating Motions Nos. 17, 18, 30, 39 and 40?

The Acting Speaker (Mr. Paproski): Yes.

Mr. Dingwall: But they will be voted on separately?

The Acting Speaker (Mr. Paproski): Yes.

Mr. Dingwall: I can only speak once, Mr. Speaker?

The Acting Speaker (Mr. Paproski): That is right, unfortunately.

Mr. Dingwall: I will have to put this in fast gear, then. These are amendments dealing primarily with the aspect of the operations of the Prices Review Board as set out in the legislation, Bill C-22. The motions that I have put forward, in particular Motion No. 17, require the industry to make quarterly reports to the board rather than at times at the discretion of the board. This significantly strengthens the watch-dog or monitoring capability of the board. Motion No. 18 allows the board outside of Canada to gather information on the cost of manufacturing medicines.

This amendment, in my view, has significant relevance with regard to the issue of transfer pricing, which I will speak about in a moment or two, and would allow the board to carry out meaningful investigation.

We have contended from day one that the prices review board as contained in the legislation is not constitutional. In questioning and in submitting a written argument to the Minister he refused to accept that argument. Having said that, there are some natural, in my view, amendments both substantive and consequential that ought to be in the Bill, or with the board anyway, even if it is found to be constitutional. That is a question for the courts to decide at some point. Our fear in this Party is that the constitutionality of the board will be challenged by multinational corporations and they will use this as a lever to delay or to protract deliberations and activities of the board.

Having said all of that, Mr. Speaker, clearly if you do have a board, which seems from the perspective of my Party to be in absolute contradiction to the philosophy of the Members opposite, particularly the Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis), if the free market is to operate in Canada. I cannot for the life of me understand why the Conservative Government of the day would now want to put in the form of a regulation that the Prices Review Board monitor and advise on the pricing of pharmaceuticals in this country.

There seems to be a contradiction, because in 1983-84 the free market was advocated. In 1984 and in 1985 the free market was advocated. Now in 1986-87 it seems the reverse is advocated. I say that that is a contradiction. If the board is to be in place, if the courts do find it to be constitutional, it must have sufficient enabling powers within the substance and the make-up of the board to achieve the objective that it hopes to achieve.

If the board is to be limited to the parameters of Canada in terms of gathering information on the cost of what it will be for the manufacturing of the new drug, this in my view will prohibit and prevent the board from doing the job it was constituted to do originally, which is to advise and report on the cost of the manufacturing of the drug.

Many of these drugs in terms of ingredient, technology and the human resources that have gone into it may be located in various countries throughout the world. Canada has no leverage, no authority to say to multinational corporations who may be operating in Canada that we would like to see and have submitted an audited statement of the expenses and the expenditure program of the company in order to arrive at the figures they have quoted.

• (1450)

Why do I say that? It is because we were told in the legislative committee that it was upwards of $150 million to develop a new drug in Canada. I asked the multinational association, PMAC, to provide certain information on how it arrived at the cost of certain drugs. I was assured that I would receive that information, but I did not.

When I was in Washington I visited with the chairman of the subcommittee on environment and health which was conducting a study or investigation into the practising policies of pharmaceutical companies in the United States. We were led to believe from the information it had that the price was $50 million. When the chairman of a United States pharmaceutical organization was here in Canada, he was questioned on that matter at a press conference. I believe his statement indicated that it was something in the vicinity of $50 million for the manufacture of a new drug.

In order to get at the real cost of manufacturing a new drug, the board must have the powers in terms of being able to subpoena persons and information, wherever the information may be. However, as the legislation now stands, the board does not have the authority or jurisdiction to call for that information. If the Government is clear in its objectives, why would it want to hide the actual costs which go into developing and manufacturing new drugs?

Is it because the prices charged for particular drugs subsequent thereto will be very significant costs to senior citizens, the sick, the elderly, and those four million Canadians who have no drug program at all? If we knew the actual price predicated upon the information submitted, Canadians would have a better appreciation and understanding of why prices are what they are for certain drugs. I think it would be in their best interest to share that information with Canadians and with the board reviewing the prices, unless they want to hide it so that they can inflate their prices.

We are not trying to penalize anyone. We want to make certain that Canadian consumers will get a fair shake when it comes to the pricing of prescription drugs in Canada. These amendments would give the board a legislative authority and jurisdiction to obtain that information. At the present time the board does not have that authority.

We heard from a number of witnesses on the issue of transfer pricing. It is a very serious matter. Multinational corporations merely transfer prices from one jurisdiction to another. If the board does not have the authority to obtain that information, it will not be able to do the job which the Minister indicated he wanted it to do initially.

I hope Hon. Members will see the true value of these motions. I have not spoken on some of them because time is limited to 10 minutes at report stage. However, the amendments collectively would add immeasurably to the improvement of the Act if, on the hypothesis, that it is in fact constitutional.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise in support of Motion No. 40 standing in my name which substitutes the following:

> (*c*) expenditures made by the patentee in Canada towards the cost of research and development relating to medicine; and;
>
> (*d*) expenditures to be made by the patentee in Canada towards the cost of research and development relating to medicine to the years 1990 and 1995 respectfully.

The reasons I have moved this amendment are fairly easy to understand for those who want to try to understand the problems confronting us in Bill C-22. We have seen the problems in Canada in getting companies to live up to commitments made to Governments for government assistance. Those difficulties are as old as the CPR, or more than 100 years, and as topical as the financial assistance given to the company which manufactures Coleco toys in Montreal that closed after receiving substantial federal grants.

In this legislation we have already had the example of the drug manufacturing clause being cut from the Bill which was introduced last June because multinational companies did not want to manufacture in Canada. The present Minister of Consumer and Corporate Affairs (Mr. Andre), not having manufacturing to talk about, has instead emphasized the commitment of companies to increase research in Canada. In his words, one of the objectives of Bill C-22 is:

> To transform Canada's pharmaceutical sector into a world-class, innovative industry led by an unprecedented increase in investment and jobs in pharmaceutical research and development. The ratio of research to sales will double from the current level of under 5 per cent to 10 per cent by 1995, thereby directly creating an estimated 3,000 scientific and research related jobs and putting Canada at the forefront of leading nations in the pharmaceutical field.

Any person with an inquiring mind might be tempted to ask if we are being set up again with these promises.

After all, Dr. Eastman after his extensive studies in the pharmaceutical industry came to the following conclusion in his report:

> In the Commission's opinion, Canada is not well placed to become a major world centre for pharmaceutical research or for the production of active chemical ingredients.

We should not be surprised at that conclusion of Dr. Eastman. We were told repeatedly by the companies themselves that to develop a completely new, important, and innovative drug would cost anywhere from $50 million to $100 million. Obviously no company would do that in Canada unless it has assurances that if it did the patent and manufacturing would not only be for Canada. We know that the multinational companies will do very little in that regard.

However, Dr. Eastman's caution did not stop the Minister. In the view of the Minister, the grounds for stating that Canada would become "at the forefront of leading nations" is based upon the following quote:

> —extensive discussions with the innovative sector of the pharmaceutical industry from which the Government of Canada has received strong investment commitments . . . Specifically, the industry has undertaken to invest in Canada a growing percentage of sales revenues directly into R and D expenditures.
>
> As a result of the policy change . . . the industry is committed to increasing its current ratio of R and D to sales from 4.9 per cent to 8 per cent by 1990 and 10 per cent by 1995—a full doubling from the pre-policy level.

These commitments are not in the Bill. There is nothing in the Bill which would require the company to live up to these conditions, despite suggestions made by opposition Members and by many groups which appeared before the committee.

Since these commitments are not in the Bill, Dr. Eastman was forced to ask at committee for an amendment so that the drug prices review board could at least report the ratio of research and development to sales and the industry would know which ompanies were meeting their targets and which were not.

However, there is even more skepticism of a basic kind about the R and D commitments about which the Minister is so eager to talk. Paul Gorecki, an economist who worked on the Eastman Commission, told the committee the following:

> Unfortunately it is difficult to evaluate these undertakings because no data is provided. Under what assumptions is the growth in R & D likely to occur? . . . In the absence of answers to these questions and in view of the Commission's conclusions cited above one must unfortunately express skepticism about the projected doubling in R & D by 1995.

• (1500)

This amendment attempts to make the companies respond to the specific target years of 1990 and 1995. These are very important targets because if they are missed, reviews of the legislation can be triggered by Cabinet and by a parliamentary review.

There is the further controversy which has erupted over what constitutes R and D and what are really other kinds of research in marketing and clinical areas. We had long debates in committee about what constitutes research but, although we and many of the witnesses urged the Government to define research and development in the Bill, we were unable to convince the Government and it refused to do so.

The Minister's press release of December lists some 17 announcements totalling $770 million. Yet much of this money represents plant expansions that would be required in any case to serve a Canadian market that is doubling every five years. The research about which the Minister talked is clinical.

I would like to conclude by saying that we should remember what the Minister promised which was an expanded research effort which would create 3,000 scientific and research-related jobs and put Canada at the forefront of leading nations in the pharmaceutical field. That claim has its doubters, both over the number of jobs that will be created in scientific research and the quality of those jobs. That is what I am trying to pin down and get included in this Bill so we will really get the 3,000 jobs about which the Minister has spoken.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Motions Nos. 17, 18, 30, 39 and 40 have been grouped for debate but will be voted on separately. Therefore, the question is on Motion No. 17 standing in the name of the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 18 standing in the name of the Hon. Member for Cape Breton—East Richmond. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 30 standing in the name of the Hon. Member for Cape Breton—East Richmond. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 39 standing in the name of the Hon. Member for Cape Breton—East Richmond. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on the Motion No. 40 standing in the name of the Hon. Member for Winnipeg North (Mr. Orlikow). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

We will now debate Motion No. 19 which will be debated and voted on separately.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Patent Act

Motion No. 19.

That Bill C-22, be amended in Clause 15 by striking out lines 12 to 14 at page 14 and substituting the following therefor:

"(ii) any other patents of the patentee for inventions pertaining to medicine, whether granted".

He said: Mr. Speaker, I will be brief. This amendment will put the Bill back into its June 1986 format regarding the powers of the board to repeal any of the patents held by a manufacturer sanctioned by the board. We must remember that the Government attempted to introduce draft legislation in June, 1986, but because of a procedural hiccup, it did not introduce it in accordance with the procedures of the House and thereafter introduced a Bill in the fall of 1986 in a somewhat different form from that of the original draft.

Instead of having the power to repeal only one patent, this amendment provides that the board would have the power to repeal patents that it had in the 1986 draft. This will significantly strengthen the powers of the board. There is no logical reason for this section of the Bill to have been removed by the Minister except pressure from brand name manufacturers. It makes no sense to weaken or reduce the enforcement options open to a regulatory body.

The board to which I have referred in earlier amendments to Bill C-22 has certain powers and one of the powers the board was to have according to the June 1986 draft was that, if it was found by the board on its determination that a company, multinational or otherwise, was in breach of the Bill, the board could exercise certain sanctions against the particular company in question. That particular company may have a number of patents and the board would have had the authority to remove those patents.

The legislation introduced subsequent to the June draft, the Bill that has been presented to the House by the Conservative administration, removes those sanctions. It allows the board to remove one patent without removing other patents. The authority the board may use in circumstances it deemed necessary has been relinquished. In my view and in the view of my Party, this certainly does not add to the functions or powers of the board.

By forming this board, we are acting as if it were to be used to make companies aware that if they breach the law or are in violation of pricing regulations, the board has the authority to remove those patents and so the companies would think twice. Their behaviour would be different. However, as the legislation is now written, a company that has 10 patents and is found to be gouging the public will have only one patent removed by the board because that is the only authority it has. We do not believe this is in the best interests of the administrative practices of the board.

• (1510)

I would think that regulatory agencies would want to have at their disposal a variety of sanctions they might impose. By restricting the board to only one action you restrict its effectiveness. If there was a violation, perhaps the penalty ought not to be the removal of that one patent. It may unduly affect the viability of the company concerned. Equally so, if a violation is of such significance that the only sanction available to the board is the removal of one patent, the board is again failing to achieve its objectives because it would not be allowed to remove more than one patent as may be called for a given significant violation.

This is not a mere partisan political issue. It is a fact of administrative law and regulatory practice that I would have thought Members opposite, particularly the Minister of State for Small Businesses and Tourism (Mr. Valcourt), would subscribe to.

That is the pith and substance of this particular amendment. However, I again wish to recall for the benefit of the Chair that we still maintain that the constitutionality of this board will be challenged first and foremost by the multinational corporations. If the courts find they are constitutional, it would seem appropriate that the Government accept this amendment. If not, perhaps it should accept the argument and have the entire matter referred to the Supreme Court for adjudication of the constitutionality of this board.

I do not want to go on at length regarding the constitutionality because that issue will arise in a number of other motions and I know you will want to hear argument from all sides of the House on that matter.

Let me conclude with this. The Government is contradicting itself again and again. It advocated a free market and regulatory reform and it has now come full circle. It is doing away with compulsory licensing, which is a free market activity, so to speak. The Government is substituting regulation which it said it did not want. It talks about free market and is now intervening. I suggest that the law will not be effective the way it is drafted. Without this amendment it will be ineffective in attempting to achieve the goal of proper sanctions for those in violation of both the spirit and substance of the amendments to the Patent Act.

* * *

BUSINESS OF THE HOUSE

PRIVATE MEMBERS' BUSINESS—ORDER OF PRECEDENCE OF MOTIONS

The Acting Speaker (Mr. Paproski): Before I recognize the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), I have a statement regarding Private Members' Business.

I have received written notice from the Hon. Member for Fundy—Royal (Mr. Corbett) that he is unable to move his motion during the hour for Private Members' Business prior to May 11, 1987.

I have also received written notice from the Hon. Member for Edmonton West (Mr. Dorin) that he is unable to move his motion during the hour for Private Members' Business prior to May 7, 1987.

It has not been possible to arrange an exchange of positions in the order of precedence pursuant to the Special Order of the House agreed to on February 20, 1987.

Accordingly, I am directing the Table to drop both items of business to the bottom of the order of precedence.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee, and Motion No. 19 (Mr. Dingwall, p. 5643).

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, Motion No. 19, which we support, is almost identical to Motion No. 20 moved by the NDP. What it attempts to do is to reverse a Conservative change to the Bill which made a bad Bill worse. Back in June when the Government first attempted to introduce this very bad Bill it contained certain sanctions for drug companies which overcharged. The penalty was worded so that the patent was lost on any other patent of the patentee for an invention pertaining to medicine. In the November Bill, that was watered down to one other medicine. In other words, instead of losing all patents that pertain to medicine the company would lose only that which pertained to one other medicine.

That change reflects the influence which the American drug manufacturers have on the Canadian Government. It is a very clear illustration of the power of Mr. C. Joe Stettler, the well-paid and well-connected lobbyist on behalf of the PMA lobby in Washington. The fact that the Minister said he has never had a meeting with that lobbyist is incidental because the PMA is so well-connected here in Canada. It has its own lobbyists who were able to deliver the message to the Minister quite effectively.

In a CBC television interview which took place in advance of the tabling of the Bill in Parliament, Mr. Stettler was very forthcoming in pointing out to the Canadian public that changes had been made in the Bill in accordance with their desires. I would like to quote his words:

Some of the penalties on violated pricing were pretty stiff and they were toned down.

With this amendment we seek to return to the original wording in the June Bill. We would like to see a Bill which is not worse than it was originally intended to be. We would like to see a Bill which has not been interfered with to make it even more obnoxious to the Canadian people in order to satisfy the interests of the Pharmaceutical Manufacturers Association in the U.S.

The U.S. companies now have a Bill they are very happy with, but it is not one that the Canadian people are going to be happy with. It will not in any way provide protection for them. It will result in higher prices for drugs and increased costs for provincial pharmacare programs. It is a vicious example of the way in which the Government bows down to the dictates of the American Government.

The very high percentage of foreign ownership of the Canadian drug industry is of major concern here. In 1981, of the 21 largest companies by sales, none was Canadian-owned. Foreign companies controlled about 92 per cent of the industry in 1972. Domestically owned companies supplied only 15 per cent of the Canadian pharmaceutical market in 1975 ranking us below countries such as Mexico, Iran, India and the Philippines. This information is from Dr. Joel Lexchin's book, *The Real Pushers*.

• (1520)

Between 1968 and 1979 the fraction of the Canadian market served by imports originating from parent countries or other subsidiaries abroad increased from 13.9 per cent of sales to 26.3 per cent while the fraction of the market served by the Canadian subsidiaries fell. Even in the late 1960s, drug manufacturing in Canada was minimal. Of all manufacturing, 85 per cent was confined to the conversion of imported material into final dosage form. In other words, we are taking the basic material manufactured abroad and only packaging it. That is the kind of manufacturing we did in the late 1960s. This is not good enough.

In addition, we should be aware of the extreme limitations which are put upon Canadian branch plants with respect to exporting abroad. Canada wants to be an exporting nation. We want to be able to export more than only wood products and grain products because we have a great deal of trouble with commodity prices. Presently Canadian branch plants in pharmaceuticals are not able to export because of foreign ownership and foreign control. Lexchin says:

The ability of Canadian branch plants to export drugs is also limited by foreign control. With most patents on drugs foreign-owned, subsidiary companies of the parent patentees control the market within their own jurisdictions. Export activity has to be confined to world areas where patents are not taken out; areas that are commercially insignificant. As a representative of a Canadian subsidiary in one U.S. company said, "We have so many plants all over the world I just do not know where we would export to."

This has led to the finding by the Department of Industry Trade and Commerce that Canadian subsidiaries are usually "not encouraged or permitted by the head office to assume responsibility for exports of their products". Our drug industry is dominated by foreign firms which dictated to the Canadian Government changes in legislation, which was wrong to begin with and worked against the interests of the Canadian public.

I urge the Government to accept this amendment which restores the original wording of the section so that we do not have a bad Bill made worse through interference by the American Pharmaceutical Association. I hope all Members will consider the implications of this Bill and support this amendment.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 19 standing in the name of the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Motions Nos. 21, 22, 23, 24, 25 and 31 have been grouped for debate. Motions Nos. 21, 22 and 31 will be voted on separately. An affirmative vote on Motion No. 23 disposes of Motions Nos. 24 and 25. A negative vote on Motion No. 23 necessitates a vote on Motions Nos. 24 and 25.

Mr. Dave C. Dingwall (Cape Breton—East Richmond) moved:

Motion No. 21.

That Bill C-22, be amended in Clause 15 by striking out lines 17 to 28 at page 14.

Motion No. 22.

That Bill C-22, be amended in Clause 15 by striking out lines 44 to 46 at page 14 and substituting the following therefor:

"price that is excessive, the Board shall take into consideration the following".

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 23.

That Bill C-22, be amended in Clause 15 by striking out lines 48 and 49 at page 14 and lines 1 to 29 at page 15 and substituting the following therefor:

"(*a*) the costs of making and marketing the medicine; and

(*b*) the Industry Selling Price as published by Statistics Canada under the authority of the Statistics Act."

Mr. Dave C. Dingwall (Cape Breton—East Richmond) moved:

Motion No. 24.

That Bill C-22, be amended in Clause 15 by striking out lines 12 to 29 at page 15 and substituting the following therefor:

"tion;

(*d*) the Consumer Price Index as published by Statistics Canada under the authority of the Statistics Act

(*e*) the direct costs of making and marketing the medicine; and

(*f*) such other factors as are prescribed or, in the opinion of the board, are relevant in the circumstances."

Motion No. 25.

That Bill C-22, be amended in Clause 15 by striking out lines 21 to 23 at page 15 and substituting the following therefor:

"price that is excessive, the Board shall take into consideration the following".

Motion No. 31.

That Bill C-22, be amended in Clause 15 by striking out lines 6 to 17 at page 18.

He said: Mr. Speaker, these motions deal primarily with the matter I raised earlier of the constitutionality of the Patented Medicine Prices Review Board. Bill C-22 establishes a drug prices review board with a mandate to keep future prices of pharmaceuticals down. Much has been made by the Government, and in particular the Minister of Consumer and Corporate Affairs (Mr. Andre), about the effectiveness of this board. Since the board is the only mechanism in the legislation to control future increases in the price of pharmaceuticals, it is important, in my view, to have a very close examination of the board's validity.

The powers given to the board are set out in subsection 41.15(2) of Bill C-22 as follows:

The Board may revoke the patent protection (exclusivity period) of an "excessively priced" drug as well as one other drug under patent by that patentee; or

The Board may cause the price of the "excessively priced" drug to be reduced to such an extent that the maximum price at which the medicine is sold is not excessive.

In my view each of these powers has very serious flaws. I would like to elaborate, for the purposes of this debate and to put them on the record, upon the reasons why I believe that the validity of these powers must be questioned.

With respect to the first power given to the board, the power to revoke a drug patent, such power is consistent with the power of the Commissioner of Patents over any other type of patent invention where there has been an abuse of patent privileges.

Unfortunately, however, the additional powers given to the board to revoke a patent on one other drug of the patentee is a power not given to the commissioner over any other patented invention or patent holder. This makes the legislation discriminatory in the sense that one group of patent holders, those holding pharmaceutical patents, is treated differently from other groups of patent holders, those holding other patented products or processes.

This may be contrary to Section 15 of the Charter which guarantees equal protection and equal benefit of the law without discrimination. Furthermore, it could be argued that such sanctions constitute cruel and unusual treatment or punishment contrary to Section 12 of the Charter.

With respect to the second power given to the board, the power to fix a price at which a drug may be sold, this power as well raises a fundamental issue of constitutionality. By virtue of subsection 92(13) of the Constitution Act, 1982, the provinces are given the exclusive jurisdiction to make laws in relation to property and civil rights in the province. "Property and civil rights in the province" encompasses the whole range of legal rights between persons, including law relating to property, succession, the family, torts and contracts.

• (1530)

I pointed out earlier that it is my opinion that at the first instance when a company is called into question and the powers of the board are attempted to be utilized, the company will say that it is unconstitutional. Thereby, the effectiveness of the board will be put into question. It will take innumerable time in order for decisions to be made. The case will be protracted for a considerable time, thus enabling the situation to fester.

The price at which goods are sold is a matter to be decided between two persons. That is private law as opposed to a matter governing the relationship between a person and an institution of Government. It is therefore clearly a provincial matter.

I can assure the House that the multinational corporations will waste no time when a sanction is imposed upon them by this board to place it before the Federal Court in order to have its jurisdiction and authority questioned.

The extent of provincial jurisdiction over pricing was questioned in the famous anti-inflation reference case referred to the Supreme Court of Canada and decided in 1976.

The Anti-Inflation Act, 1975, on which the reference was based, instituted a program of wage and price controls to be administered by a federal tribunal. The scheme was temporary and the Act automatically expired at the end of 1978.

The Supreme Court of Canada held, by a majority of seven to two, that the Act was valid as an exercise of the federal Government residual emergency power. There was no question that the intent of the Act was indeed an excursion into an exclusive matter of the provinces, namely property and civil rights. However, the incursion was justified by Mr. Chief Justice Laskin as being a rational basis which was temporarily necessary to meet a situation of economic crisis imperilling the well-being of Canada as a whole and requiring Parliament's stern intervention in the interest of the country as a whole.

Clearly, the situation of the Patented Medicine Review Board is not the equivalent of what Chief Justice Bora Laskin said in the Supreme Court of Canada with regard to this particular matter.

This is a subject matter that comes under the provincial jurisdiction. This is not an emergency situation. It does not come to a conclusion within 16 to 20 months, but exists for an indefinite time.

On those three grounds alone, the courts are apt to strike down the constitutionality of this particular review board, thereby enabling multinational corporations which are in violation of the spirit and the law as it pertains to Bill C-22 to slip away in the darkness of the night or the brightness of the day because the Government refuses to acknowledge that this is wrong.

I know that Members opposite agree. I know that the majority of Members in the House want to support me on this amendment, but we know that the Minister of Consumer and Corporate Affairs, the Deputy Prime Minister (Mr. Mazankowski), and of course "Gucci-Gucci", the Prime Minister (Mr. Mulroney), have made a deal with the United States, based on the auspices of free trade, that this legislation will go through.

Mr. Orlikow: Mr. Speaker, my Motion No. 23, if adopted, will tighten the price control provisions of this Bill. The Government has always implied that price control means that all drug prices will increase at the inflation rate. However, the Manitoba Government and others have pointed out that present price control criteria would justify any price increase, including those as high as 140 per cent. This amendment would tighten the criteria to increases of the industry's sales price index, not the CPI, which is a retail index for wholesale cost increases. Since the Government is pretending that it is giving inflation-only increases, then this amendment should be accepted.

I have already quoted from testimony given last week before a United States House of Representatives subcommittee looking at this whole question. It indicated that in the last six years the price of prescription drugs in the United States has gone up by over 79 per cent. That is substantially higher than the increase in the cost of living in that country. The same will happen here.

I also pointed out earlier that in the next few years we will face a host of new prescription drugs that will be brought on the market. While some of them will involve new processes that will give us better drugs, others will be modifications of present drugs so that the companies can charge higher prices. Despite all the arguments we have heard, the Government has used its power to force this Bill through Parliament at every stage. It has done so primarily because it knows how much opposition there is against the Bill.

Let me take a few moments to put on the record once again just a few of the objections and criticisms against the Bill.

Mr. Lewis: I know. The Conference of Catholic Bishops, copycat drug companies.

Mr. Orlikow: If the Parliamentary Secretary wants to speak instead of shouting from his seat, he should get up and speak. I know that if he rose to speak on this Bill he would show his ignorance and prejudice.

Let me take a few moments to quote a few newspaper editorials from one end of the country to the other, which outline their opposition to what the Government is proposing. *The Toronto Star*—

Mr. Lewis: There is an independent journal of record.

Mr. Orlikow: —on April 13 had an editorial with the headline: "Drug bill a bitter pill". The editorial states:

> Opposition MPs—Liberals as well as New Democrats—have fought the good fight against the bill, rightly arguing that its adoption will inevitably result in higher prices for prescription drugs.

The editorial concludes:

> Once the bill becomes law, how long will it take before Canada once again has drug prices among the highest in the world? And who's going to blow the whistle when the multinational drug companies don't live up to their glowing promises but continue to do their research and development in the U.S., Britain and Europe where their head offices are located? A Prices Review Board with no teeth? A federal government with no spine?

Let us look at an editorial in *The Ottawa Citizen.*

An Hon. Member: Let's hear it for Keith Spicer.

Mr. Orlikow: An editorial written this month contains the headline: "A bad drug deal closer to reality". It states:

> The Bill is defective and rests on false assumptions.

It goes on:

> . . . profits have not suffered unduly under generic competition.
>
> Andre's least credible claim is that higher drug prices will by themselves lead to more Canadian research.
>
> The existing system has proven its worth . . . The Opposition has been right to block the Bill. It is bad medicine.

If members on the government side do not want to listen to the editorials, let me quote a letter that was sent to the Minister by the President of Keystone Agricultural Producers, an organization in Manitoba which takes in all the farm commodity groups. The President of Keystone Agriculture Producers, Jack Penner, is a very good friend of the Minister of State for the Canadian Wheat Board (Mr. Mayer). I am told he has worked for and supported the Minister. Let me put on the record what Mr. Penner, on behalf of Keystone Agricultural Producers, said in a letter he wrote to the Minister of Consumer and Corporate Affairs (Mr. Andre). He wrote:

> The KAP's concerns about the proposed amendments are twofold. Firstly, and most obviously, KAP members share the concerns of those who believe that extended patent protections, will, by limiting the ability of drug manufacturing companies to produce generic copies by means of royalty payments, raise the prices charged to consumers for pharmaceutical drugs to unwarranted levels. Farmers and their families are, of course, part of the general consuming public, and stand to be seriously affected in any such situation.

• (1540)

Then they raise another very important point which I think we ought to think about, given the debate we have had during the last few days about the desperate plight of western farmers. The letter continues, and I quote:

> Secondly, since many of the drug manufacturing companies which produce pharmaceutical drugs are the same companies which produce the chemical formulations used by agricultural producers in the production of primary food commodities, it is our belief that any measures which may be taken with respect to pharmaceutical drugs may have significant implications with respect to the production and pricing of pesticides.

We have spent many days this week talking about the reduction by 19 per cent of the initial price paid to grain producers. We spent days talking about the removal of the freeze on Farm Credit Corporation loans. Today we heard about the increase in the cost of transporting and moving grain which the farmers will have to absorb, and here we have another illustration—

Mr. McDermid: You also heard about the additional $64 million farmers received from this Government. Don't forget that. Read both sides of this story.

Mr. Orlikow: There is still 18 minutes to go, Mr. Speaker, in this debate, and if the Hon. Member from Ontario wants to get up and speak, I invite him to do so, because every time he opens his mouth and puts something on the record, he demonstrates again and again his ignorance, his prejudice and his lack of concern about people in western Canada and particularly farmers who are really suffering.

I say to the Hon. Member and to other members of the Government that instead of listening to the pleas of the pharmaceutical manufacturers, the multinational corporations, whose profits have been as high or higher than any other group in this country, instead of listening to their pleas and giving them everything they want, the Government ought to listen to the pleas and arguments of the hundreds of organizations, churches, community groups, labour groups, consumer groups and farm groups, all of whom have urged the Government to withdraw this Bill and to continue with the present legislation.

The Minister asks us to look at the public opinion polls. All the public opinion polls except the poll commissioned by the Pharmaceutical Manufacturers Association, with a question it drafted—which was completely distorted—showed that the public is opposed to this Bill, and when the public gets a chance to vote in the next election, they will show the Government what they really think.

The Acting Speaker (Mr. Paproski): It being 3.45 p.m., pursuant to order made in accordance with provisions of Standing Order 117 on Wednesday, April 15, 1987, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the report stage of the Bill.

The question is on Motion No. 21 standing in the name of the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall).

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 22 standing in the name of the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall).

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 23 standing in the name of the Hon. Member for Winnipeg North (Mr. Orlikow). An affirmative vote on Motion No. 23 will dispose of Motions Nos. 24 and 25.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

No question will be put on Motions Nos. 24 and 25 until Motion No. 23 is disposed of on Monday.

The next question is on Motion No. 31 standing in the name of the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall).

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Motions Nos. 26, 27, 28, 33, 34, 41 and 42 have been grouped for debate. A vote on Motion No. 26 will apply to Motion No. 27. Motions Nos. 28, 33, 34, 41 and 42 will be voted on separately. The question is on Motion No. 26.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 26

That Bill C-22 be amended in Clause 15 by adding immediately after line 42 at page 15 the following:

"public as prescribed by regulation, the".

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 27.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 27

That Bill C-22, be amended in Clause 15 by striking out line 47 at page 15 and substituting the following therefor:

"(*c*) and the public and such minister is entitled to".

The Acting Speaker (Mr. Paproski): We do not do anything on Motion No. 27 until we dispense with Motion No. 26 on Monday.

The next question is on Motion No. 28.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 28

That Bill C-22 be amended in Clause 15 by striking out line 5 at page 16 and substituting the following therefor:

"sioner shall forthwith publish the ruling and shall concurrently inform the holder of".

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 33.

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 33

That Bill C-22, be amended in Clause 15 by striking out line 27 at page 19 and substituting the following therefor:

"relates, in which case this part of the hearing is deemed private by the Board or Commissioner but the hearing shall resume in public once the information or documentation is dealt with."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

• (1550)

The next question is on Motion No. 34.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 34

That Bill C-22, be amended in clause 15 by adding immediately after line 18 at page 20 the following:

"(4) Notwithstanding anything in subsection (1), all rulings of the Board shall forthwith be made public, in a manner prescribed by regulation."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 41.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 41

That Bill C-22, be amended in Clause 15 by striking out lines 3 to 8 at page 24 and substituting the following therefor:

"subsections (1) and (2) shall be public unless the Board or Commissioner is satisfied upon representations made by the person who supplied the information, that specific, direct and substantial harm would be caused to the person by the disclosure of the information or documentation."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 42.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 42

That Bill C-22, be amended in Clause 15 by striking out line 35 at page 24 and substituting the following therefor:

"shall be set out in such a manner that".

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 32

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 32

That Bill C-22, be amended in Clause 15 by striking out lines 21 to 24 at page 18 and substituting the following therefor:

"the order."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 35.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 35

That Bill C-22, be amended in Clause 15 by striking out lines 26 to 28 at page 20 and substituting the following therefor:

"cine Prices Review Board consisting of 5 members to be appointed by the Governor in Council.

(2) A majority of members shall constitute a quorum of the Board."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 36.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 36

That Bill C-22: be amended in Clause 15 by striking out lines 25 to 29 at page 21.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

Patent Act

The next question is on Motion No. 37.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 37

That Bill C-22, be amended in Clause 15 by striking out line 7 at page 23 and substituting the following therefor:

"under section 41.15 or 41.16 and shall".

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 43.

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 43

That Bill C-22, be amended in Clause 15 by striking out lines 6 to 9 at page 25 and substituting the following therefor:

"(7) The Governor in Council shall make regulations defining, for the purposes of this section, the expression "research and development" which shall include the following criteria:

(*a*) all expenditures made under the requirements for a notice of compliance for phase one and phase two of clinical trials;

(*b*) all expenditures made for laboratory and preclinical work which lead to a notice of compliance;

but shall not include

(*c*) all expenditures made under the requirements for a notice of compliance for phase three of clinical trials; and

(*d*) all expenditures associated with the marketing of the medicine including all direct and indirect marketing schemes by patentees."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 44.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 44

That Bill C-22, be amended in Clause 15 by striking out lines 10 to 13 at page 25 and substituting the following therefor:

"41.26(1) The Governor in Council may, at any time but no later than the expiration of four years after section 41.11 comes into force, by order, where he determines".

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 45.

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 45

That Bill C-22, be amended in Clause 15 by adding immediately after line 14 at page 25, the following:

"and shall, if the patentees ratio of sales to research and development expenditures does not reach 8 per cent by 1990 and 10 per cent by 1995".

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 46.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 46

That Bill C-22, be amended in Clause 15 by striking out line 39 at page 25 and substituting the following therefor:

"(3) On the expiration of four years after".

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 47.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 47

That Bill C-22, be amended in Clause 33 by striking out lines 3 to 15 at page 35 and substituting the following therefor:

"31. This Bill shall come into force on a day to be fixed by proclamation but not sooner than January 1, 1991."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Section 11 of Standing Order 114, a recorded division on the proposed motion stands deferred.

Normally, at this time, the House would proceed to the taking of the deferred divisions of the report stage of the Bill now before the House. However, pursuant to the provisions of Standing Order 13(5), the recorded divisions will stand deferred until 6 p.m., Monday, May 4, 1987.

Shall I call it four o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

VIOLENCE AND TERRORISM

REMEMBRANCE OF INNOCENT VICTIMS

Mr. W. Paul McCrossan (York-Scarborough) moved:

That, in the opinion of this House, the Government should consider the advisability of designating the period from April 19 to April 24 each year as a period of remembrance in Canada of innocent civilian victims of violence and terrorism.

He said: Mr. Speaker, Motion M-41 is a deceptively simple motion, but one which I believe warrants the support of the whole House because it tries to achieve several objectives.

In Canada there should be an annual focus in Parliament on those currently the victims of persecution based on race, religion, national origin, or political affiliation, as well as victims of terrorism so that public opinion can be mobilized to protect potential victims. This is particularly relevant today when, as a result of spurious refugee claims, Canadians are claiming the refugee process. We must systematically take the opportunity to highlight situations of genuine persecution which warrant refugee treatment.

Of course, we could designate any time of the year as the period in which to focus on human rights abuses. My motion on the Order Paper suggests that the specific period between April 19 and April 24 be chosen. These dates, in the third week of April, were deliberately chosen because of historical events which took place this century. In my opinion, the decision to designate a national day of remembrance for victims of man's inhumanity to man can best be given historical relevance by directly relating the remembrance day to the horrible events of the recent past.

• (1600)

During the First World War, between one-half and two-thirds of the Armenian population died as a result of measures taken in the Ottoman Empire commencing with the order for the arrest of the first leaders of the Armenian community on April 24, 1915. In the area which is now northeastern Turkey and Soviet Armenia, Armenians reacted with resistance in response to those arrests. The resistance was quickly and forcefully crushed with many reprisals against the community. However, reprisals did not end there. The Armenian population was first put into concentration camps and then forcefully relocated from their home territory, during which time hundreds of thousands died from starvation, from attacks by the civilian population or at the hands of their government guards. The Armenians were the only race during the First World War subject to such proportionately massive losses. Indeed, within a decade, the term genocide was first used specifically to describe the large scale elimination of a people specifically with respect to the Armenian tragedy during the First World War.

It is important to recognize that while this represented the first major genocide in the 20th century, the concept of racially motivated killings unfortunately did not originate at that time nor has it ceased since. Shortly after the First World War, millions of Ukrainians were systematically starved by Stalin. Before the First World War, during the break-up of the Ottoman Empire in the so-called Balkan wars, there were all too many documented instances of entire villages being killed in the most horrible ways imaginable, including many villages of ethnic Turks. We should, of course, condemn these racially motivated killings as well.

During the First World War, the number of Turks who died as a result of starvation and war also reached into the hundreds of thousands. However, what distinguishes the Armenian tragedy from all others in World War I is that the vast majority of the civilian deaths occurred after the people had been rounded up for relocation by the governmental authorities of the Ottoman Empire and were specially under government protection. This should not be forgotten.

The second date mentioned in the motion, that of April 19, was chosen because on April 19, 1943, the Warsaw ghetto uprising commenced. Through the work of Nobel Peace Prize laureate, Elie Wiesel, we now have an annual commemoration of the Holocaust based on this date, although it is frequently celebrated by Jews throughout the world as occurring on the 27th of Nisan, the equivalent date on the Jewish calendar. All of us are aware of the millions of innocent civilians, particularly Jews, who died in the Nazi concentration camps in the most systematic, barbaric attempt at racial annihilation the world has ever seen. In the Holocaust, the European Jewish population suffered the largest proportionate losses of any race in the Second World War.

It is, therefore, appropriate to select the date for annually recognizing human rights violations to civilians close to the dates symbolic of the most tragic events of each world war.

Moreover, these two events are connected in another bizarre way. It has been reported, when Hitler was challenged concerning his plans for the Jews, that he said, "Who now remembers the Armenians?" As a result of these reports, there have periodically been efforts by both the Armenian and Jewish populations to point out that lack of action by the world community to the First World War Armenian killings facilitated the path for Hitler during the Second World War. Some historians challenge the remarks attributed to Hitler as apocryphal. Whether apocryphal or not, the fact is that the world community had indeed largely forgotten the lessons of the First World War and that Hitler proceeded with his systematic racial extermination plans.

Following the Second World War, in reaction to the racially motivated mass killings of civilians, steps were taken both to define genocide and other war crimes and to ensure that sanctuary would, in future, be available for genuine refugees fleeing for their lives by establishing the U.N. High Commission on Refugees and the Geneva Convention on Refugees.

However, in the last two decades we have begun again to see an escalation of persecution and terrorism with victims, based on race, religion, national origin or political conviction, such as the Bahai's in Iran, the Miskito Indians in Nicaragua and Guatemala, and supporters of President Allende in Chile. The Pot Pol regime has killed millions in Kampuchea. We have also seen the starvation and indiscriminate killings of men, women and children in the Sabra and Shatila refugee camps in Beirut by both Christians and Shiites, the murders of thousands of Sikhs in India following Mrs. Gandhi's assassination, the murders of Hindu men, women and children travelling on buses in the Punjab, the bombings and shootings of hundreds of bus passengers in Sri Lanka, the bombings of civilians in villages in Afghanistan, terrorist attacks against civilians in Israel, and most pertinent to Canada, the deaths of 329 innocent passengers on Air-India Flight 182.

Some of these events represent state terrorism, others represent terrorism by groups who seek to change the political order. Still others, such as the recent death of a guard at the Turkish Embassy in Ottawa, represent attacks by isolated individuals who believe that terrorism is justified in the name of history. Canada is a world leader in the struggle for human rights. We should, therefore, also be a leader in ensuring that events in which civilians are killed as a result of state terrorism, group terrorism or individual terrorism, are condemned and, where possible, that world-wide remedial steps are taken.

I understand that there will be an amendment to my motion moved during the debate to select the first Monday of the third week of April as the date of remembrance in order to secularize the motion to cover all violence to civilians in all countries. I hope this will lead to a formal annual parliamentary statement.

I wish to indicate that the amendment is acceptable to me provided that it is clearly on the record that the choice of this date is designed to centre the day of remembrance between the specific dates mentioned in my motion.

This is important because there are some people in the world who now attempt to deny that the tragic events in the First World War and the Second World War referred to in my motion happened at all. Indeed, we have all recently seen two trials in Canada concerning the distribution of such hate literature. By passage of this motion, the Parliament of Canada would be stating unequivocally that it recognizes that the First World War Armenian genocide and the Second World War Holocaust are indisputable historical facts.

In summary, through the passage of this motion, I believe that Canada can provide a lead to the world by ensuring that similar events in the future are publicized and that corrective international action is started expeditiously. As such, I view the passage of my motion as both complementary to and a logical extension of the work done by Elie Wiesel in focusing on the Holocaust so that the lessons of the past can be applied to prevent future tragedies.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I would like to make just a few remarks and then move an amendment. First, though, I would like to congratulate the Hon. Member for York—Scarborough (Mr. McCrossan) on his motion.

The Acting Speaker (Mr. Paproski): If I may just interrupt, the seconder for the motion of the Hon. Member for Scarborough West (Mr. McCrossan) is the Hon. Member for Esquimalt—Saanich (Mr. Crofton) instead of the Hon. Member for Ottawa West (Mr. Daubney), as I mentioned. The Hon. Member for Calgary West (Mr. Hawkes).

Mr. Hawkes: The presence of this motion on the Order Paper today has been a causal event in my life, but it has caused me to reflect on my last few years in Parliament and the extent of knowledge that I have about the degree to which violence and terrorism was a daily fact of life in many countries of the world. It was not very great the day I was first elected to this Chamber. To that extent, I think I share the state of knowledge that exists for a great many Canadians. I might even go so far as to say that such is the case perhaps for most Canadians.

I happen to be a fourth generation Canadian. When I reflect on family history, I think again I am not unlike many Canadians who have moved into the fourth, fifth and sixth generation, but our ancestors came to this country in most, if not all cases, to escape violence, terrorism and persecution. We are a nation whose future to a large extent has been conditioned by that reality. Out of those kinds of experiences comes our special feeling for democracy, for the kinds of things that are important to this Chamber, important to our electoral process and important to our ways of governing ourselves.

I have had the honour to represent this Government for 11 weeks of the 1984 Fall Assembly of the United Nations. There are less than 40 democracies in an assembly of something in excess of 160 countries that are either full members or are represented there.

A true democracy is a very special commodity. I think we have special responsibilities in the world. It is appropriate that as a nation we set aside a day which gives us a focus and reason for coming together. It gives fourth generation Canadians a reason for remembering our history and our roots. What does it give more current first generation Canadians who came to the country as refugees, escaping the persecution and terrorism to which the Hon. Member for York-Scarborough referred? For them those memories are fresh. They have certain knowledge of friends and relatives who still exist in situations where there is real, genuine, and well-founded fear of persecution, of terrorism, and of violence.

• (1610)

I hope we as a nation will applaud the efforts of Parliament to set aside that kind of day. Then, as the future unfolds, hopefully we will put some effort into deciding the kinds of remembrances which would be appropriate on that special day.

We need to be reminded that the price of peace is also vigilance. When it comes to human rights, the need to be vigilant is ever present. There is a tendency in the busyness of our lives and our daily existence to forget that. Anything we as a Parliament and a nation can do to ensure that we do not forget it should be done, so that we remain conscious of it and responsive to it. This would speak well of us as a people and as a nation.

It is with a great deal of pleasure that I should like to move, seconded by the Hon. Member for Ottawa West (Mr. Daubney), the following:

> That the words "the period from April 19 to April 24" be deleted and that the words "the third Monday in April" be substituted in their place.

The effect of this amendment would be to secularize the motion by providing a specific day each year for the remembrance to take place. Therefore the motion, as amended, would read:

> That, in the opinion of this House, the Government should consider the advisability of designating the third Monday in April each year as a period of remembrance in Canada of innocent civilian victims of violence and terrorism.

I commend my amendment to the House, and I hope we will see its passage today.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the amendment. Therefore the debate is on the amendment. Is that agreed?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Thank you for recognizing me, Mr. Speaker. There have been consultations concerning the Hon. Member's motion. I have always been in favour of stating the facts as they are, very clearly, specifically and publicly. A number of consultations took place among Hon. Members and among various groups, including the Canadian Armenian Community, and I am sure other Members consulted with the Canadian community of Jewish faith, there is no doubt. Personally I like this kind of resolution, of motion and of commemoration because a people without memory does not deserve to survive. But I am somewhat embarrassed because the people who are primarily concerned and whom we would like to help have expressed—at least most of them did—their disagreement with the motion as drafted. I for one wish that some day people will be able to remember, but if we want to remember the least we can expect is that all those people for whom we want to remember should be in agreement. This is nothing new for me, Mr. Speaker. In April 1989—I see the Hon. Member listening attentively, my NDP colleague, I have him in mind today when I mention related issues of this story. In April 1989 it will be 25 years since, like many others, I began to familiarize myself with the Armenian community. In fact, it was in April 1964, I think it will be twenty-five years ago in 1989, and this is the twenty-fifth time I have raised this issue. It is one of my year-round concerns, but even more so on April 24.

What worries the Armenian community is this refusal to want to have something that reminds the world and Canadians of those events. If the House can accept the Hon. Member's amendment that does away with the date April 19, that is all right and we agree.

[*English*]

We agree that one of the great tragedies of the world occurred on April 19, 1943, the day when the Warsaw uprising began. It is commemorated as Holocaust Remembrance Day. Some day—and that day is coming soon—I will talk about my view of the Holocaust, this great world atrocity.

However, contained in the motion of the Hon. Member for York-Scarborough (Mr. McCrossan) was the date of April 19 and also the date of April 24, the date of the mass arrest of the Armenian leadership in Istanbul, Turkey. It is considered to be—and we cannot change history; we cannot accommodate history—the beginning of the Armenian genocide. The Armenian community would have preferred at least part of the resolution put forward by the Hon. Member, but certainly not the amendment. They also have great reservations about *le libellé de la résolution* as it read then and as it reads now.

I have talked directly with the Hon. Member who moved the motion. I am trying to be fair to him, but I am also trying to reflect the strong views which have been put forward to me.

I wonder whether we could show Parliament at its best today. It is only an idea. The Hon. Member knows that I have been agonizing about what I will finally do. However, April has passed. We have almost 11 months to wait until next April. We want to remember the Holocaust. I sincerely do. We want to remember the genocide. I sincerely do, as does the Hon. Member. However, some people are already debating the way we are going to do it. I wonder whether that is the correct way to do it.

We could put up as many speakers as possible. We could kill the motion. I hate to use the term "kill the motion" when we are talking about the Holocaust. However, we could speak until six o'clock and it would be sad. I am reluctant as a long-time parliamentarian to do that.

I am pleading directly to my colleague about the people who made representations to us. I have the trust of the Armenian community. They will trust what I am trying to do. My colleague has the trust of the Armenian community of Toronto. They trust what he will do. Those who want to commemorate the the Holocaust trust many of my Liberal colleagues as well.

• (1620)

Yesterday, I offered the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) a chance to get together with me to see if we could discuss our opinions in consultation with those who want to commemorate the Holocaust. The Armenian community of Montreal, which is reluctant, and the Armenian community of Toronto will be divided if they are not satisfied that April 24 has been put aside for non-political reasons.

I know about political reasons. I used to sit on the government side and I know that the Department of External Affairs is very concerned about the question of genocide. If the Hon. Member so signifies, we will ensure that not too many Hon. Members speak so that the motion will not terminate automatically or come to a vote at five o'clock. Perhaps we should suspend the motion so that the Hon. Member for York-Scarborough (Mr. McCrossan) and I and any other Hon. Members who are interested could consult with the people before next April and perhaps come up with something that is acceptable to all.

We should recall that what we really want to do is to remember the Holocaust. There are too many tragedies taking place in the world without having a day to reflect on these immense, unacceptable tragedies that keep repeating themselves.

Many things were said during the election campaign by the Hon. Member for York—Peel (Mr. Stevens), but I do not want to rehash those remarks. In July, 1984, comments were made in Toronto by the Hon. Member for York—Peel and by Mr. Hannigan in Montreal.

My colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau) was immensely interested in this question, but he is in Montreal today because we did not expect this debate to take place today. It was supposed to take place last Monday or next week. As well, my colleague, the Hon. Member for Outremont (Mrs. Pépin), is in Vancouver, and she too wanted to participate in this debate.

On behalf of all these people, I am trying to agonize openly to see what is the best way we as parliamentarians who have an ultimately better motive can commemorate the Holocaust. I believe the Hon. Member who moved the motion is extraordinarily sincere and he wants to commemorate these people. Equally, he knows of my sincerity.

I have an idea that I will throw out in the last minute and a half of my time. I could talk about what the Armenian community has done for Canada, but we all know about it. I could talk about my involvement and the involvement of many Hon. Members from the government side, the Opposition side and the New Democratic side. We could pass the motion as amended, but I know that it will be debated right away in some of these communities and we will not have achieved our goal.

Perhaps the Hon. Member could signify his agreement to what I am trying to do, which is quite unusual, but between four o'clock and five o'clock we can do what we want. If what I say sounds reasonable, we could agree to say what we have to say and we will hear the Hon. Member from the New Democratic Party who will speak in the same vein. I know the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) and my colleague from Cape Breton will also wish to speak.

While the Hon. Member of the New Democratic Party is speaking, perhaps I could speak to the Hon. Member for York-Scarborough to see if we could, by consent, suspend or withdraw the motion or dispose of it without taking a vote. I will see if the Hon. Member would agree to suspend the motion after those who wish to speak have done so, with my solemn commitment, publicly and openly, that we will go to these communities and come to an agreement so that what we want to commemorate will be commemorated. That means that we want to remember.

[*Translation*]

However, I want people to remember how this has come about, and not regret that the motion is not worded exactly as they would have liked, because the original purpose cannot be achieved in my opinion with the present wording of the motion.

I think that I have used up all my allotted time. I would like to tell the House that I shall listen to the Hon. Member from the New Democratic Party and that I shall consult him to ask him whether, before the debate comes to an end, he will point out that he would have said such or such a thing if there had been agreement on the motion, but that, in the absence of such an agreement, he will say something else.

[*English*]

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it gives me pleasure to have the opportunity to represent the New Democratic Party in the debate on the motion introduced by the Hon. Member for York-Scarborough (Mr. McCrossan) and its amendment. In considering the justification for the motion, I suppose one can be reflective about the fact that this motion addresses itself to violence and genocide in the 20th century, but I am not too sure why that should necessarily be so.

I know that Thomistic and Aristotelian philosophy, when trying to come to grips with that which distinguishes man from other animals, defined human beings as being rational animals. We could suppose that the 20th century is focused upon rationality because I think many of us consider it to be the rational century, the century during which man has achieved the highest stage yet achieved in his development and the pursuit of the fulfilment of that ancient definition. Today we are dealing with those instances in which man has not done violence merely to fellow man but to himself and his very essence, the times when man has been reduced to the level of the animal, to the most primitive stage of man's evolution.

Humanity is unique as a species. As a biologist, I know it to be rare for a species to attack its own members. There are no wars among most species and there is no terrorism among most species. There is no genocide among any of them.

While we focus upon the 20th century, much of that with which we are concerned today represents a legacy of the 19th century. I stand as a descendant of a people who lost many; slaves who were shipped from Africa to the new world. It is not well known that far more slaves died during slavery than died in the 20th century Holocaust. We might reflect upon the fate of the Indians of South America, of the victims of colonialism throughout the world, of man's inhumanity to man.

• (1630)

I am not sure that I quite understand all of what is implied by my Liberal friend's intervention, but surely it is clear that the Armenian genocide and the Holocaust represent more than significant events in the 20th century. They represent new legacies and illustrate all the more in this rational century just how necessary it is for us to be concerned about the tendency of human beings to lose their character and kill because of race, religion or politics, to kill sporadically, randomly, in the form of terrorism to achieve some purpose which in their minds justifies acting like animals.

As we reflect upon the Armenian genocide, however worthy it is of commemoration, and it is; as we reflect upon the Holocaust, however worthy of commemoration it is, and it is; we must not forget that even as we stand here there may be another bomb being planted among a civilian population somewhere in the world. There may be another slaughter of passengers on a bus in Sri Lanka. There may be more Miskito Indians being slaughtered in Central America. Genocide has not ended. Violence has not ended. When we talk about the reduction of man to animalistic viciousness, let us not forget it is our rationality in the form of technology that all too often makes it possible to contemplate and justify so-called higher purposes violence of a sort that would never be contemplated as being included in the definition contained in this motion, violence in the form of nuclear or chemical warfare.

It is more than worth-while, indeed more than necessary, that there be a commemoration of those two fatal events, one for the Armenians and the other for the Jews. However, that commemoration must not be regarded as limited to those two tragedies. It must be directed to the prevention of any new tragedies. It would do us little good, however we do it, to commemorate these two events and ignore the images on television last night which sound the clarion call of warning to the world that a new genocide is about to be perpetrated upon the people of Mozambique.

Who would see the blood spewing from the mouth of a starving dying child, knowing it is the result of the activity of a regime whose view of mankind is completely contradictory to the view represented in this motion and, failing to act, not know that nothing has been learned from the Armenian genocide and the Jewish Holocaust?

Therefore, if this motion is adopted, in whatever form it might be adopted, and I hope it will be, nothing will be accomplished if it does not communicate to us and every other democratic country in the world that wherever there is racism, wherever there is antipathy on the basis of religion, wherever there is intolerance of differing political views, there is the possibility of new terrorism and new genocide. That is the message I know and understand, indeed the message that is intended to be communicated by the Hon. Member for York-Scarborough and this House when it adopts this motion.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to take part in this debate this afternoon. As you know, we have always held on Friday afternoons debates that are very interesting for Members who choose to spend their Friday afternoon here rather than elsewhere. We often have an opportunity to share opinions, feelings and hopes on matters of importance to a large number of Canadians.

Mr. Speaker, like many of my colleagues I have received a letter dated April 2, 1987, from Mr. M. Hagopian, Chairman of the National Armenian Committee of Canada.

[*English*]

The letter Mr. Hagopian sent reads as follows:

> Motion M-41, introduced by Mr. Paul McCrossan, M.P. for York-Scarborough, has been drawn as a non-votable motion.
>
> April 10, 1987, has been tentatively set as a date for consideration of M-41 by the House of Commons.

As my colleague indicated, that date was changed and that explains why a number of my colleagues, particularly the Hon. Member for Laval-des-Rapides (Mr. Garneau) and the Hon. Member for Outremont (Mrs. Pépin), who desperately wanted to speak on this motion, are unable to be with us today. It is the fault of no one, just the fact that the date was changed. The letter continues:

> It is our understanding, that Mr. McCrossan's intention is setting a special remembrance period for the victims of all genocides. Hence, the selection of the dates.
>
> April 19, 1943, is the day when the Warsaw uprising began and is commemorated as Holocaust Remembrance Day;
>
> April 24, 1915, is the date of the mass arrests of the Armenian leadership in Istanbul, Turkey, and is considered to be the beginning of the Armenian Genocide.
>
> Of course, the remembrance period would not be exclusively for the victims of the Jewish Holocaust and the Armenian Genocide, since, unfortunately, other genocides were committed in this century as well.
>
> Furthermore, this would be an appropriate time each year for Parliament to focus on the present-day universal problem of persecution based on race, religion, or national origin.

As you would probably conclude from reading this page it appears that Mr. Hagopian was in favour of the motion. However, let me read to you the second page and you will see that there is a problem with the text of the motion as originally presented and, I submit, a further problem with the amendment brought to our attention today should it be passed. He continues:

> However, the language of Mr. McCrossan's motion does not reflect his purpose, and it is vague and ambiguous. M-41 does not address the concerns of the Canadian Armenian community, and some might even consider it to be an affront to the memory of those who perished. Nonetheless, we sincerely believe that Mr. McCrossan is well-intentioned.
>
> In order to directly and clearly address the issue, we suggest that the last words of M-41 "violence and terrorism," be replaced by "genocide and mass extermination," or "war crimes and crimes against humanity".
>
> We strongly urge you to express our views when M-41 is debated in the House. We count on your understanding and support. Your co-operation will be very much appreciated.

• (1640)

There is quite a simple explanation for why Mr. Hagopian wrote such a letter. When I first read the letter I thought it was unusual that a person would initially express support and then reluctance. I referred to documents which I have and others which my colleagues provided to me and found the answer.

On July 23, 1984, during the last election campaign a Member of Parliament of the Progressive Conservative Party promised that a day would be set aside as a day of remembrance for the estimated 1.5 million Armenians killed during the Ottoman massacre of 1915. That was, of course, the Member for York—Peel (Mr. Stevens), a senior member of the then opposition Tory caucus.

I believe that the Armenian community interprets the motion before the House today as an attempt by the Government to fulfil that commitment. However, it does not go nearly far enough to fulfil the original commitment made by that Party. The amendment of the Hon. Member from Calgary removes completely the date of April 24, and I am sure that members of the Armenian community will not be satisfied with the amended motion, if it passes, especially considering they were not entirely satisfied with the original motion.

They did, however, highly praise the Member for York Scarborough (Mr. McCrossan) who brought the matter to the attention of the House. I believe, as does my colleague from Saint-Denis and Mr. Hagopian, that the Member for York-Scarborough had only good intentions in the original motion.

I was hoping that the amendment of the Member from Calgary would have reflected the proposals of Mr. Hagopian in his letter of April 2, 1987, which he sent to many Members of Parliament. I surveyed a number of my colleagues who all said they had received it, so presumably all Members of this House, including the Member from Calgary who moved the amendment, must have been aware of Mr. Hagopian's concern.

Why was the amendment moved to water down the motion when Mr. Hagopian wanted it strengthened because it did not fulfil the commitment made by the Conservative Party in 1984? I hope all Members of this House will take note of that concern.

We know that the Government is not famous for keeping its promises made during the election campaign of 1984. I do not want to go through the whole litany of promises which it broke. I have done that on sufficient occasions in this House. However, if provoked I would gladly raise them again.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I wonder whether we are on Private Members' Hour or government business. There seems to be some confusion.

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member has only one minute left and I am sure he would like to continue.

Mr. Boudria: Mr. Speaker, I was not trying to be unduly partisan. I gave credit to the Member who presented the motion. However, if properly provoked by the temporary Member for Gatineau (Mrs. Mailly) I can be a trifle partisan on occasion. I can say that the Tories are once again trying to weasel out of a promise made to a community of Canada. That promise is now being further watered down by this amendment.

It is quite evident that the Secretary of State for External Affairs (Mr. Clark) said it best when he said: "Sometimes you make commitments on the way to office that do not stand the scrutiny of information or circumstances that become known to you when you are in office". In other words, you say something to get elected, but reality sets in once you are there and you do not fulfil those promises. That is the Tory position.

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I would like to involve myself in this debate. This is a Private Members' Motion and Members of all political parties have an opportunity to express their views and examine the substance of the motion.

Motion 41 put forward by my colleague from the Conservative Party says:

> That, in the opinion of this House, the government should consider the advisability of designating the period from April 19 to April 24 each year as a period of remembrance in Canada of innocent civilian victims of violence and terrorism.

The amendment changes the time to the third week in May. It is worth noting that parliamentarians have the opportunity to send a very significant signal to individual Canadians who have relatives or friends who have been the victims of such violence and terrorism. On that note I want to congratulate my colleague from the Conservative Party because I think that is his intention.

I specifically want to address my remarks to the Holocaust. Three weeks ago I had the opportunity to speak with some young people from Halifax. We spoke about the issue of the Soviet Jewery and the difficulties with which people in that country are still plagued. It is rather frightening when you study history, view films, listen to commentary of various individuals, and read reports of Parliament to learn what some individuals were confronted with at a very difficult time in our history. These young people impressed me because they wanted, as I am sure the Hon. Member opposite wants, to highlight in a real way the significance of the Holocaust and other acts of violence and terrorism.

• (1650)

While the Hon. Member has his idea, these young people gave me other suggestions. Perhaps from time to time Parliament would put away its partisanship and discuss issues of international importance for a day or two when the Chamber could perhaps adopt a resolution that is agreeable to all Parties and, more important, to those individuals who are directly involved.

In this way Canada as a nation and as a free people could send a signal domestically and internationally that Canada is concerned, remembers, and has the compassion to make sure that the events of the past will never reoccur in the future.

They also suggested that this debate should not only consist of national leaders but also of Members of Parliament from all Parties who could espouse their views and those of their constituents so that Canadians would gain a better appreciation for what I believe is a well-intended motion.

All too often, we have a tendency in the country to forget. I do not say that because I believe anyone wants to forget past events in world history intentionally, but that is what happens as time and the world go on.

I believe that parliamentarians, particularly at the federal level, although I mean no disrespect to provincial parliamentarians, have an obligation to address this issue.

The students also said that while it is important to debate in the House of Commons and pass a resolution, perhaps we must do more. The original suggestion in the Hon. Member's motion was to set aside April 19 to April 24 for this remembrance. That has been amended to the third week of May. My colleague, the Member for Laval-des-Rapides (Mr. Garneau) has a profound interest in this subject, as I am sure all Members of Parliament do. I know that he would have preferred to be here if it were possible.

Perhaps some national organizations, as referred to by my colleague who spoke before me, may not share or fully appreciate the pith and substance of the motion that the Member is putting forward today. I have a letter that I believe all Members of Parliament received from the Armenian National Committee of Canada. I would like to quote from that letter because they make some interesting observations. It states:

> April 10, 1987, has been tentatively set as a date for consideration of M-41 by the House of Commons.
>
> It is our understanding, that Mr. McCrossan's intention is setting a special remembrance period for the victims of all genocides. Hence, the selection of the dates.
>
> April 19, 1943, is the day when the Warsaw uprising began and is commemorated as Holocaust Remembrance Day;
>
> April 24, 1915, is the date of the mass arrests of the Armenian leadership in Istanbul, Turkey, and is considered to be the beginning of the Armenian Genocide.
>
> Of course, the remembrance period would not be exclusively for the victims of the Jewish Holocaust and the Armenian Genocide, since, unfortunately, other genocides were committed in this century as well. Furthermore, this would be an appropriate time each year for Parliament to focus on the present-day universal problem of persecution based on race, religion, or national origin.

I am not taking issue with the Armenian National Committee of Canada, but I want to say as a parliamentarian that we cannot set aside only one day or have just one debate. It cannot consist of one speech given by a government Minister and responded to by an opposition Member. My hon. colleague opposite has suggested a period of time for reflection on what has taken place.

The letter goes on:

> However, the language of Mr. McCrossan's motion does not reflect his purpose, and it is vague and ambiguous.

I am not sure I necessarily agree with that, but I suggest that this provides an opportunity, particularly for the Hon. Member opposite and my colleague, the Member for Laval-des-Rapides, for consultations with some of these organizations.

I congratulate the Member opposite for introducing this motion and allowing for this debate. I think his motion has a lot of substance which deserves reflection by all Members of Parliament.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the two or three minutes remaining I want to associate myself with the Member for Windsor—Walkerville (Mr. McCurdy) who gave his support to the intent of this resolution.

I am not too concerned about the number of days because in the 20th century we have become successful in many areas and can do more than we have ever done in the world.

It is also obvious that we can kill more people than ever before. Mention has been made of the genocide of the Armenians in Turkey and of the Holocaust when six million Jews were killed by the Nazis.

We ought to remember the more recent times, with the deaths of four million people in Cambodia. We should remember the Idi Amin regime in Uganda, the civil war in Nigeria when the people in the Biafra province tried to separate from Nigeria, and the killings taking place in Sri Lanka at the present time.

There is the tragedy in Ireland. We cannot forget the events since World War I in the Soviet Union with the death by starvation of five million or six million Ukrainian people and the purges and wars which took place. It was estimated by the son of one of the leaders of the Communist uprising in 1917 that sixty million people living in the Soviet Union have died since then. So we say that violence and terrorism are a part, tragically, of the 20th century. We accept the proposal of the Hon. Member that we should remember this and honour these people wherever that happens.

[*Translation*]

The Acting Speaker (Mr. Paproski): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the motion shall be dropped from the Order Paper.

It being five o'clock, this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 3(1).

At 5 p.m., the House adjourned.

APPENDIX

FIRST MINISTERS' MEETING ON THE CONSTITUTION

DRAFT STATEMENT OF PRINCIPLES

April 30, 1987

MEECH LAKE COMMUNIQUÉ

At their meeting today at Meech Lake, the Prime Minister and the ten Premiers agreed to ask officials to transform into a constitutional text the agreement in principle found in the attached document.

First Ministers also agreed to hold a constitutional conference within weeks to approve a formal text intended to allow Quebec to resume its place as a full participant in Canada's constitutional development.

QUEBEC'S DISTINCT SOCIETY

(1) The Constitution of Canada shall be interpreted in a manner consistent with

a) the recognition that the existence of French-speaking Canada, centred in but not limited to Quebec, and English-speaking Canada, concentrated outside Quebec but also present in Quebec, constitutes a fundamental characteristic of Canada; and

b) the recognition that Quebec constitutes within Canada a distinct society.

(2) Parliament and the provincial legislatures, in the exercise of their respective powers, are committed to preserving the fundamental characteristic of Canada referred to in paragraph (1)(a).

(3) The role of the legislature and Government of Quebec to preserve and promote the distinct identity of Quebec referred to in paragraph (1)(b) is affirmed.

IMMIGRATION

- Provide under the Constitution that the Government of Canada shall negotiate an immigration agreement appropriate to the needs and circumstances of a province that so requests and that, once concluded, the agreement may be entrenched at the request of the province;

- such agreements must recognize the federal government's power to set national standards and objectives relating to immigration, such as the ability to determine general categories of immigrants, to establish overall levels of immigration and prescribe categories of inadmissible persons;

- under the foregoing provisions, conclude in the first instance an agreement with Quebec that would:

  - incorporate the principles of the Cullen-Couture agreement on the selection abroad and in Canada of independent immigrants, visitors for medical treatment, students and temporary workers, and on the selection of refugees abroad and economic criteria for family reunification and assisted relatives;

  - guarantee that Quebec will receive a number of immigrants, including refugees, within the annual total established by the federal government for all of Canada proportionate to its share of the population of Canada, with the right to exceed that figure by 5% for demographic reasons; and

  - provide an undertaking by Canada to withdraw services (except citizenship services) for the reception and integration (including linguistic and cultural) of all foreign nationals wishing to settle in Quebec where services are to be provided by Quebec, with such withdrawal to be accompanied by reasonable compensation;

- nothing in the foregoing should be construed as preventing the negotiation of similar agreements with other provinces.

SUPREME COURT OF CANADA

- Entrench the Supreme Court and the requirement that at least three of the nine justices appointed be from the civil bar;

- provide that, where there is a vacancy on the Supreme Court, the federal government shall appoint a person from a list of candidates proposed by the provinces and who is acceptable to the federal government.

SPENDING POWER

- Stipulate that Canada must provide reasonable compensation to any province that does not participate in a future national shared-cost program in an area of exclusive provincial jurisdiction if that province undertakes its own initiative or programs compatible with national objectives.

AMENDING FORMULA

- Maintain the current general amending formula set out in section 38, which requires the consent of Parliament and at least two-thirds of the provinces representing at least fifty percent of the population;
- guarantee reasonable compensation in all cases where a province opts out of an amendment transferring provincial jurisdiction to Parliament;
- because opting out of constitutional amendments to matters set out in section 42 of the *Constitution Act, 1982* is not possible, require the consent of Parliament and all the provinces for such amendments.

SECOND ROUND

- Require that a First Ministers' Conference on the Constitution be held not less than once per year and that the first be held within twelve months of proclamation of this amendment but not later than the end of 1988;
- entrench in the Constitution the following items on the agenda:
  1) Senate reform including:
     - the functions and role of the Senate;
     - the powers of the Senate;
     - the method of selection of Senators;
     - the distribution of Senate seats;
  2) fisheries roles and responsibilities; and
  3) other agreed upon matters;
- entrench in the Constitution the annual First Ministers' Conference on the Economy now held under the terms of the February 1985 Memorandum of Agreement;
- until constitutional amendments regarding the Senate are accomplished the federal government shall appoint persons from lists of candidates provided by provinces where vacancies occur and who are acceptable to the federal government.

HOUSE OF COMMONS

Monday, May 4, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-1512, 332-1516, 332-1517, 332-1522, 332-1523, 332-1524, 332-1532, 332-1535, 332-1538, 332-1539, 332-1568, 332-1653, 332-1655, 332-1701, 332-1712, 332-1722, 332-1727 to 332-1729 inclusive, 332-1731, 332-1758 and 332-1765.

[*English*]

REQUEST FOR APPOINTMENT OF ARBITER—SETTLEMENT WITH FRED TURNER

Mr. Les Benjamin (Regina West): Mr. Speaker, I wish to take the opportunity, as is my honour and duty, to present several petitions. The first is signed by a number of Canadians from Grande Prairie and Beaverlodge, Alberta.

Whereas in the opinion of your petitioners the Government has inflicted a severe injustice on one of its citizens by wrongfully depriving Mr. Fred Turner of the right to earn a living through the operation of his family business, the undersigned, your petitioners, humbly pray and call upon the House of Commons to ensure that an independent arbitrator be assigned to this matter to investigate the details of the case, and negotiate an offer from the federal Government to Fred Turner in order to reach a settlement which better reflects the true nature of his loss.

TRANSPORTATION—ECONOMIC REGULATORY REFORM

Mr. Les Benjamin (Regina West): I have further petitions from citizens in a number of places in Canada, including Belleville and Cornwall, Ontario, Cranbrook, B.C., and a number of locations in Newfoundland, in which the petitioners call upon the House of Commons to withdraw Bill C-18 and retain public convenience and necessity as a fundamental factor in the development of public transportation policy, and to retain licensing in order to restrict market-place activity to a positive level functioning in the best interests of the public as a whole, all of which your petitioners humbly pray.

[*Translation*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to table two duly certified petitions this morning. The undersigned do now avail themselves of the ancient and undoubted right to present a grievance common to your petitioners, namely that the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in an increase in drug costs for Canadian consumers and severely restrict the ability of many people to purchase necessary prescription drugs; that the proposed changes to the Patent Act, set forth in Bill C-22, will affect directly all Canadians who are not covered by Government or private health insurance plans; that the Government's proposals will raise the already high cost of provincial health insurance plans; and that the proposed changes to the Patent Act are another example of the Canadian Government's concessions to the free trade negotiations with the United States, at the expense of the average consumer.

Wherefore, the undersigned your petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

• (1110)

[*English*]

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I would like to present a petition which I am sure is supported by the Member for Saskatoon West (Mr. Hnatyshyn). It is signed by constituents of mine from the City of Yorkton with one exception, that being from the great Town of Springside.

The petition calls upon the Government to change its mind on its patent drug legislation. The petitioners are concerned about the price of prescription drugs increasing after this terrible Conservative Government does what it wants to do.

The petitioners also say that it will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis.

They are also concerned about the higher cost of prescription drugs in Saskatchewan which would, of course, hurt the Saskatchewan plan and the great friend of the Member for

Saskatoon West, the Premier of Saskatchewan, who will be further in debt.

Therefore, I am very honoured to present this petition on behalf of people in God's land, namely, the constituency of Yorkton—Melville.

OPPOSITION TO DISCRIMINATORY SEIZURE OF IMPORTED LITERATURE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition today which has been signed by over 3,500 people with reference to the Canadian Committee against Customs Censorship. These petitioners, who live in all parts of Canada, call upon the Government to end its discrimination against gay and lesbian Canadians through the way in which customs regulations regarding book and magazine imports are enforced.

In particular, the petitions are protesting the recent unfair seizures of gay and lesbian literature which was destined for bookstores in Vancouver and Toronto. They call upon the Government to repeal these discriminatory provisions.

* * *

SUPREME COURT ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-53, an Act to amend the Supreme Court Act and to amend various other Acts in consequence thereof.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

CRIMINAL CODE

MEASURE TO AMEND

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-54, an Act to amend the Criminal Code and other Acts in consequence thereof.

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

Some Hon. Members: Agreed.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk).

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 98 and 101.

[*Text*]

RATE OF INTEREST—PSSA, CFSA, RCMPSA

Question No. 98—**Mr. Gauthier:**

1. For each year in the 1986-2005 period, what is the rate of interest assumed to be earned by the Public Service Superannuation Account (PSSA), the Canadian Forces Superannuation Account (CFSA) and the Royal Canadian Mounted Police Superannuation Account (RCMPSA) in producing the estimate contained in the 1985-86 Public Accounts that if these accounts were combined with the Supplementary Retirement Benefits Accounts (SRBA) and valued on a fully-funded basis, they would have an actuarial deficit of $4.0 billion as of March 31, 1986?

2. For the same years, what is the new money interest rate assumed to produce the interest rates referred to in Part 1?

3. As of the most recent date for which data is available, what is the annual rate of interest actually being earned by the PSSA, CFSA and RCMPSA?

4. As of April 1, 1987, what is the estimated balance of the PSSA, CFSA, RCMPSA and SRBA?

5. From 1952 to the present (*a*) what has been the annual real rate of interest assumed in the actuarial valuations that have been carried out of the PSSA, CFSA and RCMPSA (*b*) what has been the basis of these assumptions (*c*) what have been the financial consequences, in actuarial terms, of any changes made in the assumption of this factor?

6. For the same years (*a*) what has been the annual real rate of salary increases resulting from salary revisions assumed in the actuarial valuations that have been carried out of the PSSA, CFSA and RCMPSA (*b*) what has been the basis of these assumptions (*c*) what have been the financial consequences, in actuarial terms, of any changes made in the assumption of this factor?

7. For the same years (*a*) what has been the average of retirement assumed in the actuarial valuations that have been carried out of the PSSA (*b*) what has been the basis of these assumptions (*c*) what have been the financial consequences, in actuarial terms, of any changes made in the assumption of this factor?

8. As of March 31, 1987, what is the actuarial surplus that would be realized by the PSSA, CFSA and RCMPSA if the assumption changes mentioned in Parts 5 to 7 had not been made?

Hon. Robert de Cotret (President of the Treasury Board): 1. In estimating the financial status of the Public Service, Canadian Forces and RCMP pension plans as of March 31, 1986, the following interest rates were assumed to be earned by the pension accounts for the period 1986-2005:

	Per Cent		Per Cent
1986	10.2	1996	9.0
1987	10.2	1997	8.7
1988	10.2	1998	8.5
1989	10.1	1999	8.3
1990	10.1	2000	8.0
1991	10.0	2001	7.7
1992	9.9	2002	7.2
1993	9.7	2003	6.9
1994	9.5	2004	6.6
1995	9.2	2005	6.3

Note: These assumed interest rates reflect a margin of one percentage point for approximately 20 years and then a gradually diminishing margin until the long

term assumed rate is reached. (e.g., actual 1986 rates were 11.2 per cent instead of the 10.2 per cent assumed). The margin is included to make some allowance for such contingencies as unanticipated increases in inflation and salaries or decreases in interest rates.

2. The assumed new money interest rate for the years referred to in Part 1 were:

	Per Cent
1986	10.2
1987	9.7
1988	9.7
1989	9.5
1990	9.1
1991	9.0
1992	8.0
1993	7.0
1994	6.0
1995 – 2005	6.0

3. As of March 31, 1987, the quarterly interest rate earned by the PSSA, CFSA and RCMPSA is 2.6817 per cent which represents an effective annual rate of 11.2 per cent.

4. Estimated balances as of April 1, 1987

	(000,000,000's)
PSSA –	24.8
CFSA –	16.2
RCMPSA –	2.4
SRBA –	3.4

The answers to Parts 5-8 of Question No. 98 will require further computer programming and testing by the Department of Insurance. The response to those parts is expected to be provided between now and the end of May.

UNEMPLOYMENT INSURANCE

Question No. 101—**Mr. McKinnon:**

In each of the years 1985 and 1986, did Canadian Armed Forces personnel contribute to unemployment insurance and, if so (*a*) what was the total amount collected from them (*b*) did the Government match these contributions (*c*) what amount was paid out of the U.I.C. fund to unemployed ex-service personnel?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Yes.

	1985	1986
(a)	$45,700,712	Not yet available.*
(b)	Yes, the government contributed $56,988,788	Not yet available.*
(c)	$39,992,164	$28,165,859

* The Department of National Revenue is presently verifying the employer's contributions to the UI fund during 1986. This audit will be completed in October, 1987, and the data will then be provided to the CEIC.

[*English*]

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been discussions with the other House Leaders. I think you will find unanimous consent to change the committee reference of Bill C-42, an Act respecting financial institutions and the deposit insurance system, to read "Second Reading and reference to the Standing Committee on Finance and Economic Affairs" rather than "Second reading and reference to a legislative committee".

Mr. Speaker: Hon. Members have heard the suggestion of the Parliamentary Secretary. Is that agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS AND DEPOSIT INSURANCE SYSTEM AMENDMENT ACT

MEASURE TO ENACT

Hon. Tom Hockin (Minister of State (Finance)) moved that Bill C-42, an Act respecting financial institutions and the deposit insurance system, be read the second time, and by unanimous consent, referred to the Standing Committee on Finance and Economic Affairs.

He said: Mr. Speaker, it gives me great pleasure to begin the debate on Bill C-42. This Bill is the first of a number of Bills which will implement my new policy on financial institutions.

[*Translation*]

On December 18 last year, I tabled in the House a document entitled: *New Directions for the Financial Sector*, and I am very pleased it was so well received, both by the public and the industry.

[*English*]

During the last two and one-half years the federal Government was faced with a formidable challenge. It had the responsibility of formulating a policy which would, first and foremost, protect public interest and the safety of depositors. Second, we wanted to introduce a policy which would allow our Canadian financial institutions to compete in a rapidly changing global environment. The two great objectives were to protect the system and the depositors while making it a modern, global system.

I wish to begin by acknowledging the contributions of industry, other interested parties, and the public in general for their helpful suggestions and comments since the release of the Government's Green Paper on the regulation of Canadian financial institutions in April, 1985.

In addition to benefiting from our extensive consultations with the provinces and the public, we have greatly benefited from a number of major studies and reports which were prepared over the last few years. These have contributed greatly to the Government's understanding of what needs to be done in order to create a better, sounder and more competitive financial system in Canada.

In particular I commend the important contributions of the reports prepared by Justice Estey, the House, the Senate, committees of the House and the Senate, the Wyman working committee on the Canadian Deposit Insurance Corporation and others. In fact, this area of legislation is one of the more heavily studied areas on the Government's agenda and we have benefited very much from these studies.

[*Translation*]

I also wish to express my appreciation to representatives of the financial sector for their suggestions and comments. Mr. Speaker, I realize that the industry is anxious to see us proceed with this Bill.

Mr. Speaker, we have promised to act quickly. We want to take away much of the uncertainty concerning the implementation of the main proposals I announced on December 18 last.

• (1120)

[*English*]

Let me speak to the legislative timetable that flows from this paper. I have been concerned from the outset and have said many times that in order to draw the maximum benefit from the proposed changes we would have to move quickly to implement them. We would lose a great deal of this impact if we were to move too slowly.

I have indicated in particular that I intend to introduce the necessary legislation as quickly as possible. This will enable financial institutions to plan ahead for what is recognized to be a period of great change in the industry—both in Canada and internationally.

Bill C-42 is the first of several legislative packages that I will be introducing over the course of the year. This Bill implements a significant part of the policy proposals, those dealing with the structure of the supervisory and deposit insurance system. It also contains measures that will enhance the protection enjoyed by Canada's depositors and insurance policyholders and promote the soundness of our financial system.

It will be followed later this spring by legislation that will reinforce existing supervisory powers and enable all types of financial institutions to own security subsidiaries.

By the summer, I hope to introduce the final package of legislation which will change institutional powers; implement the new ownership policy; establish new rules to control self-dealing and conflict of interest; and will set up the new financial institution restructuring program. That is the third and final piece of legislation that will be introduced later this spring.

Let me outline the Bill before us. The provisions of Bill C-42 primarily involve a realignment of existing regulatory agencies and a reform of the deposit insurance system. One could call this the "office Bill".

The first part of the Bill constitutes a new Act, the office of the Superintendent of Financial Institutions Act, which merges the Department of Insurance and the Office of the Inspector General of Banks into a consolidated regulatory agency. I expect that this new office will be better equipped to meet the regulatory challenge posed by the blurring of the distinctions between different types of financial institutions. Consolidation is necessary as a result of this blur.

The new office will continue to be funded in the same way as its two predecessors, but will have better access to qualified professional personnel by virtue of its status as a separate employer. These provisions will enable the office to hire and retain the skilled manpower that it needs to properly fulfil its regulatory responsibilities.

The office Bill also contains revised confidentiality provisions and provides for the creation of a committee of the heads of federal regulatory agencies. This will remedy a shortcoming of the existing regulatory structure, which was pointed out by Justice Estey, by facilitating the exchange of information among the new office, the CDIC, the Bank of Canada and the Department of Finance.

The second part of the Bill amends the Canada Deposit Insurance Corporation Act in order to: first, clarify the objectives of the CDIC, notably with regard to its obligation to protect the interests of depositors; second, to enhance its ability to meet those objectives; third, to provide a more parallel treatment of federal and provincial member institutions; and fourth, to place CDIC on a more sound financial footing.

In particular, the amendments to the Canada Deposit Insurance Corporation Act will enhance CDIC's ability to protect depositors by providing the CDIC with the power to cancel, with ministerial approval, the deposit insurance policies of federal member institutions that violate the provisions of the Act or of CDIC's own by-laws. That power already exists with respect to provincial member institutions. As well, the amendments will levy premium surcharges on member institutions that do not follow standards of sound business or financial practice.

[*Translation*]

In addition to the power to collect additional premiums, the amendments to the CDIC Act will enable management to take a more flexible approach with respect to the establishment of premium rates. The CDIC management need these new provisions to be able to proceed with the orderly repaymewnt of their accumulated deficit. They will also enable the Governor in Council to set the annual premium rates, subject to a ceiling of one-sixth of 1 per cent of insured deposits.

[*English*]

As announced in a press release issued last week, I will be recommending to the Governor in Council that the current premium rate of one-tenth of 1 per cent, which has been in effect since May 1, 1985, be retained for the 1987-88 premium year. The retention of the existing rate will not result in an undue burden on deposit-taking institutions and is expected to yield sufficient revenues to amortize the current CDIC deficit over a reasonable period.

The Bill also amends a number of other Acts governing particular types of financial institutions. These include the Bank Act, the Trust Companies Act, the Loan Companies Act, insurance companies Acts and others. The changes made to these Acts will share a common purpose and can be grouped into three categories.

First, substantially revised procedures for taking control of the assets of financial institutions, or of the institutions themselves in some cases, are being implemented in order to enhance the ability of the Superintendent of Financial Institutions to protect the interests of depositors, policyholders and other creditors.

Second, responsibility for a number of essentially supervisory and administrative matters is to be transferred from the Minister of Finance (Mr. Wilson) to the Superintendent of Financial Institutions. Third,—

[*Translation*]

—the transfer from the Minister of Consumer and Corporate affairs (Mr. Andre) to the Minister of Finance of responsibility for various aspects of the incorporation of financial institutions.

[*English*]

Those are the three groups of miscellaneous amendments.

In conclusion, this Bill represents the first concrete steps taken toward implementing our comprehensive new policy in the area of financial services. More important, it constitutes a major part of the changes that the Government will be introducing to improve the protection enjoyed by Canada's many depositors and policyholders, large and small, and to promote the soundness of our financial system.

My riding of London West is home to the head offices of some of Canada's finest financial institutions, including London Life and Canada Trust, to name just two. Our new policy is welcome news for them, as it is throughout the country.

Given the need for rapid implementation of these measures, I would urge the House to move Bill C-42 quickly into committee.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I welcome the appearance of this Bill in the House today. It has been over a year since the House last debated a Bill pertaining to the regulation of Canadian financial institutions. That was Bill C-86, concerning the Canada Deposit Insurance Corporation.

Of course, last November we dealt with Bill C-27 which facilitated the Hongkong Bank's takeover of the Bank of British Columbia. But that was not a regulatory Bill, it was more of a clean-up Bill to take care of a situation that had developed beyond the Government's ability to deal with. We have seen several such Bills, which only reinforces the need for the Government to get on with the process of regulatory reform.

We in the Official Opposition support the reform process. We want to see the existing legislation updated so as to have a coherent operating standard for Canadian financial institutions as they are today and as they evolve. The traditional concept of the four pillars has given way to the more recent trend to integration of services. We want Canadian institutions to be a part of the increasing internationalization of financial services and, above all, we want to ensure that the interests of consumers are well protected. The pressure for change has been coming from the industry, not from consumers, who also have their concerns about the over-all stability and solvency of the system.

• (1130)

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member does have some very interesting comments, and I would appreciate it if Members would listen or go behind the curtain or into the lobby so the Hon. Member can carry on.

Miss Nicholson: I was saying, Mr. Speaker, that the pressure for change has been coming from the industry, not from consumers, who also have their concerns about the over-all stability and solvency of the system as well as about the quality of service, wherever they happen to live. We want to be very sure that the Government has the interests of the consumers as well as the industry in mind when it brings forward its proposals.

Bill C-42, as the Minister has said, is the first of a series of three Bills arising out of the White Paper tabled last December. After two and a half years and two very expensive bank failures, Bill C-42 is the first piece of legislation to come out of a process of reform which began with the previous Liberal Government.

The proposals in Bill C-42 are the least contentious of those put forward in the White Paper. There has been near, if not complete unanimity on the need to strengthen the supervisory system for federally regulated financial institutions and to make some changes in the deposit insurance system. This is essentially what Bill C-42 proposes.

The more contentious issues, such as ownership of financial institutions, expansion of their powers, prevention of self-dealing, and the role of accountants and auditors, have been left for later and there really is no excuse for this.

To begin with, we know what are the Government's intentions. We have had two sets of comprehensive proposals. We have had stacks of reports and submissions from the Commons committee on finance, Senate Banking Committee, Government appointed studies and the Estey Commission of inquiry.

The Government claims its reform process is a priority. Therefore, why after two and one half years are we not seeing action? Bill C-42 is a first step but why does the Minister not accelerate his timetable? The Minister has said that a future Bill will be an amended version of Bills C-8 and C-9. These Bills have been around since the last session. Therefore, why have we not seen it tabled in the House?

It is disconcerting to find in particular that legislation covering all the most controversial aspects of the reform scenario have no firm date for introduction. We have had all too many opportunities to see the Government's reform program go awry over the last two and a half years.

It is not as though anyone is urging the Government to keep the brakes on. On the contrary, it is my impression that the Government has industry-wide support and encouragement to get on with it. If we had all the Bills before us, we would be better able to assess them individually because we would be able to examine the parts and the whole. As it is, Bill C-42 gives us proposals for the regulatory apparatus but we will have to wait until later, possibly much later, to see exactly how this apparatus functions and who regulates what.

However, as I said at the outset, we welcome this Bill and since we are in general agreement with what the Bill proposes and have no desire for a protracted debate, my comments today will be relatively brief.

Bill C-42 corresponds roughly to Chapter 5 of the White Paper issued last December. Part I of the Bill creates a new regulatory body, the Office of the Superintendent of Financial Institutions, by amalgamating the existing office of the Inspector General of Banks with the Department of Insurance. This is consistent with what Liberal Members of the Commons finance committee proposed in our minority report which was issued in November 1985 at the time of the finance committee's report on the Green Paper. We were not in agreement with the finance committee's proposal to establish a "mega-regulator", but we did see a need for more regulatory muscle.

I am also pleased to see that Bill C-42 proposes that the Canada Deposit Insurance Corporation remains separate from the regulatory body. Insuring and regulating are different functions and are probably best kept separate.

The Bill proposes that the new office be funded partly through parliamentary appropriations and partly through assessments levied on the institutions, presumably to be scaled somehow to their size. I will be interested to know how the Government plans to implement this system of levies and how it will decide what a given institution should contribute. Will the institutions themselves have any input? What if they do not agree with their assessment, will there will be any means of appeal or review? There are no answers in the Bill.

In the organization of the new office, the Bill provides for it to be a separate employer under the Public Service Staff Relations Act. This means that the superintendent may hire staff without being bound by the Public Service classification system. This is a proposal I support because it gives the superintendent the leeway to hire the kind of specialized, high calibre staff needed to inspect and monitor our financial institutions.

There is also a need for greater numbers of staff. Hon. Members will recall that at the time of the bank failures there was a certain amount of emphasis placed on the fact that the office of the Inspector General of Banks did not have the numbers of people needed for the standard of supervision required. There has since been an increase in person-year allocation for the OIGB, and with its amalgamation, of course, it will become larger. However, I would like to see some assurance that, in terms of person-years, the new office will be more than the sum of its parts.

The new superintendent is already in place as the present Inspector General of Banks. He is fortunate to enjoy the confidence of the industry as well as the Government. It would have been better if the Government had brought the Bill forward earlier for debate. However, as it is, we will do our part to see it through in reasonable time so that the new superintendent can get on with the job.

The superintendent, under the Bill, acquires new powers. There is some adjustment of the powers held by the Minister and by the superintendent. It might perhaps be said that the Bill leaves the Minister with final approval over the birth and death of an institution while the superintendent makes the decisions about what happens during its life. Put in those terms, it sounds quite cut and dried. The real test of this regime will be when an institution falls into poor health.

The existing legislation allows the regulator to take control of an institution when it can be proved that its assets are not properly accounted for. Bill C-42 would allow the regulator to assume control of an institution for seven days or longer and to make business decisions for the institution if he sees that "there exists any practice or state of affairs which may be materially prejudicial to the interests of the policyholders or creditors". Obviously this is not an action to be taken lightly or often.

I would like some definition of the terms used in this part of the Bill and a clearer idea of some of the circumstances under which the regulator would assume control of an institution. Also, according to the Bill, the regulator is not required to consult the Minister before taking this action, although it certainly would be sensible to do so. At any rate, it is something I would like to see included in the Bill. Regardless of how much good sense the regulator may have, it should be very clear that the Minister is to be kept informed.

• (1140)

The Bill also contains an interesting proposal to form a co-ordinating committee whose members would be the new Superintendent of Financial Institutions, the Governor of the Bank of Canada, the Deputy Minister of Finance and the Chairman of the Board of the CDIC. The proposal is interesting because it actually sets out in legislation the requirements for consultation and the framework, which is this committee. This is most definitely a reaction to the gaps and breakdowns in communication which so complicated and contributed to the bank crises in 1985.

The membership of this committee is identical to that of the CDIC Board of Directors, but the function of the committee is different. The whole purpose of this new committee is to share information and advice. I approve of this goal, obviously, but it is also clear that the success of this committee as a monitoring group and consultative body will depend a great deal upon its terms of reference and the personal willingness of each of its members to make it work.

It is encouraging to note that the superintendent designate, who would chair this committee, has served notice that he intends to interpret the legislation rigorously and will not permit its members to send substitutes to committee meetings, which often happens in the case of CDIC board meetings.

The proposal as it is does not allow for industry representation on this committee, presumably on the assumption that the potential for conflict of interest would outweigh the benefits of input from people with experience and up-to-the-minute knowledge of industry conditions and trends. However, there is no doubt that the regulators need this kind of contribution, whether it is on the co-ordinating committee or a separate professional advisory group.

Bill C-42 also makes a number of substantive proposals concerning deposit insurance. Before discussing them I would like to refer briefly to Bill C-86 which was passed about one year ago and which allowed for up to four private sector representatives on the CDIC Board of Directors. To date, not one has been appointed.

I would also mention that the practice of sending substitutes to board meetings does not sit well with me. It seems only logical that if the regulator's co-ordinating committee prohibits substitution, the CDIC board should do so as well. Substitution at private sector board meetings is unheard of. In this particular area of the public sector it should not be permitted either.

To return to Bill C-42, it proposes an increase in the premiums paid for deposit insurance by financial institutions. The current rate is one-tenth of 1 per cent of insured deposits. The Bill proposes increasing this to a maximum of one-sixth of 1 per cent. At this rate we are told CDIC's $1.2 billion deficit will be retired by 1994, assuming no more institutions fail. The Bill also proposes doubling to $3 billion the CDIC's line of credit from the Government's Consolidated Revenue Fund.

If these proposals are meant as a serious response to the CDIC deficit, then I am not satisfied. I would prefer to see the CDIC handling its deficit quite separately from normal operations. I am quite surprised at the Government's reliance in this scenario on there being no further failures of financial institutions. Even if this new regulatory system were to be successful in staving off any disasters under federal jurisdiction, the CDIC also insures provincially-regulated institutions, which have been particularly vulnerable in the years during and since the recession. So I do not think that the Government is justified in relying on wishful thinking to eliminate the CDIC deficit.

I also note that the proposals concerning CDIC do not in any way acknowledge the fact that the Government itself is partially responsible for the CDIC's deficit. This is a matter I have raised on a number of occasions. CDIC funds have been used more than once to implement decisions that were policy decisions of the Government rather than part of CDIC's mandate, for example, part of the Canadian Commercial Bank bail-out, the $200 million paid to the Hongkong Bank to take over the Bank of British Columbia and, most recently, $275 million to the Province of Alberta to restructure a couple of ailing trust companies. If government funds had been used I suppose it would have added to the deficit. But why is it more acceptable for the Government to transfer part of its deficit to the Canadian Deposit Insurance Corporation?

Another section of the Bill, Clause 71, proposes that CDIC investment, which was previously limited to the Bank of Canada, now be extended to all member institutions and to financial institutions outside Canada. I would like to know more about this. For example, what are the criteria for investment outside Canada?

There are other proposals concerning the CDIC which can be characterized as incentives to good business practice, or perhaps as having a stick as well as a carrot. It is proposed, for example, that CDIC have the power to terminate insurance coverage, with the approval of the Minister. CDIC has had this power relative to provincially-regulated institutions. Bill C-42 extends it to federally-regulated institutions. This is, of course, a Draconian measure since an institution cannot legally operate without deposit insurance—withdrawal of insurance forces closure.

Another new proposal would allow CDIC to levy a premium penalty on institutions deemed to be carrying out unsafe or unsound business practices. This could be risky. A premium surcharge on an institution would not force it to close its doors, but it could result in a crisis of confidence if it were to become known that CDIC was assessing penalties for substandard operating procedures. Of course, the intent is that it should not be in the public knowledge, but the question must still be addressed.

There is also the question of public knowledge versus industry knowledge. I would like to see a definition here bearing in mind the consumer's right to know in order to make intelligent decisions. I would also like to know how the Government defines "sound business and financial practices", the expression used in the Bill. I would like to have some idea of how it is to be interpreted relative to the risk experience of the different kinds of financial institutions.

These are matters which we can examine more deeply in committee. There is also the question of alternatives to the current system of how CDIC sets premium rates for its member institutions, if they should be risk-related or if there should be separate pools of funds for the different kinds of financial institutions. I look forward to hearing at committee about what work the Government is doing in the whole area of risk assessment.

What we have in some of the provisions in Bill C-42 is essentially a dose of preventive medicine. A number of proposals are there mainly for their value as deterrents and only to be used as a last resort and, in some cases, with concurrence by the Minister.

It is a useful first step in the process of legislating reform in the financial services sector. I regret that it has taken the Government over two and a half years to get to this point. However, I look forward to seeing the remainder of the legislation and hope that there will be no further delays in the Government's timetable.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, Bill C-42 is the Government's first response in legislative terms to the problems that have been endemic, not just for a year or two and not just after the collapse of the CCB and the Northland Bank but long before that. Thus, I have a real sense that we are closing the stable door awfully late and that the over-all cost to depositors, to the institutions, and directly or indirectly to Canadians as a whole, for a while at any rate, through the tax system, is now approaching some $2 billion. That is a great deal of money to go out the stable door.

I was recalling as the debate began on Bill C-42 how long it has been evident that there are problems in terms of the regulation of financial institutions, an issue which this Bill is intended to address. I had the opportunity to take part in the Ontario committee which reviewed the collapse of Crown Trust and which sought to review the regulation of financial institutions at the provincial level. This occurred in about 1982, a year or so after the collapse of Crown Trust and several other related companies.

• (1150)

At that time, one of the very sad and sorry things we learned as we looked into the operations of the Superintendent of Insurance of Ontario, who had jurisdiction over provincially chartered trust companies, as well as the Ontario Superintendent's interrelationship with the Inspector General of Banks and the Department of Insurance on the federal level, was the degree to which regulation of financial institutions was lax, slow and insensitive to the real problems. These real problems came about because of a change in practice and, I believe, a change in ethical standards on the part of people operating financial institutions.

One of the reasons Crown Trust was so easily raped and pillaged, in my view, was that the people who were there were running it like a crusty old institution for so many years and just did not know how to respond when a bunch of fast-buck operators with no ethics or morals at all sought to clean out the treasury in order to finance the flip that involved the Cadillac-Fairview buildings and Leonard Rosenberg.

The people running the trust company did not know what to do, and it is sad to say, albeit with hindsight, that they did not even know that someone should have taken their ethical principles in hand and simply walked out the door and gone to the newspapers to say that this will not do and explain what was happening before it was too late. That did not occur.

One of the things that sticks out in my mind from that particular episode is that at the time that there were questions about the financial regulation of the various trust companies involved, the discussions between the Department of the Superintendent of Insurance of Ontario and its federal counterparts was a comedy of errors. In their attempt to take effective action to stop these fast-buck artists, they found that whoever was in charge of the matter was off on a French course, or on holidays, or for some other reason had not bothered to inform the Inspector General of what was going on. A pattern like that became very obvious to us at that time.

I believe the previous Government is to be criticized as well as the present Government for not responding to that pattern, by recognizing the very grave risks that were being taken, particularly after the financial turmoil that began to occur in the market with the very sharp rise in interest rates at the beginning of the 1980s. The previous Government did not respond, and then when the new Government came into power

it inherited a situation which it should not have had to inherit, but it has tolerated that situation. Then, perhaps in the interest of winning western votes or perhaps as a preconceived notion that when the Liberals had been in power the Government was traditionally opposed and insensitive to the needs of western financial institutions, the present Government galloped to the defence of the Canadian Commercial Bank and the Northland Bank in a manner which we now know led to a loss of more than $1 billion to the public through deposit insurance institutions.

That is all history. I believe it is relevant to discuss that history in discussing Bill C-42, and the other parts of the financial package the Minister has promised that we will see some time in the next month and a half or two months. I think the necessary action must involve all of the elements cited by the Minister and not just an improved pattern of regulation.

It is clear that excessive concentration in the industry is a problem. In our opinion, the Government's proposals on ownership are inadequate. It is clear that there are real problems with self-dealing, particularly in some of the smaller institutions. We do not yet know what will happen about that.

I believe there are clear danger signals in the degree to which the four pillars are being collapsed into one. The White Paper indicates that the Government more or less supports that collapse but it seems to me that we are embarking on a difficult and possibly perilous path. The new Superintendent of Financial Institutions will be charged with bringing together two organizations which did not co-operate very well in the past, and will also be responsible for this committee which will bring together the different players.

The CDIC, the Department of Finance and the Bank of Canada will get together formally in order to talk about things from time to time. If I recall, these elements did meet regularly on the Bank of Canada Board, if not elsewhere, but those meetings did not appear to be particularly fruitful. It is useful that the Bill provides for such meetings, but I think there is still the potential for human error and for the regulators to be too trusting, as they were in the past with Crown Trust, the CCB and the Northland Bank.

I took an opportunity to have a quick look at the summary of the Estey Commission inquiry. What a tragedy of errors that was. Auditors did not do the jobs for which they were being paid. I think it is bordering on the criminal that to this day there has been no effective action taken to discipline auditors who failed to notify the public, through annual reports or other means, of the situation that existed, and who consistently over a lengthy period of time tolerated the phoney devices which were being used by those two banks to make it look as though they were profitable and their balance sheets were still in order when that was not so.

The Minister knows the degree to which there was capitalization of interest taking place and the extent to which there were roll-overs upon roll-overs and work-outs upon work-outs, all in an attempt to forestall the evil day when the whole house of cards would come crumbling down. It is sad to say that the Government allowed itself to be sucked in by that.

The Minister of Finance (Mr. Wilson) and the then Minister of State for Finance were not perceptive enough to ask a few of the questions that should have been asked by the Governor of the Bank of Canada and by the Inspector General of Banks about the real picture beneath this Potemkin village of finance which had been created to indicate Government support should continue. Of course, it eventually collapsed and at great expense.

The reform in Bill C-42 is a consequence of, among other things, a very rapid change which has taken place in finance, not just in Canada but elsewhere as well. It is also clearly a consequence of the concerns I and many others have been raising about institutional solvency and about the fact that the standard of behaviour for people involved in the financial services industry is changing to the point where we can no longer trust the unwritten gentleman's code that ensured financial institutions remain solvent without pushing to the limit whatever powers they have. That is one of the reasons why the loosening of the statutory restraints is rather difficult to accept. The loosening of those restraints will leave more options available to press to the limit the powers which are being given to the banks, trust companies, insurance companies and the investment industry.

The Government has come up with a legislative compromise in which it is trying to both deregulate and re-regulate the system. This involves a dramatic change in the rules, the most dramatic change we have seen since the collapse of the Home Bank when the Government tried to legislate the four pillar system with which we have become familiar. The fact is that those pillars have become more and more blurred and will be even more blurred now that the Government's proposals are coming into force.

The limitations on commercial lending by trust companies will almost entirely disappear on the one hand and on the other hand, as the Minister said, the banks and other financial institutions will have the power to deal directly in the investment industry. One might argue that that is happening none too soon, given the degree to which, at another level, foreign ownership is being allowed into the investment industry.

• (1200)

One of the unsettling characteristics of what is happening is the emergence of a number of financial conglomerates to bring together under one corporate grouping several different financial institutions. The percentage share of closely held conglomerates with strong commercial links has been steadily advancing over the course of a few short years, and deregulation is likely to encourage this trend.

I recall in the late sixties and early seventies the degree to which the banks were able to move into consumer credit, an area which had previously been controlled by the instalment finance companies that have now effectively fallen back into being a role of minor players in this particular area. The chartered banks still control something like 70 per cent of all deposits. However, clearly their share of the deposit taking market is likely to decrease and decrease quite rapidly over a short period of time.

I recognize that this is occurring elsewhere. Great Britain has had a big bang in which London has been encouraged to abandon most of the restraints on its financial institutions. Similar liberalization has already taken place in the United States. They have opted for deregulation, and the pressure of that deregulation is being felt here. Just a week or two ago we had contact with Dennis Healey, a former Chancellor of the Exchequer in a Labour Government in Britain. His response was: "Watch out, Canada; be very careful about what you are doing".

Since the big bang we have seen enormous six-figure salaries, which in Britain are very big, being paid to teenage gurus and whiz kids. Well, they are not teenagers; they are only in their twenties. There has been an enormous escalation of exactly the kinds of practices of which we in Canada should be very wary.

The fact that there is a move toward globalization in financial transactions should not lead us to go willy-nilly along the directions carved by the United States and by Great Britain.

Just in the time since the White Paper appeared there has been a series of financial scandals on Wall Street in the United States which involved many of the same institutions and transactions that are intended to be governed here. The investment industry and the deposit-taking industry there have emerged with a very serious blot on their reputation. Major investment bankers like Shearson and Lehman have found themselves directly implicated. Hundreds of millions of dollars worth of frauds have been demonstrated to have occurred.

One must ask: "Is this what we are to get in Canada?" If we do so, will the Government of Canada, through the Canada Deposit Insurance Corporation, once again rush to the rescue of deposit-taking institutions? Once again are we to bail out institutions in which foreign depositors invested, presumably in an unregulated way, and then came with their begging cups in hand and saying: "If you do not pay us off, the reputation of the financial industry in Canada will be severely impaired"?

We bought that argument to the tune of $400 million or $500 million of payments to uninsured institutional depositors who had every reason to know better and to have expected that they should not have been compensated if they happened to have made a bad decision.

The concern about deregulation at least has had the impact of persuading the Government not to move to a total big bang. Bank failures pointed to a wide number of problems related to the regulation and supervision of institutions. It became clear that financial difficulty was frequently related to severe errors on the part of managers, to excessive risk-taking, to self-dealing, to conflict of interest, and to the mismatching of assets and liabilities.

Another area to which the Estey Commission report pointed is the failure of directors to exercise due diligence in terms of their role as the directors of banks like the Northland and the CCB. These guys—and gals, I suppose, although they were mainly men—were being waltzed into a view of the world which bore no resemblance to reality at all. They failed to insist that management kept them adequately informed. It is my conviction that many of the directors did not even know the degree to which difficult situations had been put together with cloud-cuckoo-land financial forecasts or the degree to which those two banks, in particular, had basically papered over their deficiencies and therefore demonstrated to the directors that they were solvent at the time the two institutions were essentially bankrupt. It was not until those institutions could no longer raise capital or funds in the market that they were finally brought to book and had to be shut down.

As the Hon. Member for Trinity (Miss Nicholson) pointed out, we have had a surfeit of public policy studies of regulation of financial institutions. We have had the Wyman report on the CDIC. We have had the Dupray task force in Ontario. We have had the reports of the Senate and Commons finance committees. The ECC has reported, and many of the recommendations we have now flow from the Estey Commission report.

All these reports concluded—and as I stated earlier we did not need all these reports in order to reach that conclusion—that there was a major systemic weakness in terms of the Government's ability to spot and to identify problems in unhealthy institutions and, further, to do something about those problems once they began to be identified.

I welcome the fact that many of those deficiencies are being addressed in Bill C-42. When it goes to the finance committee we will have a chance to look at them in more detail to establish whether the a's, b's, p's and q's are adequate to the kinds of needs. It is a bit difficult to comment on those right now.

However, I want to comment on one of the elements which the Government has left until later, that is, the question of the domestic ownership policy. The Minister will know that we take grave issue with the Government's decision that it will interfere in no way with the ownership of financial institutions up to the point where they reach an asset base of $15 billion, in the case of chartered banks, and something similar in the case of trust companies and insurance companies. Even then the Government will give five years for the companies to introduce an element of wider spread ownership. That element is to be limited to only 35 per cent.

In other words, an institution which is approaching the $15 billion point now will have a lengthy period of time in which it can get onside. As well it is not clear exactly what the Government would intend to do in terms of policy if an institution did not get onside by the end of five years. We know the kinds of excuses which can be made by an institution to explain why it is not prepared to do it yet.

[*Translation*]

For example one might suggest that this is not the right time, that the financial markets are not in a good position for the issue of shares to meet the objective of having 35 per cent of the shares of a trust company or a bank in the hands of the owners, except those who have control.

Indeed, Mr. Speaker, I do not think that the Government's proposed legislation imposes the idea that our banks and the other financial institutions be under very diversified ownership. As a matter of fact, 15 to 20 years might elapse before a new bank will establish itself and reach the level of $15 billion in assets. After that, will the regulations change? If I were responsible for the strategic planning of one such institution I would say that things change. Pressure may be brought to bear on this Minister and this Government, but for us it is not limited to this particular time.

[*English*]

Effectively a $15 billion rule, with the permission to continue to grow, would mean that a bank could reach $20 billion in assets and only then be subjected to a 35 per cent ownership rule. The idea that we would step in, in order to put some restraint on the large families which control so much of our trust company industry, is simply not there. They will laugh at this particular measure, indicating that it is not particularly effective.

If there is a minority shareholding, it is no guarantee that these large pools of capital will not continue to be used in the abusive way which we have seen before. When I use the word "abusive", I do so in a fairly broad context.

We had a very lengthy debate in the House last week over the plight of Canada's farmers and the problems they are experiencing. What I find unsettling is the double standard which seems to prevail when the banks come to making their loans. If a farmer tries to extend the loan because crop conditions are not good—and it is difficult to make even an operating profit in farming today—then all hell breaks loose. That farmer may well be driven to the wall and beyond, forced to have his equipment auctioned off at a pittance, the livestock sold at far less than market value, winding up with nothing after a lifetime and, in certain cases, many lifetimes in farming the same farm within the same family.

• (1210)

What happens in the financial sector, Mr. Speaker? What happens when Conrad Black or someone of that ilk wants to engage in some kind of corporate takeover? He calls a few friends. In no time at all a line of credit, over half a billion dollars or a billion dollars, is arranged. It is as easy as going to sign for a loan for a new car when you deal in that kind of rarefied atmosphere.

There is something wrong when people get hundreds of millions of dollars in paper entrepreneurship for this kind of paper pushing which, in many cases, is of absolutely no benefit at all to the Canadian economy or which, as we have seen now with the sorry plight of Dome, can have an extremely negative impact on our economy.

These situations create bids that go far beyond the underlying values of the assets being acquired. People can do that, making arguments about synergy and how they are going to recover the full value which the previous owners had failed to recognize, et cetera, et cetera. A lot of that is hogwash, but the banks have bought it again and again, and it is not going to end.

It will not end partially because the Government is not prepared to see widely spread ownership as the rule for any large financial institution. The Government instead is going to see a certain amount of minority holdings as a requirement. It will still leave in place the situation where the directors of these financial institutions will be drawn from a small corporate elite in Canada. The Hon. Member is shaking his head. But that is what we have right now, a small corporate elite who lunch together, perhaps at Winston's, who meet each other, who play together, who winter together in the Caribbean and who feel a commonality of interest and who are ever too ready to help a friend when a few hundreds of millions of dollars is needed to finance some kind of corporate paper-pushing exercise.

On the one hand, you have the emergence in Canada of a situation where many people cannot even go to a bank because they do not have any money to open up a bank account. That is real. You have a situation where increasing numbers of Canadians are homeless and virtually destitute, where poverty is increasing. While some changes which may be useful are being made in this area, not enough is being done to break the degree to which corporate power will continue to direct the financial institutions of Canada, according to the reforms which are being put in place by a Conservative Government.

Perhaps that is not surprising. It is a Conservative Government. It has inherited a mess which was created by the Liberals but, as my leader pointed out during the course of the 1984 election campaign, comparing Liberals and Tories is like comparing Tweedledum and Tweedledee. It is like comparing Visa and MasterCharge.

When it comes to the question of whether or not the Government of Canada should be prepared to try to break up some of these pools of corporate economic power in our financial institutions, the answer we would have had from the Liberals is very similar that which we are getting now from the Progressive Conservatives, namely, they are not prepared to break up those pools of corporate power.

The Minister is waiting anxiously to find out what our opposition is to this Bill. I have told him what our position is likely to be on the Bill with respect to corporate ownership. We have real reservations. This Bill on its own is obviously not enough to deal with problems that also relate to powers, to self-dealing and to ownership. We will come to those later. Yes, we will support this Bill, with a number of reservations along the lines I have been putting forward, because it is clear that we need to have better Governments and better regulation than we have had.

I still remain somewhat skeptical, and I hope the Superintendent of Financial Institutions will impose a sense of public responsibility right through his organization. I regret to say, that sense was not there before. I get angry when I see some of the abuses that have occurred in the area of financial institutions. I get so angry that I want to weep over what has taken place.

I get angry when I find out that a person, a regulator, who had a responsibility for asking questions that go underneath the bland assurances that well-fed corporate executives were giving from the banks and financial institutions, failed to do his or her job. Perhaps it is unfair to pick on regulators. They are civil servants. They are not particularly well paid perhaps compared to some of the people whose activities they are meant to be regulating. They deal in difficult circumstances. Certainly the Inspector General of Banks and his office were grossly underfunded and understaffed in the period of time about which we are talking.

I still cannot help feeling that when these abuses were taking place that surely the regulators should have been kicking and screaming. A whistle-blowing law in Canada would allow regulators to go public with what they know when they find out that inadequate action is taken by the supervisors. Had some whistle-blowing taken place, going back five or six years to Crown Trust, or more recently to the recent failures, I predict that we could have saved the CDIC a large proportion of the very large sums in which it is in deficit right now. We could have saved Canadian depositors, who eventually will pay, and borrowers who will eventually pay, the cost of the premium increases being imposed in this Bill, the great amount they are being asked to pay because of the increases in premiums. Those increases in premiums would not have been necessary. Why? Because the losses would not have occurred in such magnitude. Unfortunately, that did not occur.

I do welcome the fact that under the Bill the powers are to be greatly enlarged. The Bill responds to the Estey Commission report and the office of the Superintendent of Financial Institutions. Between the superintendent and the CDIC there are greater powers for going into the books. They have the power to require that an adverse report on a financial institution shall be put before the directors of that institution within 15 days. If the directors do not act, at least they cannot say "Well, we did not know", which was the case of the CCB and of Northland.

The powers of the Superintendent include the power to temporarily seize assets of a troubled institution to give officials time to respond to specific complaints about the institution's operations, such as a possible inability to handle liabilities or improper accounting of assets on the books.

Before I go conclude, Mr. Speaker, the basic question still remains. Is there the political will and is there the bureaucratic will to use those powers, greatly enhanced, which did not exist before? It is my conviction that, although the powers were limited as far as the Superintendent and the Inspector General were concerned before, in the end, if they did not have the power to act directly, those officers had the power of publicity. They had the power to issue a press release. They should not say simply that, in our opinion we do not feel these institutions are acting according to the rules of sound financial management and, therefore, we are undertaking whatever measures available to bring those institutions into check. It is quite true that there were time delays in certain cases which would prevent them from acting immediately to safeguard what assets might remain. That is a problem. But if the Superintendent or the Inspector General had gone to the president of the CCB or of the Northland and said, "I want you to look at this draft press release. This is what I believe needs to be said in public about your institution. I happen to lack the powers to shut you down today but I intend to make this release public within a day, two days or seven days unless you take the following corrective actions", is it seriously to be believed that those institutions would seek to call the bluff if the Inspector General had shown that kind of determination? I do not believe so, Mr. Speaker.

• (1220)

One has to ask, what about the political level? Was it informed? Not always. However, when they were, would they have backed up that kind of action by the Inspector General? We were told a year and a half ago that the IG had contact with the then Minister of State for Finance. Unfortunately the Minister herself was unwilling or unable, did not have the competence or the experience—I am not sure what. She has emerged politically unscathed from that experience, but she is partly responsible for what went on. She could have said to the IG, "that is a mess out there, you go and stop it." That could have been done without the extra powers which are being given in this case.

If the Superintendent remains unconvinced about the solvency of an institution there can be a hearing with the Minister of Finance, after which the licence can be restricted, or the Superintendent can be directed to take over the institution for an indefinite period. If the poor practices of the institution do not change at that point the Superintendent can begin winding up procedures. It is a much better articulated system than existed before, but we saw the system fail before, even though there really were powers which could have been used to bring those institutions to account. I fear that could occur now as well.

I just want to speak briefly on the question of deposit insurance. The CDIC deficit right now stands at about $1.5 billion. Most of it is attributable, not to insured deposits but to uninsured deposits in the case of the 1985 bank failures. I would like the House to at least consider the question of whether there should not have been and should not now be a certain degree of co-insurance on deposits over a certain amount. I think for deposits up to $25,000, or something like that—a certain sum which reflects what might be held by naive and unsophisticated investors—that 100 per cent insurance makes sense. However, we have seen an escalation of insurance to the point where the entire responsibility for the fiscal management and financial rectitude of an institution rests on the regulator. There is no market pressure there at all.

My Party has trouble from time to time with people suggesting that the market is everything. I have trouble, conversely, as a democratic socialist in a semi-capitalist economy, with suggestions made by the Government which effectively say that there should be no market pressure at all. If you had a 10 per cent or 20 per cent co-insurance feature on deposits over $25,000 or $30,000, let us say up to $100,000 or something like that, and an institution failed, the depositors run the risk of losing up to 10 per cent or 15 per cent of their deposit. It seems to me that that would ensure that high flying financial institutions, behaving the way too many have behaved over the course of the last two years, would have their wings trimmed. People with large sums to invest would be extremely wary about getting an extra half per cent interest from an institution that was not investing prudently, taking unwarranted risks with the money.

In other words, the market itself would prevent those institutions from growing as rapidly as the CCB and the Northland Bank were able to grow. It would prevent the kind of situation where institutions grow like Topsy and where the risk relative to public deposit insurance grows to the levels we have seen.

The Government claimed at the time it had no choice but to bail out those two western banks. It made certain assurances, and I think Governor Bouey may have been partly responsible for that. It may well be that no matter what level of deposits are formally insured, future Governments may also find themselves in that same box. I would hate to see that.

I am lectured to and preached at about the market system from time to time, but when we turn around, as we did at the time of the CCB affair, and say let the market system prevail and make those guys take what they can get when the institution is wound up, we were told no, that is not to be.

I would suggest that if the principle is in place that there be a certain amount of co-insurance on deposits over a modest level, not only will that ensure that depositors whose deposits are 90 per cent insured would look carefully at the quality and character of the institution in which they place their deposits, it will also set a precedent so that uninsured depositors putting commercial deposits into those institutions will also expect that in the event of failure, even if they come with their begging cup, 10 per cent or 15 per cent of their investment will not be returned. They, too, will therefore not abuse the taxpayers of Canada through the CDIC the way those depositors did two years ago with the results we know.

I could go on for some time, but it is the position of the NDP that the problem of financial institution solvency can be resolved only through a combination of clear and effective regulation and supervision of Canada's financial system along with strict domestic ownership limits which ensure that institutions are widely held. We have supported much of what Mr. Justice Estey advocated with respect to regulatory changes but we note that the best federal supervision available will fail if commercial financial cross-ownership is permitted. Because the Conservatives did not introduce 10 per cent ownership limits for all financial institutions, the new regulatory authority that Bill C-42 introduces may find itself with an increasingly impossible job on its hands in the years ahead.

As I have just suggested, we could also put some of that responsibility in the hands of any investors who have more than modest sums to invest so that they, too, keep an eye on the rectitude and solvency and management practices of the institutions in which they put their funds.

The Acting Speaker (Mr. Paproski): The Hon. Member for Don Valley East (Mr. Attewell).

Mr. Gauthier: Questions and comments?

The Acting Speaker (Mr. Paproski): I would just like to bring to the attention of the House that pursuant to Standing Order 55(1), the rest of the speeches will be 20 minutes plus 10 minutes questions and comments.

Mr. Gauthier: Thank you.

The Acting Speaker (Mr. Paproski): I thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Bill Attewell (Don Valley East): Mr. Speaker, it is a pleasure for me to rise and speak on Bill C-42.

Speaking as a member of the Standing Committee on Finance and Economic Affairs, we spent a great deal of time on this subject over the last two to three years. I first want to commend and compliment the Minister of State for Finance (Mr. Hockin). I can recall, a few days after he was appointed, consulting with him and asking if he would be moving quickly on the various studies which had already been done. My thought there was that the last thing we needed was another study. I was very impressed with his remarks. He said he would be getting on with the job just as quickly as possible, and he has been true to his word.

I am going to deal with just the supervisory reform and changes to the CDIC. I have full confidence that the other measures concerning ownership and so on will be dealt with shortly. I think it would be useful to refresh our memories a little bit about some of the comments made in the studies. I will just refer to the committee report which begins with supervisory reform.

Recent trends and problems in the Canadian financial system have highlighted the need to improve the federal supervisory system. The failure of seven federally-supervised financial institutions during 1985, two chartered banks, three trust companies and two property and casualty insurance companies raises serious doubts about the adequacy of the supervisory system. Failures of provincial institutions, while not the direct responsibility of federal supervisory authorities, also underline the need for improved supervisory standards across all jurisdictions.

In his testimony before the committee the Superintendent of Insurance cited the numerous reasons for the failure of seven federal trust and mortgage loan companies and four property and casualty companies. These include inadequate capital, over-exposure in real estate, low quality mortgages with questionable appraisals, mismatching between assets and liabilities, abusive self-dealing, the use of unlicensed re-insurers, and the poor quality of management.

In its study of the circumstances leading up to the support package provided to the CCB in March, 1985, the committee also identified a number of serious shortcomings, such as lax regulatory supervision, questionable accounting practices, inadequate disclosure, inadequate performance by outside auditors, and their lack of communication with the office of the Inspector General of Banks.

• (1230)

Technology accounts for another reason for supervisory reform. Computers and communications technology have enabled the financial institutions to effectively leap over traditional domestic and international supervisory boundaries. No longer is it sufficient to limit supervision to the activities of an institution in a limited geographic area. Technology, coupled with increased product deregulation and the blurring of industry boundaries, requires a new approach to supervision, one which recognizes the national and international dimensions of many financial institutions and the need to utilize up-to-date computer-based technology and modernized supervisory approaches to deal with the dramatically different financial scene of the 1980s.

A third area of reform relates to the adequacy of the supervisor's power to deal with problem situations. There is evidence from recent financial institution failures that federal regulators require additional remedial powers to perform more effectively. Also it would appear that they have not fully utilized their existing powers, or done so in a timely manner. Recent events would indicate that the traditional gentlemen's approach to financial supervision is no longer appropriate in an environment of increased risks, frequent and significant economic shifts, and intense competition. A more assertive supervisory approach is required, together with the requisite enforcement powers to get the job done. The traditional reactive mode of supervision must give way to a pro-active mode.

The supervisory process of Canadian banks has been patterned on the British system which relies heavily on institutional self-regulation and the use of outside auditors. Until 1975 the OIGB had under five employees. In contrast to the American supervisory system which employs hundreds of government examiners to perform detailed on-site examinations, the Canadian approach relies on the work of internal inspections and external audits and generally limits its own reviews to an examination of the adequacy of bank management and the controls it has introduced to comply with prudential policies and regulations.

In contrast, the supervision of trust and insurance companies involves detailed on-site examination by federal supervisors and is much closer to the American banking scene. Both the adequacy of banks supervisory methods and responsibility of outside advisers to all financial institutions, including auditors, appraisers, actuaries and lawyers, are in need of review and revision.

The internationalization of the Canadian financial system, in particular the growing importance of foreign markets to Canadian chartered banks, life insurance companies, and some of the larger trust companies, points to the need for careful re-examination of the adequacy of present supervisory practices in the international area.

Finally, the increased blurring of differences between financial industries, particularly among the deposit-taking institutions, and the pressure from all financial industry groups for further product deregulation, reinforces the need to re-examine the suitability and effectiveness of two separate federal supervisory bodies and a separate deposit insurance entity. The shortcomings of the present organization structure were recognized in both the Green Paper and the Wyman report.

It is clear that the Minister of Finance (Mr. Wilson) not only read our report in great detail but acted very much along the lines of the recommendations that we made concerning supervision. He also had to contend with and think about other remarks and suggestions, and I would like to quote a couple from the Senate Standing Committee on Finance and Economic Affairs. They were rather cautious in their approach to this subject. For instance, they stressed the following points:

> —first, to ensure that primary regulators have adequate technological and human resources to undertake effectively the monitoring and examining role under their existing powers;
>
> —second, to enhance these powers where circumstances warrant; and
>
> —third, to alter their monitoring procedures so that an effective early warning system is put in place and to establish a network of communication and information flow to and from the other partners in the over-all process of regulating consumer protection and institution solvency.

They make further recommendations including No. 16 which says:

> To a considerable degree, the recent problems in the financial sector appear to reflect not so much an inadequate range of regulatory powers as an inadequate exercise of existing powers. To the extent that this is the case, it is important that legislators do not react to recent events by endowing regulators with unnecessary and unwarranted powers.

You can see, Mr. Speaker, that the Minister chose not to take that particular advice. I think he was correct in that.

Recommendation No. 17 says that increases in regulatory powers should be restricted to those areas where existing powers limit the ability to monitor the soundness and solvency of an institution or to restore problem institutions to financial health. They should not be utilized to supplant management's prerogative to manage and direct as an institution. The most serious weakness of the existing regulatory framework is the lack of procedures or mechanisms to identify problem institutions on a timely basis.

They go on to talk about an early warning system which I believe is a very vital area that is certainly lacking in the existing system.

On a number of occasions we made the point about where these supervisors should be located. We were dismayed to learn that literally all of them are located right here in the capital. The odd financial institution is headquartered here, but most of them are obviously in metropolitan centres like Toronto, Montreal and Vancouver. In order to have an effective early warning system your men and women should be out in the field where they can pick up on rumours about loans and so on.

I will just touch on another very thorough document which was completed by Justice Estey. He outlined five different alternatives for the structure of bank supervision. No. 3 is worded as follows:

> Establish a super-regulatory agency with jurisdiction over banks, insurance companies, and trust and loan companies as recommended by the House of Commons Standing Committee on Finance, Trade and Economic Affairs.

The fifth choice which this report puts forth reads as follows:

> Combine the Inspector General's supervisory functions with the CDIC, which, as the insurer of the public's deposits, would determine its exposure to risk by its own supervisory activities.

I believe that the Minister of State for Finance correctly rejected that recommendation with regard to supervisory steps, but it is clear that not only has he consulted widely with the industry, he also did not allow these reports to gather dust. They were read and culled through. I believe he grafted together legislation including the best and brightest ideas from the various studies previously done.

Bill C-42 clearly shows that the Government is committed to strengthening its ability to supervise financial institutions as part of a comprehensive policy of reform in the financial sector. The principal measures in the Bill are the consolidation of the Office of the Inspector General of Banks and the Department of Insurance into a new office of the Superintendent of Financial Institutions and modifications to the Canada Deposit Insurance Corporation. The new office will have full supervisory responsibilities for federal banks and non-bank financial institutions.

I am sure you are aware, Mr. Speaker, of how that sector is growing. In 1967 there were 223 companies. By 1984 that had grown dramatically to 352 institutions.

• (1240)

The CDIC will continue to be a separate entity. This will allow the retention of private sector expertise on the CDIC's board of directors. Moreover, it will preserve the CDIC's established relationship with provincial regulators.

This Bill will also provide detailed grounds on which the Government may take control of a financial institution. The existing provisions do not allow regulators to take timely and decisive action to protect the interests of depositors, policyholders, or general creditors.

Bill C-42 also addresses the issue of CDIC funding by permitting a more flexible mechanism for setting premium rates. As a result of the failure of a number of financial institutions, the CDIC had a deficit of $1.2 billion at the end of 1986.

Bill C-42 reflects the measures outlined in the December, 1986 White Paper, *New Directions for the Financial Sector*. These measures are based on extensive discussion and consultation. They address concerns raised in the Estey report on the Northland and Commercial banks, the Wyman report on the CDIC, and the reports of the finance committees of the House of Commons and the Senate.

Separate legislation introduced as part of the Government's reform of the financial sector will further enhance existing supervisory powers, permit the Government to review and block large transfers of ownership if necessary. It will improve solvency standards, control self-dealing and conflict of interest, and permit financial institutions to offer a wider variety of service to their clients.

Bill C-42 establishes the Office of the Superintendent of Financial Institutions. This office will combine the operations of the Office of the Inspector General of Banks and the Department of Insurance. The office of the Superintendent of Financial Institutions will be treated as a separate employer under the Public Service Employment Act, thus providing more flexibility in setting classification standards and pay scales that would otherwise be impossible. This will facilitate the recruitment and retention of qualified personnel from the private sector.

The office of the Superintendent of Financial Institutions will be funded by assessments levied on the financial institutions under its supervision. The precise assessment formula will be set out in regulations and resemble the formula currently used to fund the Department of Insurance. The office of the Superintendent of Financial Institutions will be able to spend its assessment revenue without the requirement of parliamentary appropriations.

Bill C-42 establishes a committee consisting of the Superintendent of Financial Institutions, the Chairman of the CDIC, the Governor of the Bank of Canada, and the Deputy Minister of Finance. This will enable an adequate flow of information among regulatory agencies. We noted that this was certainly a problem and an issue in some of the failures that were examined.

Bill C-42 provides detailed grounds on which the Government may take control of a financial institution and will standardize these procedures. This will further protect depositors, policyholders and other creditors when financial institutions appear to be insolvent or fail to comply with regulatory procedures.

Responsibility for major decisions affecting the birth and winding up of financial institutions will be transferred to the Minister of Finance (Mr. Wilson). Some responsibilities, such as issuing letters patent, will be transferred from the Minister of Consumer and Corporate Affairs (Mr. Andre), while others will be transferred from the Governor in Council. Certain responsibilities of an administrative or supervisory nature will be transferred from the Minister of Finance to the new Superintendent of Financial Institutions.

Powers of the Canada Deposit Insurance Corporation will include measures in Bill C-42 that will strengthen the CDIC's ability to protect the interests of depositors and other creditors. The CDIC will have the power to levy premium surcharges on financial institutions which violate CDIC by-laws.

Federally incorporated financial institutions will no longer be automatically insured. They will be required to apply for insurance as is presently the case for provincially-incorporated institutions.

At present, the CDIC may terminate, through a phased process, deposit insurance coverage of a provincial member institution for unsound business or financial practices.

The CDIC will be given the power to initiate a process for termination of insurance coverage for deposits in both federal and provincial institutions. The Minister's authorization will be required before coverage of federally-regulated institutions is terminated. This would apply only to new deposits; existing deposits would continue to be insured.

Let us turn to the financing of the CDIC. This Bill will provide greater flexibility in establishing the premiums that the CDIC charges financial institutions. Effective May 1, 1987, the Governor in Council will be able to charge fees of up to one-sixth of 1 per cent of insured deposits. The rate that is established within this ceiling will reflect the need to reduce the deficit of the Deposit Insurance Fund over a reasonable period of time.

Legislation passed in 1986, which was Bill C-86, temporarily increased premiums from one-thirtieth of 1 per cent to one-tenth of 1 per cent for the period February 1, 1986, to April 30, 1987.

The minimum fee for deposit insurance will be increased from $500 to $5,000. The maximum amount which CDIC may borrow from the Consolidated Revenue Fund will be increased from $1.5 billion to $3 billion.

In closing, I am very supportive of the measures that are contained in Bill C-42. I spent a number of years in the financial services sector before seeking election and I can attest to the soundness of these provisions. They are much needed.

Canadians can be very proud of the record of our financial institutions over the long term. We have a number of world class banks and life insurance companies and these measures today will help not only the smaller institutions but the larger ones remain sound and competitive in a world that is changing so fast.

Mr. Cassidy: Mr. Speaker, I have a question for my friend who is also a colleague on the finance committee. It concerns the interrelationship between regulation and ownership restrictions. I realize that this is not directly part of the Bill, but it is certainly relevant. Does he believe that it is adequate to require only a minority interest in large financial institutions to be widely held, and whether it is adequate to give five years to banks or financial institutions to achieve that wide ownership of 35 per cent? Is it adequate only to require that kind of distribution of share ownership after institutions reach a level of assets of approximately $15 billion? Will this not simply allow continued concentration in financial markets which has been one of the causes of the problem of over-concentration in the Canadian economy and a concentration of economic power in too few hands?

Mr. Attewell: Mr. Speaker, I thank the Hon. Member for his question. As he indicated, we are colleagues on the Standing Committee on Finance and Economic Affairs. We are not dealing with a theoretical world, but a financial world which has grown in different ways for decades and we cannot simply apply some theoretical measures.

Certain companies in the trust industry have had problems over the years. Some would not be alive and thriving today if one of the major shareholders had not had the financial resources to help that company through a difficult period.

I think there are conditions by which some of these institutions should enjoy stronger ownership, with a higher percentage of ownership from certain people. However, when indeed they do increase to a certain level, then I believe the ownership level should be decreased.

The Hon. Member will recall that the finance committee suggested a graduated scale on ownership so that when the assets hit a certain level the concentrated ownership would start to diminish. We may want to revisit that particular proposal when we deal with the final legislation.

However, in general, I support the measures that were put forth. As the Member delves into the history of the survival and support of some of our trust companies, particularly regional ones which are important, he will see the virtue in the approach.

Mr. Cassidy: Mr. Speaker, perhaps I can pursue this briefly. It seems contradictory that on the one hand the Government ownership proposals will continue to insist that the banks be widely held and impose a limit of 10 per cent on the ownership in any single hand, while at the same time it will permit the trust company to be directed and controlled, not just by one set of interests but by an individual owner. Assets of $15 billion, $20 billion or $25 billion could effectively be under the majority control of only one owner, whether or not 35 per cent of the shares are widely held. Nonetheless, the power of discretion goes into just one set of hands.

• (1250)

Because of the pattern of ownership in the trust companies now, we know that is a very real possibility. It seems to me the Government has a choice. It could take the banking model and apply that to the trust industry or it could do that which it has done, which is to simply go with the flow and accept this degree of monopoly ownership of the second major group of financial institutions in the country. Surely it would have been better to have sought—although it might have taken a bit of time—a broad ownership of those trust companies, so that we achieve that, and begin to achieve that now.

Mr. Attewell: Well, Mr. Speaker, one of the tragedies the country went through with the financial institutions in 1985 was the collapse of two regional banks. I, for one, was dismayed, not just because of those two particular banks, but that it likely signalled the end, certainly for a while, of the creation of regional banks. We have a very fine banking system in this country. We have five huge banks. However, I sometimes wonder how well some of the regions are being served, particularly small businesses in many regions. Perhaps a future role for some of these smaller trust companies will be to fill that vacuum.

These companies normally require someone with financial resources or partners, and if some of these smaller trust companies are formed to take up that slack, I think that is a worthwhile thing to do.

We are not a Party which puts forth retroactive legislation. As I said in my first reply, there were certain companies in place whose survival was dependent from time to time on large injections of capital. When we look over the whole scene today, I think we have a relatively healthy and vibrant financial service sector and with measures such as the increased supervision and strength of this new office, and with the other measures which are going to be coming on, we will continue to have a sound system and one of which we can be proud.

Mr. de Jong: Mr. Speaker, my question is also directed to my colleague on the committee on finance. As the Hon. Member knows, during our hearings we had some concern regarding what type of regulations we could put on the institutions and what type of effective mechanisms the regulators could have on the institutions they were regulating. It often seemed to us on the committee that the instrument available to the regulators was either the sledge hammer, taking away the licence, or not being able to do very much about abuses they were seeing. The committee found this to be an unacceptable situation, because it did not allow degrees of punishments and penalties.

I wonder if the Hon. Member would comment on how Bill C-42 would deal with the concern of the committee that the regulators would have various instruments to use with which to enforce the regulations?

Mr. Attewell: Mr. Speaker, I am pleased to reply to my colleague on the same committee. We worked side by side for a long time on this issue. I think the main power which will ensue from Bill C-42—and I am speaking of the supervisory area—if I could sum it up in one word, is "knowledge". I understand we are going to have more people in that department. I hope they follow the strategy we suggested, with many of them being in the field where they could avail themselves of the rumours on the street.

It is a fact that people know of an institution turning down a loan for certain reasons, such as the criteria not being met. You would be amazed, Mr. Speaker, how the financial institutions people know a month later which institution booked that deal which could have been a lot less than just marginal—perhaps even a very poor deal. But rumours are out there as to what company or institution actually booked what deal.

Therefore, knowledge is going to be power, in terms of knowing early on that interest is being capitalized, that the accounting procedure is being abused, and the knowledge of the rolling over of loans by a renewal procedure that simply covers up the delinquency of different loans. That is the real power, the talent of the people we are going to have and the knowledge they will gain from the hands-on review, and the whole system, if I could put it that way, of being out there in the field really knowing what is going on and not sitting in some ivory tower here in the capital.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Ottawa—Vanier (Mr. Gauthier). However, since it is very close to 1 p.m., and I do not want him to interrupt his speech, do I have unanimous consent to call it 1 p.m.?

Mr. Gauthier: I was going to take the floor and speak very briefly before 1 p.m. with the intention of continuing later. However, I take your suggestion, Mr. Speaker, I think we should adjourn for lunch now.

The Acting Speaker (Mr. Paproski): It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 12.57 the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 21

STATEMENTS PURSUANT TO S. O. 21

[*English*]

THE CONSTITUTION

MEECH LAKE AGREEMENT—QUESTIONS ASKED BY LEADER OF THE OPPOSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Right Hon. Leader of the Official Opposition (Mr. Turner) was right when he expressed last Friday a number of important concerns about the Meech Lake Agreement on the Constitution. For instance, our Leader asked what would happen to a national program should limitations on spending power become a reality. Medicare is one example that comes to mind. Would we have today medicare across the nation in rich and poor provinces alike if we had had in the early sixties limitations on spending power that the Government and the provincial premiers agreed upon so hastily last week?

What will happen to social programs we are now considering for implementation across Canada such as the day care policy? Will some provinces, if non-participation in national shared-cost programs becomes a reality, be saying: "No, thank you, but give us the money"? Will this money once it reaches a provincial treasury be fully used for the purpose it was originally intended? Will we have as a result provinces with low standards of day care services?

These are just a few questions that come to mind on one subject alone when wondering about the reasons why federal spending powers should be limited. Canadians want to know. They also want to be consulted.

* * *

FORESTRY

IMPORTANCE OF FOREST INDUSTRY TO PRAIRIE PROVINCES

Mr. Jack Scowen (Mackenzie): Mr. Speaker, most people envisioning Canada's prairie provinces think of vast expanses of wheat fields and herds of cattle. Some think of our black gold, the coal, oil and gas reserves of Alberta and Saskatchewan, or of the hydroelectric potential of Manitoba. Too few recognize the scope and importance of what one might call our green gold, the forest resources of these provinces.

Five pulp or paper mills, and a host of other primary product-producing manufacturing facilities, produce an array of products, including medium-density fibreboard and oriented strand board panels, laminated beams and roofing shingles. Hundreds of wood-based secondary manufacturing plants further contribute to a strong forest-based industry throughout the region.

Nearly 30,000 jobs across the Prairies can be attributed directly or indirectly to this industry. Furthermore, the value of shipments from the three prairie provinces and the Northwest Territories amounts to $1.5 billion annually.

This week marks National Forest Week in Canada. This week is an opportunity to reflect upon the important contribution of our forests to Canada. The forests of the prairie provinces hold one of the keys to the economic diversification of what is sometimes referred to as the bread basket of the nation.

* * *

MULTICULTURALISM

PARTICIPATION OF ETHNOCULTURAL COMMUNITIES IN CANADIAN SOCIETY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Canadian Parliament adopted a policy of multiculturalism within a bilingual framework 15 years ago last fall. But this policy has never been expressed in an Act such as the Official Languages Act. Successive Ministers responsible for multiculturalism have had pathetically little money to meet the needs of Canada's ethnocultural communities. The Board of Presidents of the Canadian Ethnocultural Council expressed its concern about this and other shortcomings in meetings today with all three Parties.

In this era of the Charter of Rights and Freedoms Canada requires strong leadership to ensure full participation in Canadian society by the members of every ethnocultural community and full participation of each community as a whole. Multicultural policy needs to foster the social and cultural potential of every community and to open Canadian society to the abilities of every member of these communities.

This is a time for action. The Minister needs to do far more than propose a few amendments to the Citizenship Act.

* * *

EXTERNAL AID

CANADIAN FOODGRAINS BANK—ASSISTANCE TO PEOPLE IN NEEDY COUNTRIES

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the Canadian Foodgrains Bank is a philanthropic organization which accepts donations of cash and grain in Canada and distributes grain to needy countries. The organization helps people stay alive through "food for work" programs by paying people grain for working on projects such as road building, reforestation and water storage development.

Through projects such as these people are paid six to eight pounds of grain for a day's work. This not only takes care of their short-term needs; the projects ensure them a better life in the long run.

Not only should the Foodgrains Bank be commended but the farmers of western Canada should be commended as well. In 1986 alone farmers from Manitoba, Saskatchewan and

Alberta donated over $850,000 worth of grain. This, in turn, was matched on a three-to-one ratio by the Government of Canada.

The Canadian Foodgrains Bank, the farmers of western Canada and the Government of Canada should be congratulated on this achievement.

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[*Translation*]

EDUCATION

NEED FOR GREATER ACCESS TO HIGHER STUDIES

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, the quality of our post-secondary education is worsening and becoming ever less accessible to people from underprivileged circles. The increase in tuition fees as well as in living and accommodation costs, the inadequacy of student aid programs, the massive indebtedness, and high unemployment among students are as many factors which make our system ever less accessible.

Ever more student aid is given in the form of loans rather than grants, with the result that students are getting ever deeper into debt. For many students the high cost of studies is often an excuse to quit school after the secondary level. We all agree that when tuition fees go up students from low-income families must obtain adequate financial assistance to make up for cash shortages. In addition, the rules governing the repayment of fees must be changed and the fees reduced so that more students can be accommodated.

We must also ensure that adults, native people, the handicapped and the poor have fair access to higher education. All these measures must be taken if we really want to give a fair chance to any student anxious to complete higher studies regardless of his or her status or social level.

* * *

• (1405)

[*English*]

AWARDS AND DECORATIONS

TRIBUTE TO ORDER OF CANADA RECIPIENT, HARRY GAIREY

Mr. Alan Redway (York East): Mr. Speaker, last week at Rideau Hall, 74 outstanding Canadians were presented with the Order of Canada. Among the scientists, artists, athletes, charitable workers and former provincial premiers was a 92-year-old black Canadian named Harry Gairey.

Born in Jamaica, Harry came to Canada in 1914. He worked along with Lincoln Alexander's father at one of the only jobs available to blacks in Canada until recently, as a railway porter. He helped to organize the Porters' Union, the Universal Negro Citizenship Association and the Universal Negro Improvement Association. He was a moving force in the development of credit unions and played a significant role in changing Canada's immigration laws.

For many years he has been the official greeter, information centre, compassionate friend and battler against discrimination known to all as the "Black Godfather of Metropolitan Toronto". Last week at Rideau Hall, there was Harry taking his rightful place among the movers and shakers of our society. This is truly what Canada is all about.

Some Hon. Members: Hear, hear!

* * *

CANADIAN HUMAN RIGHTS ACT

CALL FOR AMENDMENTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, today the Board of Presidents of the Canadian Ethnocultural Council is meeting in Ottawa. One of its concerns is the failure of the Conservative Government to bring forward changes promised over a year ago to the Canadian Human Rights Act to include a requirement for reasonable accommodation.

The Supreme Court of Canada decision in Bhinder was described by the head of the Canadian Human Rights Commission as devastating to those with disabilities and to ethnic and religious minorities, including Sikhs. The Commission submitted a unanimous special report to Parliament in February, 1986, calling upon the Government to require employers to accommodate differences where reasonably possible. The UN Human Rights Commission is now examining a complaint against Canada in this area.

I therefore call upon the Government, along with the Ethnocultural Council and the Human Rights Commission, to stop stalling on these important amendments to the Canadian Human Rights Act and to stop betraying its promise to Canada's disabled and ethnic and religious minorities.

* * *

AWARDS AND DECORATIONS

TRIBUTE TO ORDER OF CANADA RECIPIENT, ELIZABETH LEFORT

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, last week, Elizabeth LeFort, a Cape Breton artist, was made a member of the Order of Canada. She was born in Point Cross, Nova Scotia, in 1914 and is a descendant of a small group of Acadians who escaped from Grand-Pré, Nova Scotia, in 1755. For more than 21 years she has established and maintained an entire gallery of hand-hooked tapestries. Thousands of tourists from all over have come to see her work.

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Elizabeth LeFort has been a strong proponent of Acadian culture for many decades. She adapted the famous Acadian rug-hooking into an art form and for many years maintained an entire gallery of hand-hooked tapestries of scenes prominent in North American history, thereby contributing to the preservation of the Acadian culture and heritage.

She also completed portraits of many world leaders. She completed a portrait of Pope Pius XII, and a portrait of President Eisenhower which was presented by her upon invitation to the President in the White House in 1957. She completed a portrait of Queen Elizabeth which was also personally delivered to the Queen. She completed a portrait of President John F. Kennedy which was personally presented to him in Phoenix, Arizona, in 1961, and she completed portraits of Prime Minister Diefenbaker and Prime Minister Trudeau.

She was born on an Acadian farm in Cape Breton, and as a young girl, she learned this famous art form. She continues to teach this art to future generations. All Nova Scotians are proud of this great artist and want to express their congratulations to her.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

THE LATE RAYMOND BLAIS

Mr. Raymond Garneau (Laval-des-Rapides): Over the weekend, Mr. Speaker, we were saddened to hear about the premature death of Mr. Raymond Blais, the long-time president of Quebec's Mouvement des caisses populaires Desjardins. In that capacity Mr. Blais played a leading role in the socio-economic development of Quebec and Canada through the Desjardins co-operative movement. Under his guidance the Desjardins movement made significant progress in the service of millions of Quebecers and Canadians who deal with the caisses populaires and other financial institutions of the Desjardins group.

In my name and on behalf of the Members of my political Party I should like to extend to Mrs. Blais and her immediate relatives our most sincere condolences on the occasion of this deep bereavement which affects both Quebec and the country as a whole.

• (1410)

[*English*]

THE CONSTITUTION

CALL FOR REPRESENTATION OF TERRITORIES AT FORTHCOMING FIRST MINISTERS' CONFERENCE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it was welcome news when we heard last Friday that the First Ministers had come to a tentative arrangement for Quebec's participation in the Constitution.

We cannot, however, forget that there are still thousands of Canadians living north of sixty who do not today enjoy the same political rights as their southern neighbours. The Territories must be represented at the forthcoming First Ministers' Constitutional Conference since their goals and desires of becoming equal members of the Canadian partnership are directly affected by the Section 42 amending formula.

With the resolution of the Quebec situation, it is now time to redouble our efforts to bring true provincehood to the Northwest Territories and Yukon Territory.

* * *

AGRICULTURE

REQUEST FOR COMMITMENT TO FIVE-YEAR SUBSIDY SCHEME

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, a lifetime of working as a prairie farmer has trained me to look realistically at hard times and difficult situations.

I watched the Government announce grain price declines last year and again this year of 18 per cent to 20 per cent each year, and I know that farm incomes will be woefully inadequate. The Government will not commit itself to further funds at this point but says that the solution to farm price problems lies in international negotiations.

Ultimately that is the solution which Canadian farmers seek, but realistically how long will such action take? About a year ago Canada raised the question of grain pricing at the OECD meeting and apparently has agreement to have the issue on the agenda of the GATT talks. It has set up and become part of the Cairns Group.

In none of these initiatives do we have any commitment by the Americans or the Europeans, the chief people involved, to take part in the talks. They are not even part of the Cairns Group.

What Canadian farmers need is a commitment like the Minister of Agriculture (Mr. Wise) gave to dairy producers to be part of a farm subsidy scheme for five years so that our producers know, as their European and American counterparts know, that the Government is behind them.

HISTORIC EVENTS

ANNIVERSARY OF POLISH CONSTITUTION

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, yesterday the Polish community observed the anniversary of the signing and ratification of the Polish Constitution of May 3, 1791, a day which is cherished by freedom-loving Poles throughout the world.

In Poland celebrations of the event were marked by the arrest of 200 Poles, serving as a reminder that the struggle for liberty and justice continues despite the efforts of those who would deny freedom's call.

Fundamental democratic principles, including freedom of expression and association guaranteed under the Constitution of 1791, have yet to be implemented in Poland. The official visit by our Secretary of State for External Affairs (Mr. Clark) will provide an opportunity for the Canadian Government to press Polish officials for much needed reform in the area of human rights.

As a free and democratic people, let us join with Canadians of Polish origin in commemorating and honouring the democratic principles embodied in the Constitution of 1791.

* * *

THE CONSTITUTION

ABORIGINAL SELF-GOVERNMENT—PREMIERS' HESITATION ON ISSUE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, it is remarkable how easily and quickly the First Ministers were able to strike a new constitutional deal on expanding provincial powers. The vague and uncertain concept of Quebec as a distinct society was agreed to. Where were those provincial voices asking what does this really mean? How will this distinctiveness be exercised in practice?

Contrast that, Sir, with the Premiers' reluctance and hesitation on the issue of aboriginal self-government. Here there was precision. Here there were specifics. Nothing was vague or uncertain because the scope of the right to aboriginal self-government was to be achieved through negotiations. Yet a succession of First Ministers' Conferences, held in public, achieved next to nothing.

Contrast that, Sir, with the private *tête-à-tête* at Meech Lake, which will have the effect of significantly altering the very nature of Canada as we know it today. Thus, there is one approach taken in the name of provincial rights, and there is quite a different one for the recognition of aboriginal rights.

• (1415)

THE CONSTITUTION

RESULT OF FIRST MINISTERS' MEETING—SUPPORT FOR MEECH LAKE ACCORD

Hon. Bob Layton (Lachine): Mr. Speaker, last Friday many Members of the House, including the Leader of the Official Opposition (Mr. Turner) and the Leader of the New Democratic Party (Mr. Broadbent), celebrated with the Prime Minister (Mr. Mulroney) his success in having all provincial premiers agree to principles for amending our Constitution and for guaranteeing for Quebec, after years of uncertainty, its rightful place in Canada.

I believe that this Accord will also be welcomed by English speaking Quebecers. The Meech Lake Accord calls for recognition of the existence across Canada of linguistic minorities. It notes that they are a fundamental characteristic of our country, and it calls for Parliament and all provincial legislatures to preserve this national characteristic.

[*Translation*]

Mr. Speaker, Canada stands prouder.

[*English*]

All Canadians should be celebrating.

* * *

EXTERNAL AFFAIRS

STATE OF ISRAEL—FOUNDATION ANNIVERSARY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, today I join in celebrating Israel's 39th anniversary, a state that represents the fulfilment of an age-old dream of the Jewish people for a homeland. From the time Lester Pearson played such an important role in the formation of Israel to the present, Canadian political leaders have consistently supported Israel's existence as an independent and secure state.

I am pleased that all three of our political Parties remain committed to this basic belief. This support is vital at a time of continued external threats to Israel.

No one needs to be reminded that the situation in the Middle East remains volatile. There are deep divisions and seemingly insurmountable obstacles to lasting peace. We must not despair if people of good will continue to work toward the goal of peace.

It is a shocking statistic that of the 150 or so member states of the United Nations, only about 26 are true democracies. Two of them are Canada and Israel. Democracy, liberty and justice are the foundations for the unshakeable commitment that exists between our two countries. *Hag Sameach* to Israel.

Oral Questions

MULTICULTURALISM

NEED TO STRENGTHEN LEGISLATIVE BASE

Mr. Sergio Marchi (York West): Mr. Speaker, today's meeting with the three political Parties by the Canadian Ethnocultural Council was important from a substantive viewpoint but also from a symbolic one in terms of heightening the awareness and importance of our national multiculturalism policy here in Parliament.

There are many challenges facing the national multiculturalism policy but three stand out. First the need to strengthen the legislative base and the departmental structuring of the Department through a multiculturalism map that was introduced by the former Government and administration, which died on the Order Paper. The present Government has failed to reintroduce it for this Parliament's consideration.

Second, the challenge is for us to define for our younger generation Canadians, the second, third, and fourth generations of various ethnocultural backgrounds, their definition of multiculturalism which will be different from their parents and grandparents' because it must address the social, the economic and the other fabrics that make this country what it is.

Third, we need to keep an open and progressive policy on immigration and refugees. If we can do this as a country, we will be sending a strong signal that Canada is open and has only one class of citizenship, namely, first class citizenship for one and all.

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

ESTABLISHMENT OF NATIONAL DAY CARE PROGRAM— GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

We on this side of the House are entirely in favour of Quebec becoming a signatory to the Canadian Constitution. However, the Prime Minister knows that setting up national programs like health insurance was possible only because the federal Government had fundamental spending powers.

My question is therefore: Under the new accord concluded by the Prime Minister, would it be possible to have a national day care program guaranteeing equal treatment for all children in both have and have-not provinces?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the answer is yes, absolutely.

[*English*]

SENATE REFORM ISSUE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we hope we can take some encouragement from that response, Mr. Speaker.

The Prime Minister knows that now, after the Accord which was signed at Meech Lake, the unanimous consent of the provinces and Parliament will be necessary for any change to the Senate. In fact, I would suggest to him that Senate reform has been placed in a constitutional strait-jacket.

• (1420)

Does the Prime Minister agree that he has made an elected Senate, such as requested by some of his provincial homologues, particularly Messrs. Getty and Vander Zalm, virtually impossible?

Right Hon. Brian Mulroney (Prime Minister): Not unless you want to make the assumption, Mr. Speaker, that the First Ministers are incapable of coming together in good faith to resolve matters of this kind. Premier Getty, the strongest proponent of a Triple-E Senate, felt this was very much in keeping with his desires and not something that would hobble his intentions. It was supported by all other First Ministers.

I suppose the question concerning unanimity might very well be the following. By way of illustration, if you are going to create a new province or series of provinces, is that not important enough to warrant the unanimous approval of all other provinces? Can anyone conceive of new provinces being created without the approval of the Province of Ontario or, in my judgment, the Province of Prince Edward Island? Because it changes the structure of federalism and the kind of country we have, I think it is not unreasonable to ask all existing provinces for their approval. This is very much consistent with everything I set out on behalf of my Party on August 6 in Sept-Îles regarding renewed Canadian federalism.

Mr. Turner (Vancouver Quadra): The Prime Minister is not historically correct when it comes to Newfoundland in 1949. Under the present constitutional provisions, seven out of the 10 provinces with 50 per cent of the population and the Parliament of Canada could approve any change in the Senate.

[*Translation*]

REQUEST THAT GOVERNMENT SUBMIT PROPOSED CONSTITUTIONAL AGREEMENT TO HOUSE OF COMMONS

Right Hon. John N. Turner (Leader of the Opposition): Will the Prime Minister make a commitment to submit the tentative constitutional accord reached at Lake Meech to the House of Commons before he calls a meeting with his provincial conterparts to sign the definitive text? And more specifically, does he intend to schedule parliamentary hearings immediately so that we can remove all obstacles to an accord that we are most anxious to see ratified?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, are we going to submit the agreement in principle to the House? We certainly are, and I said as much to the Hon. Member for Saint-Denis when he asked the same question last Friday.

Mr. Prud'homme: Before the final text is put before the House.

Mr. Mulroney: As soon as possible . . . absolutely.

I said that too would be done, in answer to a question from the Hon. Member for Saint-Denis. Within the next few days, the Deputy Prime Minister and Government House Leader are to meet with his fellow House Leaders in order to decide when we can first discuss agreement in principle here in the House. I hope all parliamentarians will come to the conclusion that Quebec's agreement with the constitutional accord is an important step in Canada's political evolution, and I hope the proposal will meet with the unanimous approval of all Members of Parliament.

[*English*]

CREATION OF NEW PROVINCES—EFFECT OF MEECH LAKE AGREEMENT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and also concerns the agreement reached at the Meech Lake meeting, a meeting, incidentally, to which the elected leaders of the Governments of the Northwest Territories and Yukon were not invited.

The agreement makes the rule of unanimity necessary for the creation of new provinces in Canada. This has outraged Northerners in both the Yukon and Northwest Territories who see this as a further restriction of their political aspirations. Other provinces such as Saskatchewan, Alberta or Newfoundland were not so created. Is the Prime Minister aware that what he has done is to give veto power over the North to every province in Canada? Does he believe that is right? Does he think that is fair?

• (1425)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, is it the position of the Liberal Opposition that new provinces could be created in this federal system without the approval of, for example, the Province of Ontario or the Province of Quebec? This would involve profound structural changes to the Federation. I would like to hear from the Hon. Member whether that is the position of the Liberal Party. If it is, it represents a remarkable change of policy.

REQUEST FOR EXEMPTION FROM MEECH LAKE AGREEMENT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the view of northerners who met on this subject this weekend is that they should be treated the way other provinces were treated. Will the Prime Minister agree to discuss this matter further with the Premiers with a view to exempting the creation of new provinces from the Meech Lake amending formula before this agreement is ratified into law?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have a great deal of understanding of the predicament of our northern Territories and are working very closely with them. We hope that in the fullness of time all Governments in Canada shall attend First Ministers' Conferences on the basis of equality.

My friend is talking about arrangements with regard to possible future provinces. I sympathize with that and assure him that the Government is sensitive to that.

However, the Meech Lake Agreement was not about the future of possible provinces. It was about the absence of one of the founding provinces of Canada, the absence from a constitutional package that reflected the absence, not only of Quebec, but of a very important part of French-speaking Canada. It was vital to the binding together of the nation that, first and foremost on a priority basis, Quebec be brought back into the constitutional family in a way which would find favour with the other Premiers in all regions of the country.

Once that is completed, we hope with the endorsation of the Official Opposition, we can move on, as we have provided for, to tackle as a united country other constitutional problems such as northern development and northern Territories, which we would do with pleasure.

Some Hon. Members: Hear, hear!

[*Translation*]

CONSTITUTIONAL ACCORD—OBLIGATION TO HOLD ANNUAL CONFERENCES ON ABORIGINAL RIGHTS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a few questions concerning the constitutional accord. The Prime Minister and the provincial premiers have endorsed the suggestion that economic conferences be held annually pursuant to the constitutional agreement, but they did not include aboriginal rights. My question to the Prime Minister is very simple. Would the Prime Minister agree to include in this accord the commitment to hold annual conferences to discuss aboriginal rights?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thought it was regrettable that the First Ministers, myself included, missed the opportunity to settle the native issue during the federal-provincial conference held barely a few weeks ago. As far as I am concerned, notwithstanding the fact that this series of constitutional initiatives has come to a close, it does not end our responsibility to seek a fair and equitable settlement to the problem of the aboriginal people in Canada. At the appropriate time I intend to review the process with the Premiers in the hope that, as it should be, we might find a formula which will do justice to the native people of Canada.

[*English*]

NATIONAL PROGRAMS—WORDING OF AGREEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, at the last conference which took place on this subject, the native leaders expressed their apprehension that once the Province of Quebec was included, as we all desire it to be, they would be left out in the cold. They certainly have been left out in terms of requirements for future meetings. I think that is very regrettable indeed.

I would like to ask the Prime Minister a supplementary question on the matter of spending authority and areas within the constitutional jurisdictional authority of the provinces. As the Prime Minister knows, the wording in the proposed agreement says that a province will be permitted to opt out of a new national program if its "own initiative or program is compatible with national objectives". This could have the constructive effect of institutionalizing what was done in Canada with the Quebec Pension Plan and the Canada Pension Plan. If so, it would be very good indeed. However, since another interpretation could be put on the wording that has been proposed to achieve this goal, is the Government of Canada open to specific amendments on the wording in this as well as other clauses?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have an agreement in principle which, as I have already indicated, in no way prevents the establishment of the kinds of national programs that are desired by my hon. friend and myself.

We are talking about future shared-cost programs in areas of exclusive provincial jurisdiction where the compensation takes place provided that the particular province itself erects a program that meets the national objectives that are set out originally. This is a fairly clear-cut statement of purpose that is consistent with strong federal presence and federal leadership at all times, but it is respectful of the rights of the provinces to have slight variations respecting their own requirements.

In responding to the question, Mr. Speaker, may I just take up a comment made by my hon. friend in regard to the aboriginal peoples having been left out in the cold because the Province of Quebec was included. I know the commitment of my hon. friend—

Mr. Broadbent: I didn't say that. I didn't say because Quebec was included.

Mr. Mulroney: That is what I took down. If it is in error, I apologize.

The point I want to make, something with which I do not think my hon. friend would disagree, is that the inclusion of the Province of Quebec is a significant guarantee of progress for the aboriginal peoples in terms of seeking justice for them at the constitutional table. The record of the Province of Quebec in regard to aboriginal rights is pretty exemplary *vis-à-vis* Canada. I believe that the presence of the Province of Quebec as a full partner around the First Ministers' Conference table called upon to deal with aboriginal questions will be a salutary and positive one and the aboriginal peoples should find encouragement in the progress we have made.

Mr. Broadbent: I entirely agree that the record of the Province of Quebec makes it very desirable that Quebec be there for this occasion. It would have been equally desirable to have institutionalized a requirement of an annual meeting until the aboriginal rights issue has been adequately dealt with.

POSSIBLE CREATION OF NEW PROVINCES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister did not indicate clearly the Government's attitude on its acceptance of proposed amendments. My supplementary question to the Prime Minister concerns the Yukon and Northwest Territories. It did not require unanimity when other provinces came into Confederation in the past, and the present amending formula does not require unanimity.

Many people in the North are planning to be able to come in one day on terms that are comparable to other provinces joining Confederation. Therefore, will the Prime Minister undertake to bring in an amendment to the clause pertinent to federal institutions that will at least leave the present amending formula in place, which is desirable to Canadians living in the Northwest Territories and Yukon?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if my hon. friend consults the communique in regard to the principles agreed upon, I think he will see that there is an appropriate forum where these matters, particularly the one he just raised, can be properly addressed by First Ministers. It is proposed that we meet on a regular basis to deal with constitutional issues. Those issues pointed out were Senate reform, the fishery, and other matters that were felt appropriate, I believe, in point three.

It is not at all inconceivable that the matter raised by my hon. friend could well be considered at that point in time. It is important that this agenda be set out after all of the partners are back in the fold and that there is a unified constitutional document bringing the country together. I think we could then turn our minds to other matters in a helpful way. I thank my hon. friend for the suggestion.

[*Translation*]

CONSTITUTIONAL ACCORD—IMPACT ON DAY CARE PROGRAM

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Prime Minister.

Like most of the Members of this House, I am delighted to see Quebec become part of our great Canadian family again, and I say three cheers for the Prime Minister! However, Mr. Speaker, you will understand that some of us are concerned about certain national programs.

Perhaps the Prime Minister could inform the House what impact this agreement will have on a day care program, for instance. Is the Prime Minister satisfied that a program of this kind is still feasible?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with respect to a national day care program, which comes under shared cost schemes, the federal Government intends to proceed exactly as it is proceeding today.

As for what the Minister for National Health and Welfare is doing, he is—we cannot impose this kind of program unilaterally through the Parliament of Canada.

The Minister of National Health and Welfare is at this very moment consulting with the provinces with a view to setting up an adequate national program with provincial participation.

Under a new formula, any province that should decide to opt out will receive compensation provided its program is compatible with the national objectives set forth by this House. So I think we can say that national programs in line with our objectives will always be feasible and indeed desirable.

QUALITY OF CHILD CARE SERVICES—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I don't doubt the Prime Minister when he says the provinces will have an "adequate" program, but I think we need something better than that.

Could the Prime Minister inform the House whether he has received assurances from the provinces that such a program is feasible, and, as the Prime Minister said himself, if a province should decide to opt out, what will happen to these quality services, what will happen to the services for our children? Could the Prime Minister give the House the assurance that he has received assurances from the provinces that quality services will be available throughout Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the accord says this:

> That Canada must provide reasonable compensation to any province that does not participate in a future national shared-cost program in an area of exclusive provincial jurisdiction if that province undertakes its own initiative or program compatible with national objectives.

To receive compensation, the province must have a program that is entirely compatible with national objectives, otherwise, opting out will mean it will have to forego such compensation.

[*English*]

REQUEST THAT TERRITORIAL LEADERS ATTEND FUTURE MEETINGS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Prime Minister. In response to a question asked by the Leader of the New Democratic Party the Prime Minister left the impression with the House that he would be open to future meetings of First Ministers where the future of the Yukon and Northwest Territories would be examined again. Will the Prime Minister assure the House and the people of those two northern Territories that their elected representatives will be at any meeting which affects their future in terms of becoming provinces?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if the Hon. Member's question is about any meeting that involves the rights of the Yukon and Northwest Territories in regard to becoming provinces, I think the answer is clearly in the affirmative. We would not want to have any meeting that involved a change in nationhood that did not involve those people who are affected. I think the answer would be in the affirmative.

REQUEST THAT TERRITORIAL LEADERS ATTEND NEXT CONFERENCE

Mr. Rod Murphy (Churchill): Mr. Speaker, the people of the Northwest Territories and Yukon feel that they were affected by a decision that was made last week. They were not at that meeting. We are specifically asking that those elected representatives be at the next constitutional meeting and that that topic be on the agenda.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, how could the rights of someone be affected—I presume by the tone of the question, in some way negatively, pejoratively—

An Hon. Member: It is a veto formula.

Mr. Mulroney: How could their rights be affected when the object of the exercise on behalf of the Parliament of Canada is to bring together one of the founding elements of the country both in regard to provinces and the founding linguistic cultures of Canada? It is only on this basis, this having been done, that we can then proceed to deal with the questions of other provinces.

• (1440)

Mr. Broadbent: Well, the next meeting.

Mr. Mulroney: My friend, the Hon. Leader of the New Democratic Party, says the next meeting—a meeting which would deal with the rights of the Yukon or the Northwest Territories with regard to adhesion as provinces, obviously. However, I think my hon. friends would agree that it is not unreasonable for the federal Government and the provinces to deal with the absence of a founding partner, to bring the country together, to unify the country as strongly as we possible can, and then a unified Canada can turn its attention to working with the Yukon and Northwest Territories.

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM PAKISTAN

Mr. Speaker: May I direct Hon. Members' attention to the presence in the gallery of members of a Parliamentary Delegation from Pakistan led by Sardar Wazir Ahmad Jogezai, Deputy Speaker of the National Assembly of Pakistan.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF ICELANDIC AMBASSADOR TO CANADA

Mr. Speaker: I also wish to draw to the attention of Members the presence in the gallery of His Excellency Ingvi Ingvarrson, Icelandic Ambassador to Canada.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF PRESIDENT OF CANADIAN ETHNOCULTURAL COUNCIL

Mr. Speaker: I wish to bring to Members' attention as well the presence in the gallery of Mr. George Corn, President of the Canadian Ethnocultural Council.

Some Hon. Members: Hear, hear!

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THE CONSTITUTION

DETERMINATION OF PROGRAMS' NATIONAL OBJECTIVES

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is directed to the Prime Minister. The Government is setting up a national conference on post-secondary education recognizing, quite rightly, that it is a serious national problem which requires a national solution. The Meech Lake Accord allows provinces to opt out of federal programs if they have a program compatible with national objectives.

Will the Prime Minister tell us who determines national objectives and who determines whether provincial programs meet national objectives? And if they do not meet national objectives, how does the Government of Canada ensure equal access to funding for post-secondary education to all Canadians?

Right Hon. Brian Mulroney (Prime Minister): First, Mr. Speaker, let me say that compensation for opting out in matters of education and culture is not new. This did not come at Meech Lake. This was available under previous arrangements.

With regard to who would set the national objectives, the Parliament of Canada.

REQUEST THAT FIRST MINISTERS DISCUSS YOUTH PROBLEMS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I thank the Prime Minister for that answer. The Prime Minister has agreed to call the First Ministers together in the future for discussion on a series of topics. Will he give the assurance today that as soon as possible he will call the First Ministers together for a discussion of the serious problems of youth in Canada, including the difficulty they have of getting an education and decent jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is a national forum which has been devised and organized by the Secretary of State and the Minister of State for Youth in this regard which clearly involves the participation and encouragement of the First Ministers. I have been working on it. I would be happy to discuss it, as we will, at the First Ministers' Conference on the economy which is scheduled for Toronto, having been held in Vancouver last year. I will be happy to raise that matter on behalf of my hon. friend.

WORDING OF MEECH LAKE AGREEMENT

Mr. Lorne Nystrom (Yorkton—Melville): My question is directed to the Right Hon. Prime Minister on the Constitution as well.

[*Translation*]

We are all pleased that Quebec is now a member of the Canadian family and I congratulate the Prime Minister.

[*English*]

I want to ask a question about the Prime Minister's attitude toward constructive changes in the wording, or any amendments to the wording in principle. I realize the agreement is "wording in principle". Is the Prime Minister open to any constructive amendments to the wording of this agreement? There might be some places where we want some clarification so we can indeed have some national programs as they pertain, for example, to the spending power. Is the Prime Minister open to some constructive changes in the wording to clarify some of the principle agreements the provinces came to with the Prime Minister? Is he open to that possibility?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this was a document agreed upon among First Ministers. We, be it the Premier of British Columbia, the Premier of Manitoba, the Premier of Ontario or myself, felt it reflected our understanding. No one contended it was perfect. I have already acknowledged with pleasure that there will be debate in this House and elsewhere. If my hon. friend has some points to raise, I am sure he will do it during that debate.

With regard to the spending power, I can give my hon. friend the assurance that the right, obligation, and authority of the Parliament of Canada to conduct national affairs with respect to spending are uninhibited and unfettered. At all times we can act in the national interest.

POSSIBLE CREATION OF NEW PROVINCES

Mr. Lorne Nystrom (Yorkton—Melville): Just to clarify the answer, is the Prime Minister in other words saying there is to be no change in wording? Is his mind fairly closed on this? Can he clarify that for us? At the same time, I wonder, in terms of the creation of new provinces, if the Prime Minister himself would be open to going back to the existing amending formula, which is two-thirds of the provinces representing half the Canadian population, and the Parliament of Canada, for the creation of new provinces. Can the Prime Minister answer that double-barrelled question?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with regard to the formula which was agreed upon by the First Ministers, including the First Ministers who were very strong proponents of the notion of Senate reform, quite frankly it was felt by provincial leaders who expressed themselves very forcefully and very well, such as Premier Vander Zalm and Premier Getty, who have a special interest in this regard, that that kind of fundamental change, in their judgment, should really only come about once all provinces are persuaded of its value and merit.

I thought that was an approach of great leadership by those Premiers, and all the others who spoke to it.

In regard to changes in wording, I would have to ask my hon. friend what he has in mind and what they would be? All the Premiers, including Premier Pawley, Premier Peterson and others, felt, and I think said publicly, that this reflected, in their judgment, an excellent commitment to national unity and, as best we could, an improvement on a strengthened federation.

If my friend has some ideas, I will be happy to listen to them but, by and large, this is what we are going to bring forward into the House of Commons and this is what will be ratified by provincial legislatures.

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EDUCATION

REPAYMENT OF STUDENT LOANS

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, my question is directed to the Secretary of State. In view of the fact that post-secondary education students now have to repay their student loans six short months after they leave school, which is tremendous discouragement in those regions of our country where there is very high unemployment and it is very hard to land a job, will the Minister agree to change the rules immediately so that students will not have to start to repay their loans until they can first land a job?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, let me say to the Hon. Member that the matter he raises is a very important and significant matter, particularly for those who are in debt. I raised that matter with the provincial Ministers who, of course, have some responsibility with respect to the matter, generally. We established a committee, from which we will hear, and we will take some action following the meeting in September.

[*Translation*]

REPAYMENT OF STUDENT LOANS—REQUEST FOR CLARIFICATION

Mr. Roland de Corneille (Eglinton—Lawrence): If the Minister does not want at this time to make any commitment and help students in this way, is he not at least prepared to announce right now that the reimbursement of loans by students will be determined on the direct basis of their income?

• (1450)

[*English*]

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, as I indicated, the matter is, of course, important and needs to be addressed properly in joint discussion with the provinces. If the matter is to be dealt with properly then it will require the proper type of machinery. It took a long time for the federal Government to establish such machinery. That machinery will be put in place, and I think we should respect it. When it is completed we will have in place, finally, a regime which will be of benefit to students which will not bring them early debt about which the Hon. Member is concerned.

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CITIZENSHIP COURTS

DELAY IN PROCESSING APPLICATIONS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Secretary of State. Undoubtedly, the Minister is aware of his Government's failure to appoint citizenship judges last fall when appointees of the previous Government reached the end of their terms. Is the Minister aware that thousands of people in such cities as Calgary await processing of their citizenship applications, meanwhile having lost the right to travel using the passports of their countries of origin?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, yes, I am aware of the problem. We are trying to address it with existing resources.

APPOINTMENT OF JUDGES

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the existing resources are stretched very thin. How soon does the Minister expect to appoint enough citizenship judges to ensure that people will not be kept waiting months to receive Canadian citizenship during this fortieth anniversary of the Citizenship Act?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, the report from Dr. Sutherland is now available. In fact, I received it on Friday afternoon. I hope to make appointments by mid-May.

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VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—COMPENSATION ISSUE

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Prime Minister. It has been almost three years since the Prime Minister promised that an honourable settlement to the issue of Japanese-Canadian redress would be an urgent consideration of his Government. However, after three Conservative Ministers responsible for multiculturalism who dealt with the issue, not only has the substance not been articulated but there is not even in place a formal process for talks to take shape so that an agreement can be reached. This has caused a growing sense of frustration in the community and in the country.

Therefore, when will the Government initiate a full and official process of talks with the NAJC, not an individual meeting here or there but a series of continuous and comprehensive discussions so that a just and honourable settlement may have the opportunity of crystallizing during the life of this Parliament?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, as I am sure the Hon. Member is aware, since he was in attendance at the meeting of the standing committee at which I explained this, I began a process of discussion and consultation with members of the Japanese-Canadian community both individually and collectively over a number of weeks to ensure that we would approach the situation properly. Following that process of some three or four weeks ago I sent a letter to the President of the National Association of Japanese-Canadians outlining a proposal from the Government. The National Association of Japanese-Canadians has had the proposal and is considering it with its community. We have in train a meeting over the next 10 days.

GOVERNMENT PROPOSAL

Mr. Sergio Marchi (York West): Mr. Speaker, I thank the Minister for his response. Can the Minister clarify for the House whether this proposal considers a possible agreement with the Government or whether it addresses the process that will take place during the next few months to arrive at a solution? Since he took over the responsibilities of Minister responsible for multiculturalism, can the Minister inform the House if the Cabinet discussed and considered possible action on the redress issue? Is this proposal a cabinet proposal or is it one from the Minister responsible for multiculturalism?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, with respect to the letter which I sent on behalf of the Government, it contains aspects regarding the elements of an arrangement or an agreement, as well as elements with respect to the process. I might say, by the way, that both the community and I have agreed that we would respect one another's confidence in order to allow the community to carry out its own discussions. Thus I do not want to go any further than saying what I have already said.

Following the meeting that we now have in train I expect I will have more to say publicly.

* * *

AGRICULTURE

REQUEST THAT PRIME MINISTER MEET WESTERN FARM LEADERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Right Hon. Prime Minister regarding his visit to western Canada this week. In light of the current crisis facing western agriculture about which the Prime Minister is well aware, a crisis caused by very low commodity prices and very high debt load, has the Prime Minister sought, or will he be seeking, a meeting with western farm leaders to discuss his Government's plans with respect to how to resolve the farm crisis when he is in the west this week?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I had the honour of spending a great deal of time with farm leaders in western Canada over the last year. I think that I am the Prime Minister, if I may so, who has met most often with leaders of the agricultural community. I say that with pleasure because one comes away from those meetings with a much deeper understanding of the problems.

This trip to western Canada is no different. I will be meeting with them again. We will be working together toward providing solutions for the serious problems confronting agriculture in western Canada.

Some Hon. Members: Hear, hear!

REQUEST THAT PRIME MINISTER HOLD FORMAL MEETING

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, in light of the Prime Minister's commitments during the emergency debate will he give us some assurance that he will meet formally with farm leaders in western Canada and get the benefit of their counsel and advice on how to deal with farm problems during this next week? I am talking about a serious, formal meeting with farm leaders in western Canada.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have met with representatives from all areas of agricultural life in western Canada in a formalized, structured way, and in an informal way. I will continue to do so.

Right now the Minister of State for the Canadian Wheat Board is dealing with the sugar-beet problem in western Canada. We dealt with the transportation problem which will be helpful to western farmers. I look forward to an occasion to meet again with western farmers to devise—

Mr. Hovdebo: Then the answer is no? You are not going to meet with them this week.

Mr. Mulroney: No, the answer is yes.

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NUCLEAR ARMAMENTS

INVITATION TO UNITED NATIONS AMBASSADOR TO ADDRESS CONGRESS OF INTERNATIONAL PHYSICIANS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is for the Prime Minister who probably knows that at the end of the month the International Physicians for the Prevention of Nuclear War, a group that won the Nobel Peace Prize in 1985, will be holding its seventh world congress. It has paid the country the honour of inviting our Ambassador to the United Nations, Mr. Stephen Lewis, to address that congress. Unfortunately, the Secretary of State for External Affairs rejected the invitation saying that Mr. Lewis' attendance would be considered inappropriate.

Can the Prime Minister tell us why the Canadian Government considers it inappropriate for Ambassador Lewis to attend a prestigious international congress dealing with the crucial issue of nuclear arms control?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, last night I spoke with Ambassador Lewis in New York. It was a lengthy conversation. He did not raise this issue with me. However, I would be happy to chat with him again. A far as I am concerned, there was nothing untoward of any kind. We are very active in promoting disarmament. As I said, the Ambassador did not raise it with me in a lengthy conversation last evening, but I will call him again.

REQUEST THAT INVITATION BE ACCEPTED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I am encouraged by the offer of the Prime Minister to call Ambassador Lewis again. In his call is the Prime Minister prepared to rescind the decision taken by the Secretary of State for External Affairs to reject Mr. Lewis' attendance and to say to the Ambassador that Canada would be proud and pleased to have him speak on behalf of Canada at one of the most important international conferences on nuclear arms? Is the Prime Minister prepared to reissue the invitation to Ambassador Lewis?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not familiar with all of the details. I think my friend can be satisfied that if there was a decision by the Secretary of State for External Affairs, and I am not aware that there was, and given the record of the Secretary of State for External Affairs in this area, it would have been extremely well founded. No one has been a stronger and more vigorous fighter for disarmament than the Secretary of State for External Affairs.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I am not acquainted with all of the details raised by my hon. friend. I will be happy to look into the matter and report back to the House.

* * *

[*Translation*]

CULTURAL AFFAIRS

CANADIANS' ACCESS TO CULTURAL INDUSTRIES—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of Communications which has just released a White Paper on cultural industries. Why did she merely analyse the problems existing in those industries and restate the analysis already made by groups of artists and by the NDP instead of suggesting concrete steps? What is she going to do to make that industry more accessible to Canadians? What concrete measures is she proposing?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, this document represents a positive effort to appraise present conditions of our cultural industries and the problems they are facing. Following that assessment, the Government has already taken important measures to strengthen those cultural industries and I have a list of our actions. If the Hon. Member so wishes, I could pass on that list to her.

• (1500)

[*English*]

MINISTER'S POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my supplementary question on this report is directed to the specific section where the Minister shows how European countries, even large European countries, have much stronger measures to protect their cultural industries against foreign domination. What will the Minister do for Canada? Is this simply an academic exercise or is she really considering tough new measures designed to give Canadians better control over their own cultural industries?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, as I said, that report was an evaluation of the cultural industries and, in the wake of it, we have already taken a number of measures. I would hope that we would have the support of the Hon. Member in this regard.

For instance, we put $165 million into the development of the Canadian feature film industry. We put $25 million into the development of the Canadian sound recording industry. We put $3 million into the public lending rights program and funds were distributed to some 4,500 authors who had been denied this recognition previously. We will be introducing new copyright legislation later this month and, as well, we are preparing film and video distribution legislation to be introduced shortly. I would hope that the Hon. Member could see her way clear to supporting these initiatives.

Mr. Speaker: I would like to advise the House that there will be a question from the Hon. Member for Trinity followed by the usual supplementary question, then there will be two government questions and that will end Question Period.

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EXTERNAL AFFAIRS

CONSTRUCTION OF NEW CANADIAN EMBASSY IN WASHINGTON—WORK DONE BY SUBCONTRACTOR

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Acting Minister of External Affairs and concerns the construction of the new Canadian Embassy in Washington. Since December, Canadian and American unions have been telling the Government that one subcontractor on this project is paying low wages and doing shoddy work that may endanger the health and safety of future occupants of the building. Will the Government arrange for an independent investigation of these serious allegations?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in the absence of the Minister, I will take the question as notice.

REQUEST FOR EARLY ACTION

Miss Aideen Nicholson (Trinity): Mr. Speaker, I thank the Deputy Prime Minister for that answer. Will he also impress upon his colleague the need for a prompt and thorough response since, apart from the health and safety aspect of it, Canada's reputation for respecting labour standards is suffering and there have been threats of economic retaliation?

[*Translation*]

Hon. Pierre Cadieux (Minister of Labour): Mr. Speaker, I am advised that Canada has abided by all existing legislation in the United States concerning the construction of the said embasssy. As for suggestions that the work was botched, meetings were held and indeed all the work has met the standards.

[*English*]

NATIONAL PAROLE BOARD

REQUEST FOR CHANGES TO PAROLE SYSTEM

Mr. Alan Redway (York East): Mr. Speaker, I have a question for the Solicitor General. According to a Gallup poll that was released last week, 62 per cent of Canadians believe that our parole system is just too lenient. Would the Minister not agree that many Canadians who are presently calling for a return of the death penalty would not be doing so if the parole system were tightened up? Will the Minister commit himself today to making changes that would tighten up the Canadian parole system?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I thank the Hon. Member for the question. I became aware of this problem long before the poll appeared in the paper. I have had a number of discussions with the chairman of the National Parole Board. I have instituted new and improved criteria for the selection of members, new and improved and continuing education of board members, and better communication with the public.

I can assure the Hon. Member and the House that we are developing tighter policy guidelines so that more consistent decisions will be made by the board members. I want to assure the Hon. Member as well that the protection of the Canadian public is foremost in our minds when rendering our decisions.

* * *

SCIENCE AND TECHNOLOGY

OPENING OF FEDERAL BIOTECHNOLOGY RESEARCH INSTITUTE IN MONTREAL

Hon. Bob Layton (Lachine): Mr. Speaker, my question is for the Minister of State for Science and Technology. Last Friday, the Government officially opened the Biotechnology Research Institute in Montreal. This was a major event in our city because it reinforced Montreal's position and reputation as a centre of excellence in this rapidly developing field of science. Is there any evidence that the Minister's new initiatives are reversing Canada's brain drain?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, indeed I am very delighted to respond to the Hon. Member's question. I attended the opening of the centre and the enthusiasm there was very infectious. Indeed, particular attention was paid by the NRC to expatriate Canadians in staffing procedures. In fact, 10 eminent Canadian scientists who had worked at Oxford, Harvard, the Scripps Institute in San Diego and MIT have already come back, and there is keen interest shown by some eminent foreign scientists who wish places at the centre, all of which points out that the centre is indeed on its way to becoming a world-class facility.

GOVERNMENT ORDERS

[*Translation*]

FINANCIAL INSTITUTIONS AND DEPOSIT INSURANCE SYSTEM AMENDMENT ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hockin that Bill C-42, an Act respecting financial institutions and the deposit insurance system, be read the second time, and by unanimous consent, referred to the Standing Committee on Finance and Economic Affairs.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the debate this afternoon has to do with Bill C-42 concerning financial institutions and, more particularly, the deposit insurance system.

Mr. Speaker, this is not the invention of the wheel nor the redevelopment of the nicest mouse trap, it is a long-awaited measure which I should imagine has been the subject of negotiations between the Government and the financial institutions for the past two years. It is one of a series of three Bills, we know that. The purpose of the first one—now under consideration, Bill C-42—is to merge financial institutions, those which are responsible for monitoring, the supervisory agencies for these institutions, namely the Office of the Inspector General of Banks and the Department of Insurance.

The powers of the new monitoring organization, to be called the Office of the Superintendent of Financial Institutions, and those of the Canada Deposit Insurance Corporation will be strengthened. On that point we agree, Mr. Speaker.

Finally, the CDIC—Canada Deposit Insurance Corporation— will be allowed to raise its premium rates and authorized to borrow more from the Consolidated Revenue Fund.

• (1510)

The second Bill to follow, Mr. Speaker, is made up of two Bills that had already been introduced in this House and perhaps will be consolidated. They will give regulatory bodies the authority to issue cease and desist orders, and the Minister will have increased authority, the power to approve the takeover of major interests in financial institutions.

Finally, the third Bill—the third aspect of the matter—that should be tabled before summer, will have to deal with the powers of various types of institutions, the ownership system and the regulatory framework.

So, Mr. Speaker, we now have before us Bill C-42, an Act respecting financial institutions, and I would like to summarize for the House the impact of that legislation and put it into perspective.

Concerning regulatory bodies, Mr. Speaker, Bill C-42 proposes to amalgamate the Office of the Inspector General of Banks which, as we know, supervises chartered banks, and the Department of Insurance which supervises federally chartered loans and trust companies and insurance companies.

Those bodies are amalgamated into a single one called the Office of the Superintendent of Financial Institutions, the OSFI, and we support that move.

The CIDC, the Canada Deposit Insurance Corporation, will remain independent, but closer coordination will be instituted between all regulatory bodies through the establishment of a new co-ordination committee.

Mr. Speaker, God knows that this House concerned itself with the problems of financial institutions for the past two and half years, since this Government came to power because, should I say in a sudden and dramatic way, major banking institutions were forced either to shut down, join others or even be taken over in order to survive, and in each or almost each of those cases the Canada Deposit Insurance Corporation had to insure the costs either through payments to depositors or the advance of funds in order to secure or encourage foreign institutions—and I am thinking for instance of the Hongkong Bank in the matter of the Bank of British Columbia—to buy those institutions facing financial difficulty. As we know, Mr. Speaker, the Canada Deposit Insurance Corporation is an entity that insures loans by Canadians up to $60,000, and in many cases it is absolutely essential that we go on strengthening if not increasing the guarantee, in order that Canadian depositors enjoy greater security and the corporation may guarantee the deposits of Canadians, something we support.

Under Bill C-42, the new superintendent will have increased authority. It will become much easier for him to take the control of a financial institution facing difficulty. Such control in all cases will be for a period of seven days, or more if needed. Further, the superintendent may make decisions on behalf of the institution. Until now, as we know, he could not veto management decisions.

In the future, concerning the Canada Deposit Insurance Corporation, Bill C-42 proposes to increase from 1/10 of 1 per cent to 1/6 of 1 per cent the ceiling of rates for deposit insurance premiums paid by member institutions. Otherwise, Mr. Speaker, it used to be 1/30 of 1 per cent. We recently changed that to 1/10, and now we are going to increase it to 1/6 of 1 per cent. Currently, premiums are based on the 1/10 rate, as I said, and the Minister of Finance (Mr. Wilson) already announced that rate will be maintained for at least another year.

The CDIC's rates have already been increased in Bill C-86 which was passed in June of last year and I think that such a procedure is consistent with good management practices. In other words, when risks are greater, depositors must assuredly be protected, and since financial institutions have to replenish their coffers, the rates of contribution must be higher. They will therefore amount to one-sixth of 1 per cent in coming years.

Bill C-22 proposes to double the line of credit made available to the CDIC by the Government. This line of credit will increase from $1.5 billion to some $3 billion. The legislation will authorize the Canada Deposit Insurance Corporation to penalize the institutions whose practices are deemed risky or

somewhat unorthodox. It will make it possible for the Canada Deposit Insurance Corporation to decide whether or not to insure federal institutions, just as it does for provincial institutions. Now, federal institutions are automatically insured from the moment the regulatory agency issues their operating licence.

Finally, Bill C-42 will authorize the CDIC to cancel insurances to federal institutions, as it does already for provincial institutions, subject to the minister's authorization.

Mr. Speaker, the new committee responsible for co-ordinating the activities of monetary organizations, to which I referred a while ago, will be made up of the new Superintendent, the Governor of the Bank of Canada, the Deputy Minister of Finance, and the Chairman of the CDIC, meaning the Canada Deposit Insurance Corporation.

The purpose of all of this, Mr. Speaker, is to organize better this major sector of our financial institutions by reinforcing if possible the Canada Deposit Insurance Corporation on the one hand, and strengthening its terms of reference on the other.

Very briefly, Mr. Speaker, in order not to delay unduly the consideration of this Bill which, we hope, will not take too much time, I should like to remind the House that Bill C-42 is the result of events which occurred recently, or at least over the past two years. The House will remember the financial assistance which it had to give to the Canadian Commercial Bank in March 1985.

September 1985: Failures of the CCB and the Northland Bank. The House spent a long time dealing with this issue and even had to pass an emergency measure to bail out the banks and make sure that no investor in Canada would be penalized or suffer a major set-back.

December 1985: Compensation of all uninsured depositors of the Canadian Commercial Bank of Canada and the Northland Bank. The House will remember the billions which had to be paid to compensate those depositors.

End of 1985: The Mercantile Bank, whose financial foundations, at least according to the experts who were advising us, were quite sound, but which experienced cash flow problems because of the confidence crisis in the financial industry. The Mercantile Bank merged with the National Bank. Good initiative. Another banking institution saved.

End of 1985: The Morguard Bank, which again had sound financial foundations, but which experienced cash flow problems, had to merge with the Security Pacific Corporation, an American financial conglomerate. It was the first bank to pass under foreign control because of the lack of confidence in Canadian banks.

October 1985: The Continental Bank, with sound financial foundations, but again with cash flow problems, merged with Lloyds of London. That was the second bank to pass under foreign control.

In April 1986, approval from the Minister of Finance (Mr. Wilson) to the takeover of Canada Trust, a financial institution, by Imasco, a trade corporation, and we know the whole debate which surrounded the takeover of Canada Trust by Imasco. Could an institution, not necessarily a financial one, take control over an entirely financial one? Need I repeat, Mr. Speaker, that the debate was interesting, but lengthy.

In November 1986, not long ago, the Bank of British Columbia which, according to the experts, was practically bankrupt, merged with the Hongkong Bank and was the third to fall under foreign control. At that time, the Canada Deposit Insurance Corporation offered $200 million to the new buyers to encourage them and maybe sweeten the pill, telling them: "Once more, we, Canadians, must ask you to get us out of the mess." Mr. Speaker, in less than two years, three banks, three financial institutions went under foreign control.

I find that surprising, but what can I say? It has happened, and each time, the CDIC was involved, to help, facilitate or favour the deal. What will happen? Well, of course, as I said earlier in my remarks, the premiums will have to be raised, because there is a limit to giving billions of dollars to banks in difficulty and constantly reaching into general funds.

Therefore, the Government will raise the premium and in so doing, Mr. Speaker, will transfer its own deficit. It is responsible for its own deficit that will be transferred to the Canada Deposit Insurance Corporation. About the deficit, Mr. Speaker, it has sky-rocketed in the last few years. It reached $1.1 billion on December 31, 1986, while on December 31, 1982, the CDIC recorded, I repeat, a $253 million surplus. So, in less that 15 years, we went from a surplus of $253 million to a deficit of $1.1 billion. That is the reason why we have to raise the premiums.

The main reason for the deficit is that the Government asked, or maybe ordered, the CDIC to take initiatives which were beyond its traditional role. I repeat, Mr. Speaker, that the corporation is only supposed to insure deposits up to a maximum of $60,000, but it was asked by the Government to participate actively in the operations to bail out troubled institutions.

For those who might have forgotten, I should mention that the CDIC provided $75 million to try and save the CCB, the Canadian Commercial Bank, in March of 1985. I repeat, $75 million in 1985. Then it gave $200 million to the Hongkong Bank so that the bank would buy the Bank of British Columbia in November, 1986. That money was used to refund uninsured depositors and even the shareholders got some of it. Not bad! Again, with the help of all depositors.

In February, 1987, $275 million was poured into the province of Alberta, your province, Mr. Speaker, to restructure the North West Trust Company. This is recent.

In each case, the decision was a political one and the costs should have been borne by the Treasury and the Government. We believe that they should have been added to the deficit. But they were not! The Government told the Canada Deposit Insurance Corporation: You are going to bear the burden of those debts. It is therefore appropriate, Mr. Speaker, to say that the Government is shifting part of the burden of the deficit onto those institutions which are members of the CDIC and ultimately onto the customers of financial institutions.

I don't have to remind you, Mr. Speaker, that the Senate examined that matter and recommended in May 1986 that the costs of policy decisions should be borne by the Government.

Mr. Speaker, I do not want . . . I could elaborate at length on this matter, but I believe that the Canada Deposit Insurance Corporation will now be entitled to charge an additional contribution. It is a new right which carries important risks with it. Yet it is vital that the Corporation be entitled to charge those additional contributions to those who put at risk the rest of the institutions involved.

We would have preferred, Mr. Speaker, that the CDIC be allowed to establish separate insurance funds for banks and other financial institutions. The Government has not yet accepted that proposal, but we might decide to elaborate further on that point when we deal with the matter in committee. We therefore do not object to the amalgamation of the office of the Inspector General of Banks and the Department of Insurance. Indeed, we believe it is a worthwhile initiative and, as I said at the outset, I do not think this debate requires too much time or energy as we do agree, Mr. Speaker, on that initiative. It is our opinion that the second and third stages of this project will probably be of a more delicate and contentious nature, and we look forward of expressing our views on those when the Government decides to start that debate.

To summarize, Mr. Speaker, we welcome the additional powers granted to the reviewing agencies. Although it is not a very bold step in our opinion, it is still a first step. In our view, Bill C-42 is a step in the right direction, and we are proud to support this Government's initiative.

• (1520)

[*English*]

Mr. de Jong: Mr. Speaker, I am intrigued by the notion which the Hon. Member for Ottawa Vanier (Mr. Gauthier) had in terms of deposit insurance. Is he suggesting that his Party will bring forth proposals in the committee that would place a different premium for deposit insurance on trust companies as opposed to banks or other financial institutions? Is this what he is suggesting?

[*Translation*]

Mr. Gauthier: In that respect, Mr. Speaker, we believe that the Government should have allowed the Canada Insurance Deposit Corporation to establish separate insurance funds for the various types of financial institutions. They decided not to follow that route. I think we shall repeat that position in committee and we might suggest amendments or make specific suggestions to the effect that in our opinion, in the case of various financial institutions, since there are different types of risks involved, there should be different insurance funds.

[*English*]

Mr. Blenkarn: Mr. Speaker, could the Hon. Member tell us whether the Liberal Party has changed its policy?

The Hon. Member for Ottawa—Vanier (Mr. Gauthier) will recall that the particular provision is part of the House of Commons standing committee report. In that part of the report, certainly Members of the Liberal Party on the standing committee were in favour of making sure there was one kind of premium, that we did not discriminate between banks and trust companies. We realized at that time that if there were separate premiums that, in effect, we would be giving all the advantage to the big banks.

Is it his, or Liberal Party policy to make sure that the big banks have the edge when it comes to lending? They presumably would be the organizations that would pay the smallest premium to CDIC whereas local trust companies and local banks would pay the highest premiums. If that is his policy I am indeed surprised, because that was not the policy that I understood from the Liberal members of the standing committee when we made our report.

[*Translation*]

Mr. Gauthier: Mr. Speaker, no, this is a policy I am proposing myself, as a Member of this House. I am not speaking on anyone's behalf except my own in this debate, and since at the second reading stage we are discussing the principle of the Bill, I think we do not necessarily have to toe a specific party line.

Personally, I have looked at the statistics, and from what has happened in the past five years, I think we can say there is far more risk involved in the activities of trust companies than in those of banks or insurance companies. Since 1980, about fourteen trust companies have collapsed, compared with two banks and five insurance companies.

Mr. Speaker, I think this confirms there may be a need for separate insurance funds for banks and for other financial institutions. This is a personal opinion. The Hon. Member may not share it, but it happens to be my opinion, and I think that if we look at the risk involved, and if we feel that the risk is greater for certain financial institutions, they should shoulder a larger part of that risk. That is why I have taken this position.

Mr. Cassidy: I would like to put a question to the Hon. Member for Ottawa—Vanier (Mr. Gauthier) about the proportion of control, whether an individual or a commercial group should be entitled to have exclusive control over a financial institution or whether proposals made by the Government are adequate. The Government is suggesting that once an institution has total assets worth $15 billion, it must let 35 per cent of its shares be held by another party, which would therefore have a minority interest of 35 per cent. Does the Hon. Member feel that is sufficient or does he believe that the rules that now apply to the big banks, namely that no individual or institution may hold more than 10 per cent of the shares, are a better way to avoid excessive concentration of ownership of these large financial institutions?

Mr. Gauthier: In that respect, Mr. Speaker, I am one of those who believe that the Bill, the third phase, the last of the three Bills which I mentioned earlier will probably deal directly with the whole question of powers, the different types of institutions, the system of ownership, and the structure of required monitoring regulations. I, for one, believe that 10 per cent ownership in the case of banks is good and adequate. Admittedly I do have a bit of difficulty in the case of a major trust company which would own, say 65 per cent of the trust company shares and which would be the object of a takeover by a bank, for example. I imagine this will create problems if the same trust company held shares, this is possible because there will be a kind of vertical and horizontal mix-up in all financial institutions as a result of the other Bill to be introduced soon. This will create certain problems for me, but when we do get to that stage I intend to spend some time reading and doing research on this to clear up my own ideas on this question. For the time being Bill C-42 does not deal specifically with that and I will wait to see what the Government will do about two other measures, Bills C-8 and C-9, and perhaps once the debate has been launched on the two new Bills I will have an opportunity to take the matter under serious consideration. I am just reserving judgment for the time being, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Questions and comments are over. Debate. The Hon. Member for Regina East (Mr. de Jong).

• (1530)

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, it has been some time since the time the Government first promised to bring forward this legislation and the day we first see it. I am sure most Canadians would find this subject that Parliament is debating extremely boring. In many ways the subject of financial institutions is the most boring you could conceivably talk about. It is full of quite complicated terms and concepts. Yet it surely is one of the most important subjects for Canadians and Parliament.

We are talking about the financial institutions where most Canadians invest their money, through savings accounts and other deposits. The fruits of their labour are kept in trust companies, banks and other institutions. We are also talking about insurance companies which carry policies on the average Canadian's life and home so that they can have some protection against the unforeseen. In many ways the well-being of the country is determined by these financial institutions because they can direct the flow of capital, which in many ways is the blood of the nation. It determines where economic activity will occur, how it occurs, in what kind of industry and so forth. Therefore, what we are speaking about this afternoon is really very important.

The Government that was elected in 1984 was very much committed to the notion of less Government and less regulation. It started its mandate with a desire to remove a lot of the regulations dealing with financial institutions. In fact, the Minister introduced a Green Paper on the deregulation of financial institutions. But, lo and behold, the system was shown not to be over-regulated but under-regulated. As I am sure you will remember, a whole spate of pretty important financial institutions went belly up. Two chartered banks, the Canadian ,Commercial Bank and the Northland Bank, both in Alberta, in essence ended up in receivership. In my Province of Saskatchewan Pioneer Trust went bankrupt. A whole slew of other trust companies and insurance companies have gone belly up. In some instances some depositors were hurt, those who had deposits of more than $60,000 in those institutions. In other cases, all the depositors were fully reimbursed despite the fact that deposit insurance covered them up to only $60,000. In fact, in the case of the CCB, millions of dollars were paid by the federal Treasury to other commercial banks because those banks had millions of dollars on short-term deposit at the CCB. That money was there because the CCB was paying a slightly higher interest rate. Those banks, while they knew the risk they were taking, decided to take the risk anyway because it gave them a little bit more of a return. However, it turned out they were not really taking a risk at all because the federal Government was quite prepared to pay them everything they would otherwise have lost.

We ended up in a strange situation. The Canadian Government borrows money from the banks in order to make up its deficit and then pays the bank interest. Here the Canadian Government had to borrow money from the banks at interest to pay back to the banks. Very strange. Somehow or other the banks never seem to lose. Certainly the taxpayers and the public of Canada have lost. Why did we have this situation where all these financial institutions, insurance companies and trust companies were going under? All at once everyone started asking: Where are the regulators? Where are the inspectors?

We thought we had institutions in place to prevent banks, insurance companies and trust companies from going belly up. Where were they? It appeared as though the regulatory agencies were indeed woefully inadequate in dealing with the crisis. You see, our regulators sort of assumed that our banks were controlled by a group of Methodist managers. It wasn't the fear of the Government or the regulators which forced them to be honourable gentlemen in banking, but the fear of God. If they tried to play hanky-panky with the books and other people's deposits, they would answer to God on the day of judgment.

• (1540)

We are now living in a new era. The smart boys on the street do not have the fear of God in them. They run circles around our regulators who do not have the street smarts which some of the financial whiz-kids have. They have found all sorts of loopholes in the regulations and hoodwinked the regulators in many instances.

It was really the fast boys who brought about the collapse of a fair number of our financial institutions such as Pioneer Trust, the Canadian Commercial Bank and the Northland Bank. In fact, when investigations were made into why these institutions went belly-up it was discovered that they were certainly not practising sound financial management. They were playing loose with other people's money, in some instances even to their own advantage. People have used other people's money for their own interest rather than in the interest of the depositors. It became obvious that some reform was needed. Today we have Bill C-42, with which I do not think too many in this House will have major disagreement. The only problem is that it is a little late. We wish this legislation had been brought forward somewhat earlier. Be that as it may, it is an important step in the right direction.

A new financial world is being created. I talked a moment ago about a time when bankers were Methodist ministers who were afraid of the day of judgment. That is no longer the case. We now have fast wheelers and dealers who play loose with other people's money. This is also an age of tremendous technological change. Money moves around the globe in a matter of minutes. In this day and age tremendously large and powerful national and multinational conglomerates have a tremendous amount of economic power because of the capital they control. They can blow away national interests, the rules of nations, and political jurisdictions because of the tremendous power which they have.

In some ways the Government is willing to play along with that. In some ways I understand why the Canadian Government believes it must play the game in order to attract capital into the country and that it must also go along with many of these changes. I am sympathetic with this. However, at the same time we must maintain a sense of Canadian control. We cannot allow a few large corporations to control the life-blood of the country. We cannot allow so much power in the hands of so few.

Sometimes I believe the Government is sending signals that it will allow that to occur as long as a few of the large and powerful conglomerates are so-called Canadian. I believe the Government is not honest with itself if it believes that simply because one or two of the owners of the conglomerate happen to have Canadian citizenship, it can be controlled by the nation state. In many ways their powers extend beyond the nation state within our borders.

The Government seems to be willing to go along with the collapse of the four pillars to allow one-stop financial shopping centres. In all the shopping malls across the country we will see one place where you can buy your insurance, make your deposits, buy bonds, and buy shares. As our colleague in the Liberal Party said in her address this morning, this change is not being driven by consumers demanding new services, it is being driven by the industry. I think she is so correct in that.

When the four pillars begin to collapse we will run into some problems. We increase the dangers of self-dealing and conflicts of interest. One part of the operation is making decisions which affect and influence other parts of the operation. For example, will getting a mortgage on your home be dependent upon getting the insurance which that company is also selling? The potential of abuse increases. The modern technologies, the new type of ethics which exist in financial institutions and out on the street, and the creation of these new one-stop shopping centres all lead to a much greater potential for abuse of other people's moneys.

We need a new regime in terms of regulation. However, there is only so much the Government can regulate. The Government cannot send inspectors to sit beside every desk and watch every transaction. It would be insane for a government to try to do that. You cannot over-regulate the industry. You must hope to put in place some institutional form within which it is not in the interest of those to break the rules and regulations.

That is why we in this Party have been pushing very hard in committee and inside and outside of the House for wide ownership of financial institutions. That would help eliminate some of the causes of abuse. We hasten to add, however, that this is far from the total answer. Pioneer Trust in Regina is an example of a company which was quite widely held and yet experienced abuses in terms of self-dealing. Therefore, we are not saying that wide ownership will wipe out the possibility of self-dealing. We do say, however, that it reduces that possibility. It reduces the opportunity and motivation that some would have to use an institution for their self-interest rather than for the interest of the depositors. That is why we will continue to speak out for wider ownership.

I have another concern which is not directly related to Bill C-42 but is important, that is, the issue of regional financial institutions. Unfortunately, in the 1980s we have seen smaller regional financial institutions being severely weakened and going down the drain. In western Canada we have seen two banks in Alberta and the trust company in Saskatchewan go under. This is sad for us in western Canada as we attempt to get some control over our economic destiny. We need financial institutions in the west that are sensitive to our needs so we will be assured that there will be the necessary capital for the economic development of western Canada.

• (1550)

The unfortunate situation of two banks in Alberta and several trust companies in Alberta, Saskatchewan and Manitoba, as well as the disappearance of the Bank of British Columbia is a severe blow to western Canadians and our dream of economic development in the west. Hopefully, a better regulatory regime will ensure that smaller financial institutions will be more viable and we will no longer see the type of characters who were involved in the Canadian Commercial Bank and Pioneer Trust. They were partly responsible for the demise of those financial institutions, and we hope that better regulations will ensure that such a situation will not occur again.

It is also true that those in the Maritimes are anxious to develop their own financial institutions that are sensitive to their needs and aspirations.

Therefore, we generally have no objection to Bill C-42 and will support it. There will be an opportunity to examine it more closely in committee where I expect the Government will be open to suggestions for amendments to this legislation by the finance committee. When the Government realized that the Green Paper would not be accepted, it held consultations and sought advice. I believe it is willing to accept some amendments that might improve the Bill and allow for stronger financial institutions in this country.

Mr. Blenkarn: Mr. Speaker, bearing in mind that Mr. Michael McKenzie, the designated Superintendent of Financial Institutions, cannot do anything to improve the supervision of financial institutions until this Bill is passed, why are the New Democratic and Liberal Parties continuing to speak to this Bill? We can pass this Bill, get it into committee and act upon it. Is there some other reason for the delay? Surely a Bill that has been approved by all Parties in the House could be moved to committee as quickly as possible. Could the Hon. Member explain why so many Members want to speak?

Mr. de Jong: Mr. Speaker, my friend and colleague on the finance committee surely must realize that the Canadian public has lost some $1.5 billion because of past errors and omissions in our regulatory regimes. This is an important issue that deserves the attention of Parliament. I am not surprised that there are a fair number of Members who wish to speak to this issue. It is important and directly affects our constituents. Canadians must be assured that the money which they deposit in financial institutions, insurance companies and trust companies is safe and that the institutions are properly regulated by some public body. That is why so many Members are interested in discussing this Bill.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I hesitate to rise in this debate because I believe this Bill has the unanimous consent of the House. It reflects the House of Commons finance committee's report and proposes to create one Office of the Superintendent of Financial Institutions by amalgamating the Office of the Superintendent of Insurance and the Office of the Inspector General of Banks. It will allow for Deputy Superintendents in charge of various areas while making the expertise available in the department to conduct inspections of these institutions that deal in insurance, banking, trusts, securities.

It is difficult to pass Bills through the House of Commons, particularly when there are but 24 days left for government business until the end of June. Bills involving financial institutions and subjects concerning inspector generals and superintendents are not enticing. It is difficult to get them on the Order Paper and proceed with them. If we pass this Bill today we could move ahead with it, hear all the required evidence, and make all the necessary changes. Indeed, I believe some minor changes should be made to the Bill. We could deal with this Bill expeditiously.

This Bill should not be debated for another day because the House will know that there are urgent matters that require attention. The House will be called to sit in July despite the change in rules, because those urgent matters must be dealt with. I find it very strange that a Bill which should have been passed before noon is still being debated. I say to the House: let us get on with it.

Mr. Langdon: Mr. Speaker, I was interested in the sermon we heard from the Hon. Member for Mississauga South (Mr. Blenkarn). If he feels so strongly about the speed with which this Bill should go through the House of Commons, why did he feel it necessary to take up the time of the House to put that view on the record? Why did he not simply let the process of debate continue and thereby speed up the passage which he says he wishes to have so quickly achieved?

Mr. Blenkarn: Mr. Speaker, it is quite simple. I spoke for three minutes, which is a rather short speech for me. I thought it was important to put that view on the record. This Bill has its genesis in the report of the Standing Committee on Finance and Economic Affairs. It is an important Bill, as all Members who have spoken have said. It should go through the House now so that we can get on to committee to make the refinements it needs.

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

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I intend to speak at second reading of Bill C-42. I did not intend to get involved in the type of debate raised by my colleague, the Member for Mississauga South (Mr. Blenkarn). However, I think I will take a few minutes to put his remarks in context.

The Bill we are discussing now was tabled for first reading on March 3, 1987. It is not my fault if the Government House Leader did not ask the Speaker to call second reading of the Bill before today. The opposition Parties are not responsible for that decision, it is the Government's decision.

If the Member for Mississauga South is telling us that it is an urgent matter, I must remind him that the Green Paper was tabled in April, 1985. This is now May 4, 1987 and this is the first day of debate. I do not know how we could be accused of delaying this piece of legislation. The type of remark just made by my colleague may bring us to consider in more detail this legislation because I wonder why the Hon. Member wants us to adopt the legislation so urgently. I suppose I can understand that, but at least the Government could give us a few hours. We have not even spent a day on this Bill. I am the third speaker on my side to address this legislation.

• (1600)

[*Translation*]

Mr. Speaker, as was said earlier, this is an important piece of legislation, and its purpose is to modify the supervisory agencies responsible for the proper functioning of our financial institutions. How does this Bill propose to achieve this objective? First of all, by modifying the structure of the regulatory agencies.

I believe the Hon. Member for Mississauga South (Mr. Blenkarn) made a slight mistake a while ago when he said that the Bill was a direct response to the recommendations in the report of the Standing Committee of the House of Commons on Finance and Economic Affairs. I may remind the Hon. Member that the Committee's report was not unanimous, since a minority report was filed by Opposition Members.

Furthermore, in its proposal to restructure the regulatory agency, Bill C-42 did not follow the recommendation to which the Chairman of the House of Commons Standing Committee on Finance and Economic Affairs was alluding. In the Bill, the Office of the Inspector General of Banks and the office of the Superintendent of the Department of Insurance would be merged, but not the office of the Canada Deposit Insurance Corporation, which was supposed to be part of the mega-agency proposed by the majority of the Standing Committee on Finance and Economic Affairs.

I recall saying at the time that the proposition made by the Conservative majority of the House Standing Committee on Finance and Economic Affairs was an elephant whose administration would be very cumbersome indeed. I am glad the Minister of Finance (Mr. Wilson) has heeded the remarks of the Official Opposition and drawn a clear line to separate the operations of the Canada Deposit Insurance Corporation, but to regroup under one organization both the Office of the Inspector General of Banks and the Bureau of the Superintendent of Insurance of Canada which has always monitored federal institutions, what we call the federally-chartered trust companies.

Therefore the purpose of this measure is to restructure this control organization very much along the lines recommended by the Liberal Party. Second, this organization will have more powers and for all practical purposes the Superintendent of Financial Institutions, should he see fit and after consulting his council colleagues, will be able to take over the administartion of a financial institution for seven days and impose his instructions and decisions to the institution for reasons which the superintendent would have deemed significant enough to impose the necessary changes and use his right of veto. I think this will improve the controlling organization and I am pleased this has been included.

The second aspect of the Bill on which I will have a few comments, Mr. Speaker, is the Canada Deposit Insurance Corporation. Hon. Members will recall that amendments were made to that legislation, when this Conservative Government decided to increase from 1/30 to 1/10 of 1 per cent the level of premiums paid by financial institutions on insurable deposits.

We now see that this Government, not satisfied with trebling the cost of insurance deposits, chose to increase it once more by raising the rate from 1/10 to 1/6 of 1 per cent. The Government however will keep that flexibility to decide, probably by order in council, what he will do with the premium increase.

The Minister indicated, I think last week in a press release, his intention to maintain premiums at the current level. But how long will it remain there? It will be left entirely to the Minister to increase the rate from 1/10 of 1 per cent to 1/6 of 1 per cent. To my mind, this is a tax that will in effect be determined by order in council, and I would have preferred that when that move is made, it could be debated in the House of Commons and the parties involved had a public opportunity to be heard, and Members in this House were informed of the reasons why the Government chose once more to increase that indirect tax which in the long run will be borne by consumers, because certainly financial institutions will pass the cost on to consumers by changing either the cost of financial services or interest rates.

The other purpose of this Bill, Mr. Speaker, is to increase the credit margin of the Canada Deposit Insurance Corporation to $3 billion. This will double its credit margin, and in this case also, I think that considerable power will be given to the Minister under this amendment to the Act. Bill C-42, the legislation we are dealing with, will make it possible for the Canada Deposit Insurance Corporation to penalize the institutions whose practices are deemed risky or unorthodox. It will also allow the Canada Deposit Insurance Corporation to decide whether or not to insure federal institutions, just as it does already for provincial institutions.

Mr. Speaker, it will make it possible for the Corporation to cancel the insurance of federal financial institutions, subject to the Minister's authorization.

Mr. Speaker, those three powers which will be given to the Canada Deposit Insurance Corporation will have indirectly the result which the Govermment did not want to obtain directly, namely to create different pools for different types of corporations. Mr. Speaker, if, with the Minister's authorization, the Canada Deposit Insurance Corporation imposes a surcharge to a financial institution, although we are assured that the information will not be released to the press, information travels so fast nowadays that when the Canada Deposit Insurance Corporation makes such a decision, I am afraid that within a few months or weeks, if not days, the public will learn about it and confidence in the financial institution will be jeopardized, which would mean that the Minister would be signing the death warrant of this financial institution, because to develop, a financial institution requires the confidence of its depositors. We know what happened with the Northland Bank and the Canadian Commercial Bank. When the public became aware of their financial difficulties, depositors withdrew their money. Not only those two banks were directly affected but two other financial institutions that were in a good position in terms of the quality of their assets were also indirectly affected

and had cash flow problems beyond their control. Those problems, for all practical purposes, forced the Mercantile and Continental Banks to merge with other financial institutions and to reduce competition in that area. Therefore, I have strong reservations as regards the ability of the Canada Deposit Insurance Corporation to collect premium surcharges, in other words to indirectly create separate pools for financial institutions, without running the risk of destroying those institutions.

Finally, in order to ensure co-ordination between the new organization and the Deposit Insurance Corporation, the Minister decided to create a co-ordination committee consisting of the new Superintendant of Financial Institutions, the Governor of the Bank of Canada, the Deputy Minister of Finance and the Chairman of the Board of the Canada Deposit Insurance Corporation. That is a good proposal, Mr. Speaker. In doing that, we institutionalize through legislation a Committee that was anyway probably meeting on an emergency basis. But the establishment of that co-ordination committee and its obligation to sit as well as the fact that the committee members will not be able to be replaced by their assistants will ensure, through consultation between those different groups, namely the Superintendant of Financial Institutions, the new Superintendant, the Governor of the Bank of Canada, the Department of Finance and the Chairman of the CDIC, an exchange of financial information that will facilitate, I think, the good management and control of financial institutions.

• (1610)

Mr. Speaker, the Hon. Member who spoke previously outlined the importance and the urgency of Bill C-42 and we obviously believe that it is important to change as well as to strenghten controls, given the disastrous experience Canada has had over the last couple of years. First, there was the Canadian Commercial Bank bankruptcy, then that of the Northland Bank. Then there were other financially troubled institutions, one of which merged with Security Pacific Corporation. There was also the case of the Continental Bank which merged with an institution called Lloyds Bank and, of course, the merger of the Bank of British Columbia with the Hongkong Bank. So many downfalls are due in large part of course, I believe, and I said so at the time, to a lack of foresight on the part of a Government whose main concern it was to solve a serious problem in such a way as to fend off any bad news which might have clouded the economic conference which had been presided by the Prime Minister (Mr. Mulroney). But we now see what consequences such a hasty and ill advised decision has had on several financial institutions and not only on the Canadian Commercial Bank.

Mr. Speaker, I would also like to say that this bill is not—that it would have been easier to deal with it if we had known how the Government intends to structure other financial institutions, how it intends to deal with the problem of relationships between insurance companies and trusts, banks and real estate companies. It would then have been easier for us to determine whether this new legislation, Bill C-42, is geared to deal effectively with the new structures and the new implications they will have for the financial sector as a whole.

I have already had the opportunity to voice my concerns publicly with regard to the leeway which our brokerage firms enjoy at present. As of June 30, they are possible candidates for the big bang, as it has been termed in England at the time of deregulation. And this leeway, this possibility of taking over Canadian investment dealers will be open not only to Canadian institutions but to foreign firms as well. And I understand banks have some concerns about it, and the legislation as we understand it, according to the paper tabled by the Hon. Minister of Finance (Mr. Wilson), could lead us into a strange situation where a Canadian bank might buy a brokerage firm and have to close down its brokerage operations in the United States, since the U.S. regulations do not allow a brokerage firm to be the property of a bank such as the Royal Bank, the Bank of Commerce or the Savings Bank, in other words, any bank which buys a brokerage firm.

Thus, there would be no reciprocity in the operations between Canada and the United States.

Secondly, Mr. Speaker, insofar as a Canadian bank would buy a brokerage firm, as I just mentioned, with things standing as they are, it would have to close down this broker's operations in the United States, whereas if a U.S. company buys 100 per cent of this same Canadian brokerage firm, it could operate in Canada and in the United States without any problem whatsoever in terms of legislation and regulations. I feel we have acted very quickly. Once again, the Government has decided to give this possibility to the Americans, whereas no reciprocity exists for Canadians, and all this is done, it seems to me, outside the context of our free trade discussions with the United States.

Mr. Speaker, the reason I have concerns on the matter of our brokerage firms is that brokers act as advisors for their clients, and because they are 100 per cent owned by a bank or a trust company and those banks and trust companies or those insurance companies will apparently have the ability to get into the commercial loans area, We would find ourselves in a situation where a broker—in dealing with an industrialist who wants to issue bonds to repay his medium-term loans to a bank—would be in a bind, in terms of conflict of interests or loyalties between his shareholder, from whom the loan is to be bought, and the issuer who is looking for the best possible terms to refinance his business.

I feel that the potential for conflict of interests is there, and we should look at that in a very particular and special way before we abolish the independence of our brokers.

Others said that if we did not do that, especially as regards the financial industry, if we do not do that, we are preventing our Canadian institutions from playing a role internationally. Yes, well! It is all very well to say that, but as far as I am concerned I find it hard to believe that once the Solomon Brothers, the Merrill Lynches, the Shearson Lehmans and the

other big American firms have bought our Dominion Securities and our other brokerage firms, those big American firms who are already established internationally, be it in New York, London, Tokyo or in other European countries, in Paris, that those big international corporations . . . And the same would apply if Nomura bought one of those firms. Certainly those large multinational corporations, I would be very much surprised if they transferred their decision centres from New York or Tokyo or London or Germany to Toronto or Montreal or Vancouver or any other Canadian city to perform the international financing activities involved.

For those reasons, Mr. Speaker, I reserve my final judgment until I see the follow-up on Bill C-42. But I want to express my concerns right now, because it is my feeling that they are destroying a financial system that has served Canadians well and that could lead to difficulties as regards the role of Canadian companies in catering to the financial needs of our businesses and institutions.

They say this kind of deregulation, that Bill C-42 that is part of a three-pronged legislative effort, the two other parts of which are not yet known, will facilitate company integration. My colleague earlier referred to shopping centres as far as financial institutions are concerned. I can visualize that in some cases. I was part of a financial group before coming to this House. We had goals that of course were connected with our operations of that time. But I am asking myself serious questions: Do we do know of anyone in today's world, a Canadian consumer, who one morning rises and tells himself: Today I am doing my financial shopping? And that someone goes to the shopping centre, and buys his insurance, his shares, his bonds, and make his deposits? That is not the way things operate in the financial world. You do not shop for financial services the way you shop for groceries. A degree of caution is in order. Furthermore, I might add that if we want to develop this kind of financial trading centre, my biggest concern is that the great winner, the institutions it will benefit the most are the major financial institutions, that is to say, the major banks that already enjoy a wide network at every street corner in each of our large cities and towns. It will be awfully hard for other institutions to compete, whether they are life insurance or general insurance companies, because the banks have their own network, and insurance agents do not necessarily have the ability to give the expected financial services. Doing away with the so-called four pillars might have unexpected results, concerning first of all the brokers but also the insurance companies and the banks.

Finally, Mr. Speaker, I would like to deal with the trust companies—

As you are indicating that my time is up, I shall have no time for those final remarks. I suppose that when we study other pieces of legislation, I shall have the opportunity to explain the reasons of my concerns regarding the potential conflicts of interests between trust operations, financial operations in general, insurance, and banking.

• (1620)

[*English*]

Mr. Langdon: Mr. Speaker, I ask my Liberal colleague if he would comment with respect to the question of ownership guidelines within the banking sector. Does he think a Bill such as this would not have provided a regulatory environment which was much more effective in protecting consumers and achieving economic policy goals if it had a much stricter limitation on the share of equity ownership possible within given financial institutions?

Mr. Garneau: Mr. Speaker, first, I would have preferred to study Bill C-42 along with the other legislation. It would have been easier to evaluate. Perhaps the supervision and control in this legislation is enough, but I do not know what the other legislation will provide.

As far as ownership is concerned, my personal view is that it depends on the size of the company or the financial institution. This is why I agreed in general terms with the proposal made by the finance committee concerning what should be taken into account for ownership. While our views differ on whether for example 100 per cent ownership should be for $10 billion or $15 billion worth of assets, that is a point of view I am prepared to discuss. Generally speaking, the approach we suggested is, I believe, appropriate.

If we abolish completely the four pillars and open up the possibility of a bank owning an insurance company or a trust company or vice versa, I would suggest very strongly that there be no interconnection between financial institutions and industrial organizations. I have nothing against a big financial institution getting bigger, but I have a lot of concern even if only 15 per cent or 30 per cent of such an institution is owned by one party. When the rest of the shares are spread out in the public, it does not take 51 per cent to control a board of directors. I would prefer to see a complete distinction between financial institutions and industrial organizations, and we said so in our minority report which was tabled after the report from the finance committee was tabled.

Mr. Langdon: Mr. Speaker, what perspective would my colleague put on the level of foreign ownership of a banking or near banking institution that might be permitted? Is this something he would be prepared to maintain within narrow limits, or would a relaxation of those rules be acceptable to him?

Mr. Garneau: Mr. Speaker, I said publicly that I accepted the fact that foreign financial institutions can come to Canada. I have nothing against Schedule B foreign banks. On the contrary, it creates more competition and forces Canadian financial institutions to evolve, to become more competitive and to become more creative. I think it has been a positive step and I have nothing against it. However, if we are to suggest that large banks should be open to foreign sales, we should keep a limitation on total ownership. Up until now there has been a maximum, and I think it should be kept. I have no objection to foreign ownership of smaller financial institutions.

When it comes to investment dealers, I think it is a different game altogether. We should try to keep Canadian control over these institutions and certainly not open the country up as it will be open after June 30. If a foreign organization can buy 50 per cent of a Canadian investment dealer, the foreign company will effectively control the organization and after June 30, 1988, the company will probably buy out the rest of the shares. That is something that has preoccupied me a lot, and I would strongly suggest that the Government look at this possibility before June 30 and give the House a chance to debate it because there is the possibility that we may kill a Canadian financial industry we took so many years to build.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to express my pleasure in being able to take part in this debate. First I would like to congratulate the Hon. Member for Mississauga South (Mr. Blenkarn). I recall that when the first proposals for reform in financial institutions were brought before the House, a great many of us had serious doubts about exactly what was being proposed. I believe the Hon. Member has succeeded in putting across a powerful point of view which led to significant changes in the approach taken by the Government, and I congratulate him for that. That does not, of course, mean that I now agree with the Bill which is before us in its entirety, but I think that the personal achievement of the Hon. Member deserves to be recognized.

One of the questions the Hon. Member himself raised not too long ago was why there was an interest in speaking in this debate and putting forth the considerations and concerns of our constituents. Frankly, I must say that the last two and a half years have seen the greatest shake-up in confidence in the Canadian banking sector the country has experienced since the 1920s and the continent has experienced since the 1930s. It is a shake-up which we on this side of the House have found unfortunate and especially devastating because of the nature of the bail-outs of the banks which got themselves into trouble.

• (1630)

However, it is important at this stage in the debate that people across the country and those of us in the House of Commons keep very much in mind what one newspaper has called the "chronicle of carelessness and collapse" which affected the Canadian Commercial Bank and the Northland Bank. Certainly it is for that reason that we have before us a Bill which is supposed to establish the solution. Frankly, I am not overly convinced that the solution has been achieved.

This Bill will create a super-bureaucracy. It will tie that super-bureaucracy to a series of inputs from important parts of the financial community. However, I cannot see within it guarantees that give Canadians a greater sense of security in respect of the future of their banking system.

So far we have been fortunate. Our banking system has had two collapses, which of course had not occurred since 1923 when the Home Bank collapsed. These two collapses are combined with the collapses of a number of trust and loan companies. There is a potential for a much more serious crisis in the future banking system because of the tremendous openness which the banking system showed itself to have in respect of foreign loans to the Third World. A great many of those loans at this stage are highly questionable.

I could take Hon. Members through at least six significant foreign debtors in the Third World which have, within the last year, very significantly changed their approach to repayment of their foreign debts. We could talk of Peru. We could talk of Equador. We could talk of the most recent country which has joined in this protest, namely Zambia.

We must recognize that there is before us something which has been unprecedented in the Canadian banking history. There is a threat to the stability of these banks because of the Third World debt crisis and the incapacity of international institutions such as the IMF to solve the debt crisis of the Third World. The consequent reality is that at least a significant number of our large banks are susceptible to the failure of certain Third World countries to pay back interest and to maintain loans which are considered to be performing loans. That capacity is limited increasingly in the Third World and, as a consequence, our banks feel the chill winds of challenge.

All of us would like to believe that the regulatory agency to be created here would somehow be able to solve the problem. Frankly I do not think that the problem is even touched by the creation of this kind of super-bureaucracy. Therefore, if one had a sense that the Government had some kind of broader strategy regarding the future of our financial institutions, it would be very much easier for those of us on this side of the House to rush through a Bill like this one, with the kind of celerity suggested by the Hon. Member for Mississauga South.

In point of fact, however, that situation does not exist. There are problems with our banking system which have been demonstrated by two catastrophic failures, by very significant expenditure of public funds to bail out the creditors of those two banks, and by the continuing debt crisis in the Third World, which is very much a backdrop threatening our existing banks.

In addition to a lack of strategy in respect of the Third World crisis, there is a lack of strategy in the Government, which I find acceptable, anyway, on the question of ownership in banking. I understand that part of the reason for that lack of strategy is that there is a negotiation taking place with the United States which may open entirely the country to foreign banks from the United States to operate here as if Canada were simply another state of the union. In those circumstances it is extremely difficult for policy makers to shape strategy and to set out what should be future ownership levels within the Canadian banking sector.

Nevertheless, a great deal could be achieved by being quite strict at this stage by putting into effect and carrying forward the 10 per cent limitation on foreign ownership of our large-scale banks. If we were to do that, it would give a great deal more credibility to the capacity of the institution which the Bill aims to create to be able to regulate and control the banking system within the country.

• (1640)

If we look down the road five years from now and see before us a tremendous proliferation of all kinds of U.S. banks right across Canada, a super-bureaucracy will be created as this Bill attempts to do. That super-bureaucracy will become absolutely bogged down in the details of simply trying to keep up with the hundreds of important large-scale banks which will be operating within Canada. That is a very serious gap in the legislation before us at the moment.

It is important that there be a counter vision, if you like, to the very narrow vision which essentially sees the continuation of the status quo, a status quo which will have a slightly larger, more powerful bureaucracy in control of it, which is what this legislation really represents. Banking is very much at the heart of economic policy and economic development for any country. Yet I do not see within this legislation, I do not see within the thinking of the Government in so far as one can assess it, any creative, imaginative new approaches to making use of the banking system in Canada as a tool for profound economic development which can reshape the country and give much more fairness to all the different parts of our community and to all the different elements within our society.

There has to be a much wider perspective brought to bear on the question of banking than is present in the Bill before us at this stage. I think of the development banking which exists in the Netherlands, a development banking system which was established by the Government there. It has been used as an instrument to assist broadly right across the economy industries which find themselves in difficulty, sections of the economy which had to be expanded, and parts of the Dutch economy suffering from regional difficulty or from concentrations of unemployment.

The Netherlands Development Bank is 51 per cent government owned and 49 per cent owned by the private sector. It has proved to be an extremely powerful, very effective, very efficient operator, able to move into some of these troubled sectors and into some of the high-tech sectors of the economy to see to it that funds generated by the Dutch are themselves poured back into the building of the Netherlands instead of siphoned out through a host of foreign banks operating within that jurisdiction. We could have taken a look at that as part of the strategy toward more creative use of the banking sector within Canada.

We could look quite usefully at what has happened in France and the capacity of the French Government to use a number of the larger French banks which were under government control after World War II to build up in different parts of the economy important regional concentrations of employment, of opportunities for young people, for small towns, for parts and regions of France which have faced the kinds of declines and reductions in opportunities that have so recently hit western Canada.

I think that in a broader vision of Canada's banking future there could be something much more important given as a role to credit unions.

Mr. Blenkarn: Get on to the Bill. You are filibustering.

Mr. Langdon: It is quite related to the Bill.

Mr. Blenkarn: You can do better than that.

Mr. Langdon: I have to stress that it is quite related to the Bill.

Mr. Cassidy: Why don't you speak to the Bill instead of interrupting?

Mr. Langdon: He did, Michael.

One must look at the Bill as an attempt through creation of a super bureaucracy to maintain the existing status quo in banking with the exceptions about which I have spoken. I argue that one has to look at that particular institution which is to be created as simply one part, I would say, of the Government's vision for the banking sector. As I have said, Mr. Speaker, I do not see that vision there. It could be there. It could be there through development banks. It could be there through greater public direction in the banking sector. It could be there through much more creative use of credit unions. I regret that perhaps there are fewer credit unions in Mississauga South than there are in Essex County. I do stress that one has to take an initiative like this and ask whether it makes sense. It only makes sense within the context of a broader economic strategy, which seems very much to me to be missing in this Government.

Mr. Cassidy: Mr. Speaker, as a matter of fact I am a bit upset over the comments of the Hon. Member for Mississauga South (Mr. Blenkarn). He seems to think that, after two years of waiting for the Government to bring forward its proposal with respect to its regulation of the banking industry, we should simply push the Bill through in the course of a short space of time.

The Acting Speaker (Mr. Paproski): I would hope that the Hon. Member would comment on the remarks made by the Hon. Member for Essex—Windsor (Mr. Langdon).

Mr. Cassidy: I will provide my friend from Essex—Windsor with an opportunity to comment a bit more fully over that specific question of credit unions which he raised. We have been promised that there will be legislation to accompany this at some point in relation to the field of co-operative banking. The Member who interjected is being quite irrelevant in suggesting that this is purely a provincial matter.

In the Province of Quebec the Desjardins movement, the Caisse Populaire movement, is now a major player in the financial market in Quebec. As we found out in British Columbia where my Party sought to support efforts to ensure that the Vancity Co-op would be able to take over the Bank of British Columbia, an effort which was unfortunately resisted by the Government, Vancity is, if I recall, the second largest deposit-taking institution in all of British Columbia, well ahead of several of the other major chartered banks.

• (1650)

I ask my colleague whether there is a role for credit unions in going beyond personal lending and lending to, let us say, small farmers, to lending for larger enterprises including co-operatives? Is this one area which Government should now be pursuing as part of an integrated strategy for banking?

Mr. Langdon: Mr. Speaker, I thank my colleague for his comments. Since I began my speech with some words of praise for the Hon. Member for Mississauga South (Mr. Blenkarn), it is appropriate that the continued role of the Hon. Member be a factor in this debate.

I have to say that the suggestion of the Hon. Member for Ottawa Centre (Mr. Cassidy) is absolutely correct. If one looks not just at Vancity but at a number of credit unions in British Columbia, they have been extremely active and effective in doing what to me seems to be at the heart of the banking system, that is, they take community funds, provide security guarantees, and see to it that those funds go back into development and establishment of enterprises and jobs within the community itself.

I have had occasion to meet with entrepreneurs in Vancouver who were able to obtain from the Vancouver City credit union the kind of support they have simply been unable to get from the large-scale banks. That support should be available. I have seen this happen with even greater success and with a much wider range of beneficial effects on the local economy in Nanaimo. There the credit union succeeded in building a whole set of co-operative enterprises across the whole range of the economy, in forestry, fishing, and food processing. As a result it has created a much more solid base to that community in the face of opposition, quite frankly, from the eastern banks.

Mr. Blenkarn: Mr. Speaker, I was wondering if the NDP can advise us whether its policy is to put the credit unions under the superintendent of financial institutions and have them regulated federally? That seems to be the tenor of their remarks thus far. If they can confirm that, I think the provinces and the credit unions would be very interested.

Mr. Langdon: Mr. Speaker, we have—

Mr. Blenkarn: No policy.

Mr. Langdon: —made it very clear that our policy on this issue is to provide as much support as possible at the federal level to the national component of the credit union system. Therefore, we aim to provide the kind of support offered in this Bill to, for example, a national credit union deposit insurance system but leave the components of the credit union very much under the jurisdiction of their own province. I think that is crucial because credit unions, certainly in my area and I suspect in the area of anyone else in this House, started from the grass roots. They have developed a capacity to serve their community. We want to maintain that capacity.

Mr. Cassidy: Mr. Speaker, the Hon. Member for Mississauga South (Mr. Blenkarn) spoke earlier about the Third World debt problem and its impact on Canadian banks, some of which are very heavily committed in their loans to the Third World. They are also gradually beginning to increase their loss provisions for those loans. It is quite clear, however, that those provisions are inadequate. At the same time, countries like Brazil and Argentina, after four or five years of the imposition of IMF policies, which were designed, it was hoped, to see those countries out of the bind they are in, are just as deeply in debt as before. That is a very serious problem which I do not believe our regulators have addressed in their assessment of the state of health of Canadian banks. Perhaps my friend could comment on that.

Mr. Langdon: Mr. Speaker, it was about a year ago that the joint committee dealing with international relations, in its report, stressed the significance of this issue. It said that it was important for Canada to take some initiative with respect to Third World debt. Yet since that time we have not done anything except stand back and offer mild applause to the Baker proposals in the U.S. To me that is not the exercise of leadership.

I agree with my colleague that this is very much a crisis. I stressed that in my speech and I hope very much that banking strategy does emerge finally from the Government and that it recognizes the centrality of the question and the importance of responding to it.

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

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I am more than anxious to engage in this debate but I note it is one minute to five. If you would like to call it five o'clock and go to Private Members' Business, then I would be prepared to resume at eleven o'clock tomorrow.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to calling it five o'clock?

Mr. Blenkarn: No.

Mr. Axworthy: Mr. Speaker, I am more than happy to fully engage the House in debate for the next 45 seconds. Considering that the Hon. Member for Mississauga South (Mr. Blenkarn) is such a complimentary parliamentarian, I am sure we will be in a position to offer him a similar courtesy at the appropriate time. I guess we have got used to the courtesies we have received from the Hon. Member for Mississauga South.

What we are talking about here is legislation which forms only a small part of what has been heralded as a major thrust towards banking reform. Unfortunately, when one asks about banking reform, one has to ask where the policy is. All we are getting is bits and pieces, small particles which do not add up to a whole.

Are you about to get to your feet, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Yes.

Mr. Axworthy: Fine. I will resume my speech tomorrow. I thank the Hon. Member for Mississauga South (Mr. Blenkarn) for his stupidity.

The Acting Speaker (Mr. Paproski): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

ORGANIZED CRIME

ESTABLISHMENT OF ROYAL COMMISSION

The House resumed consideration of the motion of Miss Nicholson:

That, in the opinion of this House, the Government should consider the advisability of appointing a Royal Commission to investigate organized crime in Canada and to include in its report observations and recommendations on:

1. the extent to which organized crime is present and active in Canada, particularly in such activities as drug trafficking and loan-sharking;

2. the extent to which organized crime is connected to the institutions of Canadian society;

3. action taken by the governments of other countries to investigate and curtail organized crime activities;

4. legislation to enable the government to identify and appropriate the proceeds of organized crime;

5. effective and appropriate punishment in instances of organized crime murder conspiracy; and

6. possible guidelines for enforcement agencies in dealing with witnesses against organized crime.

The Acting Speaker (Mr. Paproski): When the motion was last before the House, the Hon. Member for Okanagan North (Mr. Dantzer) had the floor. The Hon. Member for Capilano (Mrs. Collins).

Mrs. Mary Collins (Capilano): Mr. Speaker, I am pleased to rise today to speak on the matter of legislation which, in part, suggests that the Government consider a royal commission to look into organized crime. Her motion also suggests that we should study the proceeds of organized crime. It is that aspect of the motion which I would like to address today because it is apparent that Canada is presently deficient in its ability to battle the scourge of organized crime by confiscating the fruits of crime.

It is apparent that criminals here are able to establish an opulent life-style through the profits from illegal activity and then laugh at the judicial system if caught. This exists because, once apprehended and sentenced, their financial empire continues unaffected by the judicial process. They serve their sentences only to be released to enjoy the benefit of their criminality which remains intact and untouched.

This is unfortunate on two counts. First, it brings the entire administration of justice into disrepute and, second, recognizes that traditional methods of sentencing based on deterrence, both specific and general, are woefully inadequate to deal with the modern phenomena of organized crime.

Police officers with experience in the area of organized crime will advise you of the frustration they feel when they have spent months or years on an investigation which has resulted in a substantial sentence handed down by the court. They know that they and society are laughed at when the criminal is released from the penitentiary to enjoy even increased wealth because of the wise investment of his or her criminal profits. There is a new slogan today: Crime definitely pays.

We should not fool ourselves into believing that this type of activity is limited to the drug trade. Its connections in the area of child pornography, prostitution and illegal gambling are well documented. Extortion and murder are merely the marketing skills of drug traffickers. Any consistent attack on this problem requires legislation against drug profits and other related criminal activity.

Today's modern criminal organization has become a "full service" institution. Anything from insurance fraud to arson is available for a price. It is at that monetary level that legislative initiative must be directed. It is the life-blood of the criminal enterprise. If it is cut off, the body that feeds it will die.

There is another aspect of this problem which bears mentioning as well. It is now becoming apparent that these criminal organizations have an impact that is not limited to police and health concerns. There is an economic and political element which is most disturbing. I refer to the recent newspaper articles which detailed the description of such organizations as the Medellin cartel in Colombia. This group is not only the source of much of the drug trade that is generated in the South American country of Colombia, but it also appears that this group is powerful enough to affect the stability and, therefore, the independence of that democracy. It lives by terror and assassination as a means of retaliation for any arrests of its members.

The Government and the judiciary of Colombia have been victims of these attacks, and it is obvious that this group is powerful enough to be a threat to the very continued existence of the Colombian state. All this terror is financed by the cocaine trade, 80 per cent of which comes from North America. Canada, along with other western nations, is financing the destruction of this democracy by enabling domestic criminal organizations to enjoy and enlarge their financial empires.

Organized Crime

The United Kingdom has recently endeavoured to deal with the problem of criminal profits by the passage of the Drug Trafficking Offences Act, 1986, which came into effect on January 12, 1987, and the introduction of Part IV of the Criminal Justice Bill, which received second reading on November 27, 1986.

Both pieces of legislation deal with the confiscation of criminal profits. All drug offences are targeted, as are all other indictable offences which have generated a minimum of £10,000 in profit. The courts are given power to seize and/or restrain criminals' property pending trial and the ability to substitute assets if the criminal assets have been put out of reach of the court's hands. There is also provision for the recognition and enforcement of foreign orders for confiscation of assets that have been traced to the United Kingdom.

On this note it is interesting to recognize that the United States recently amended its confiscation laws to target substituted assets and to develop a scheme of equitable sharing with countries that have been instrumental in assisting in the targeting of assets in that country which have come from offshore criminal activity. This underlines the international aspect of today's criminal activity and the fact of life that the flow of criminal assets ignores all borders. It is as fluid as any of our multinational corporations.

In conclusion, while I believe there is some merit to having a royal commission study the extent of organized crime in Canada, the establishment of such a process should not delay the introduction of an effective legislative apparatus to confiscate the proceeds of crime, a scheme which has the endorsement of the Government and the Attorney General.

The time for action on this point has arrived. Any further delay will distance Canada from the efforts of virtually all other western democracies to limit the growth of these criminal empires. The absence of such legislation in Canada would give us the appearance of a haven for criminals in such activities as compared with our international partners.

I know it is the Minister's priority, and it should be the priority of this House, to introduce as quickly as possible strong, effective legislation to deal with the confiscation of profits of the criminal element.

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, the motion presented by the Hon. Member for Trinity (Mrs. Nicholson) which proposes appointing a royal commission of Inquiry on organized crime in Canada is, I think, at least as far as the intent of the motion is concerned, based on the assumption that organized crime exists in Canada and this despite that memorable cliché that crime does not pay. It has been said time and time again, I learned it when I was in school, and I have even heard it on television as a slogan: crime does not pay. Mr. Speaker, if crime did not pay, there would be no crime. When our policemen tell us proudly that 62 per cent or 50 per cent or 45 per cent of the crimes committed in this country are solved, there are still 50 per cent that are not, and in many cases they have paid very well indeed. The concept that crime does not pay just does not wash, Mr. Speaker.

Of course, when you get caught, it is another story. In any event, what the Hon. Member wanted to point out is that it is absolutely necessary to fight organized crime. Mr. Speaker, it would be nice if the Hon. Member had been here today to defend her Bill, because the Liberal benches are not exactly crowded today. For the last 15 minutes I have not seen a soul. However, Mr. Speaker, the underworld exists—

• (1710)

[*English*]

The Acting Speaker (Mr. Paproski): I had hoped the Hon. Member would not mention the attendance of anyone in or out of the Chamber. They may be behind the curtain or watching the Hon. Member on television.

[*Translation*]

Mr. Hamelin: Mr. Speaker, your attitude to the Opposition is most charitable.

Mr. Speaker, there is an underworld in Canada. There are people who, as we say in Quebec, would kill their mother to go to the orphan's dance. There are people who will stop at nothing. The end justifies the means, however sordid. The concept of gain, of venality is so ingrained that they stop at nothing to get what they want. They will stop at nothing to organize crime, to make it into a regular system, to institutionalize it. Actually, Mr. Speaker, the underworld, however somber and sordid, has become part of our world as well. Mr. Speaker, many people cannot help admiring the way certain criminals or gangsters pull off a particularly successful coup.

Who could resist making a good bargain at a certain point, Mr. Speaker, buying the little gold watch at an absolutely unbeatable price? Of course, when it has been stolen, there is a problem, but we don't even question that.

This is a good time of the year to talk about income tax. Well, Mr. Speaker, we all try to cheat the income tax system a little now and then. Organized crime exists because the seed of crime is present in all of us.

My colleague also asks for a Royal Commission on organized crime in Canada. Organized crime is organized not only in Canada, but in the United States, in South America, and, why not, in Iran, in Thailand, just about everywhere? This Commission should work in every direction, as brilliantly demonstrated by CECO, the Quebec Commission on Organized crime, by catching a few leaders or a few gangs! Organized crime has its roots a bit everywhere in the world. Therefore, what we need is not a Royal Commission on organized crime in Canada but maybe an international commission of inquiry, but at what cost?

Furthermore, if we want to know the way organized crime operates, how it works, I think it has been known for a long time to our policemen. I think it is not very useful to explain all the tricks those people use to get what they want. I think the problem comes mainly from our Criminal Code, Mr. Speaker.

We live in a society which has a lot of respect for the individual. We have our Charter of Rights. We talk about human rights, but our system that shows enormous respect for those rights treats with the greatest care men and women who are known criminals, underworld figures who come to court dressed up to the nines, who demand the best consideration and have committed a countless and unbelievable number of crimes very difficult to prove. That is a problem. Our policemen have to get almost ironclad evidence confirmed by eyewitnesses. It is extremely difficult to get criminals convicted. Policemen are at their wits' end. They have thick records on some people whose guilt is impossible to prove in court. It is extremely difficult to get a conviction. And our judicial system that is undoubtedly too generous, too permissive, allows those individuals to go scot-free all too easily. Often our whole parole system comes into play, and so on and so forth. Those underworld leaders keep at their job, their line of work. Imagine, we call that a line of work! We say: They work in their field. As you see, it is institutionalized indeed.

Personally, Mr. Speaker, despite my colleague's concerns, I feel the case has been made, it would be a waste of money. What would such a commission cost? Fifteen million dollars? Twenty million dollars? What use would it have? Drafting beautiful and thick reports only to shelve them. For a while, of course, the exercise could upset the underworld and a few heads could roll with additional investigators and endless prosecutions.

I think it would be better for this money to assist our police which, generally speaking, do an excellent work. I wish to commend the *Sûreté du Québec*, and the Royal Canadian Mounted Police well known for their good name. With this money they could set up more specialized teams, increase their communications network, strenghten their international relations and communications, and equip themselves with state of the art tools in an effort to finally capture these underworld kingpins and dismantle organized crime.

Mr. Speaker, we should all work together towards amending our Criminal Code, making it more relevant and seeing that the work of our policemen bring these individuals the sentences they deserve.

I as well as police officers often wonder, Mr. Speaker, about the value of our system which like an huge net, lets bigger fish go through all the time and in greater number. It seems that only the small fish get caught. The sharks are the ones that escape, Mr. Speaker. Such is our system. We compare justice to a huge net where all the fish get trapped but for fear of condemning an innocent we release a few. What I find interesting is the fact that the big sharks manage to go through this net and the small fish, the little guy, the diminutive get caught easily.

I agree with my colleague that the appropriation of the proceeds of organized crime could help us effectively and actively fight this criminal element of our society by providing us the necessary financial and manpower resources to stand up to it in the most direct way.

[*English*]

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, that is a tough act to follow, but I will try. I am pleased to participate in the debate on the motion put forward by the Hon. Member for Trinity (Miss Nicholson) that a royal commission be established to investigate organized crime in Canada.

The Hon. Member for Trinity has set out a number of suggested terms of reference for this royal commission into organized crime, and I want to take this opportunity to say a few words about the extent to which we as a society should be examining our system of justice to ensure that, in fact, it reflects the principles of equity and fairness and those principles which should be at the heart of an effective system of justice so that it is not one that primarily targets those who are most vulnerable and weak in our society.

Let me begin by quoting from Jessica Mitford, a well-known author who wrote the following in 1973 in a book entitled *Kind and Unusual Punishment*:

> Envision, if you can, a prison system populated primarily by the white and well-to-do, convicted of crimes that are peculiar to the affluent: price-fixing, product adulteration, industrial pollution, criminal neglect of industrial safety standards—(knowingly selling unsafe automobiles) violation of the minimum wage laws. That this notion seems like the wildest flight of fancy is already a commentary on the class character of the prison system.
>
> It is axiomatic that as long as privileges of class and colour prevail in a society, this state of affairs will be reflected in its prisons and will determine who coerces whom.

● (1720)

I think those words are accurate and well founded just as were the words of the Chief of Police in suburban Saanich, British Columbia, John Post. He said, and I quote:

> You see very few privileged people in jail, . . . The old saying that there is a law for the rich and a law for poor is alive and well.

My colleague, the Hon. Member for Charlevoix (Mr. Hamelin) talked about the big fish and the little fish and the fact that the big fish are very seldom caught by the net. I think on that point, if not on all of the points he made, I am in agreement. I think there are many examples of this.

I recently had the honour of being invited to speak as a graduation speaker at the Matsqui Institution campus of Simon Fraser University in British Columbia. Simon Fraser offers a very excellent program on post-secondary education. As I looked around at that captive audience, as it were, I asked myself how many of those prisoners were there because they had broken Canada's laws with respect to the environment, because they had polluted our waters or poisoned our lakes and streams. How many of those prisoners were there as a result of corporate negligence? How many of them were there as corporate executives who, through their negligence, took actions which resulted in the death or serious injury to workers?

We know that some 700 people in 1984 died in the workplace. So when we talk about organized crime and white-collar crime, I think it is important that we not lose sight of how we as a society define crime. I suspect that not many of the prisoners in that particular institution, or in any other institution in Canada, were responsible for manufacturing unsafe or hazardous products. However, corporate executives, in their desire for profit, manufactured flammable children's night-gowns and automobile executives manufactured automobiles they knew were dangerous and a risk to the safety of society.

Finally, when we talk about organized crime and white-collar crime, I think it is important to note as well that there has been quite a significant increase in the level of this type of crime. As long ago as 1980, it was revealed that the level of white-collar crime in Canada was increasing dramatically. Over $1 billion a year, for example, was lost in insurance fraud alone. In 1972, the RCMP had about 2,500 active files on white-collar offences. At the end of 1978, some six years later, there were in excess of 10,000 files. So when we talk about crime and an increase in the level of crime in our society, we must not lose sight of white-collar crime as well and the extent to which our society is still not prepared to tackle that as a serious problem.

There are many examples of this crime, whether it be security-related fraud, embezzlement, pilferage, insurance fraud, computer assisted crime, commercial counterfeiting of parts or, indeed, of money, arson and a whole range of similar crimes. The offence of pollution is a very serious one, yet our society still does not take it seriously enough. It is ironic that back in 1307 the penalty in England for violating air pollution standards was capital punishment. In 1986 the maximum fine a Canadian court could impose for an offence under the Federal Fisheries Act was $50,000. I have not heard the Hon. Member for Peterborough (Mr. Domm) suggest that we string up corporate executives who are responsible for pollution, for destroying our environment or responsible, through negligence, for the death of workers. No, the Hon. Member is silent on that particular matter.

What about the corporations which are responsible for selling hazardous and unsafe goods? Canada Packers in 1981 pleaded guilty to selling a contaminated drug which was potentially lethal for pregnant women. Did those corporate executives who were responsible go to jail? Of course not. They were fined the maximum fine under the Food and Drugs Act of $5,000. They were fined $5,000 for selling contaminated drugs which were potentially fatal for pregnant women.

Our society has to re-examine the way in which we define crime. We have to examine as well those who are in fact prosecuted for crimes. My colleague, the Hon. Member for Trinity (Miss Nicholson), has put forward a motion with respect to the particular role of organized crime. She has focused on the extent of the involvement of organized crime in a number of areas, including drugs, loan sharking and other illegal activities.

I see my colleague the Hon. Member for Mégantic—Compton—Stanstead (Mr. Gérin) is in the House. I think it is interesting to note that he and some of his colleagues from the Province of Quebec have urged the Government to take action with respect to corporate donations to political Parties in order to eliminate the risk that this may lead to corruption, illegality and wrongdoing, and I congratulate the Hon. Member for bringing forward this proposal. I think it is an excellent one and one we should be looking at it in the context of our discussions on white-collar crime.

Surely, as well, we have to ask ourselves how it is that organized crime makes these massive profits. We know that its profit is something in the order of $10 billion a year and of that $10 billion, drugs are the big money makers at more than $9 billion a year. Surely we should ask ourselves whether our approach to drugs in Canada is one which ultimately results in incredible profits for a small number of people at the highest possible level, and if we should not take another look at our drug laws. Are they effectively serving our community or just serving the interests of a very small number involved in organized crime?

Similarly, organized crime is involved in other activities, including prostitution, pornography, theft, counterfeiting and fraud. As a result of the tabling of recent pornography provisions in this House, I suspect we may even see a greater role for organized crime. This Government has failed miserably to make that fundamental distinction between erotica and pornography which is so essential. In not doing so, the Government will drive it underground right into the hands of organized crime.

I suggest that we as a society must re-examine our priorities with respect to criminal law and recognize that there must not be any longer one system of law for the rich and the powerful and another quite different system of law for those who are poor and powerless.

Recently, three corporate officials in Illinois were convicted of murder as a result of the intentional causing of the cyanide poisoning deaths of employees through unsafe work practices. The corporate boardroom surely cannot be exempt from the reach of criminal law, and I would hope that any royal commission which examines the role of organized crime in our society would look very carefully as well at the whole question of white-collar crime during the course of that much needed examination.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am always interested in initiatives proposed by my colleagues here in the House of Commons about criminal matters. I am particularly supportive of the motion which is before us today moved by my colleague, the Hon. Member for Trinity (Miss Nicholson), which deals with a subject of considerable importance in major urban centres as well as in all parts of Canada. It has to do with the fact and presence of organized crime.

• (1730)

Organized crime is not a new phenomenon by any stretch of the imagination. However, occasionally, its existence is denied in Canada, and then usually within weeks of such denial by someone in authority there is some concrete evidence of it. I believe that organized crime is present in Canada. It is simply the existence of even as small a group as two or more individuals consorting together on a continuing basis to participate in illegal activity either directly or indirectly for gain.

To my way of thinking these are illegal activities which are not logically or necessarily related to each other. They are different types of activities such as those involving drugs and prostitution, the fencing of property, loan sharking and the importation and distribution of pornographic material. I have that type of activity in mind when I think of organized crime. I know that such activity occurs in our country.

I wish to focus on one particular part of the mandate proposed for the establishment of a royal commission to investigate organized crime, since it is quite broad. It includes an examination of the extent to which organized crime is present and active in Canada, particularly in such activities as drug trafficking and loan sharking; the extent to which organized crime is connected to the institutions of Canadian society; action taken by the Governments of other countries to investigate and curtail organized crime activity; legislation to enable the Government to identify and appropriate the proceeds of organized crime; effective and appropriate punishment in instances of organized crime murder conspiracy; and possible guidelines for enforcement agencies in dealing with witnesses against organized crime.

You might find it interesting, Mr. Speaker, if I offer a couple of my own reflections on the subject of organized crime in Canada. It is a business. One of the interesting things that is found in organized crime in Canada is that it tends to resemble in some ways other businesses in one particular sense. Very often it tends to be a branch plant type of operation, as is the automotive industry or the plastics and chemicals industry. We find that such businesses do not appear before FIRA. They do not seek the permission of the Government to take over an existing business or to establish a new enterprise.

It should not be surprising, and it is a fact, that organized crime has a type of branch plant mentality in a great many cases. While in other areas of life we may want to encourage the development of indigenous Canadian businesses, I think in the case of organized crime we are interested in detection, in arrest and in prosecution of the branch plant nature of such operations. More so than with other crimes in Canada which are indigenous we can work in co-operation with other good, effective police forces in other countries to identify the kingpins and the agents who are involved in the operation to bring them to justice.

I want to express some criticism now of the failure of the Government to deal with the area of developing Criminal Code responses to organized crime in Canada. This is basically covered by the third and fourth parts of the Hon. Member's motion, but more particularly in part No. 4. What I think is needed are more tools to fight organized crime. When the Prime Minister of Canada (Mr. Mulroney) identified drugs as an epidemic in Canada, I thought what he might do to validate the expression of such a concern is to bring forward a number of new legislative tools for fighting organized crime. The most obvious example, something that we have in Canada in only a very preliminary and modest way in the Criminal Code, is the RICO legislation which is in effect in the United States. RICO is an acronym for Racketeer Influenced Corrupt Organization.

In the United States when an organized criminal or kingpin in crime is found, new legislation enables prosecutors to go after not only the criminal assets that are used in a criminal business but other assets that have been purchased with the proceeds of such crime, including other businesses. Perhaps we have all read of the American endeavour to take over by law enforcement agencies bakeries, laundries, airplanes, boats and so on used only very peripherally, if at all, in connection with a criminal operation but purchased with the proceeds of organized crime, and to take over, in particular, bank accounts. In Canada, bank accounts have a sanctity which in some ways is larger and more holy than bank accounts in Switzerland or in the West Indies. I know that bankers in this country are good Canadians who want to comply with the laws of the land and who do comply with our laws. However, I think they could benefit, and it would assist them in preventing organized crime from using banks and exploiting their facilities, if there were an easier way than there is at present in the law to seize a bank account when a certain level of evidence can be given that organized crime is responsible for the money in the account, that it is used in crime or derived from it.

I wish to see this debate move forward. I know there are other Hon. Members who wish to speak. Therefore, I would like at this time to move an amendment to the motion by adding at the end thereof the following:

"and that the Royal Commission report back within six months of its appointment."

The Acting Speaker (Mr. Paproski): The Hon. Member's amendment is in order.

The Chair recognizes the Hon. Member for Saskatoon East (Mr. Ravis) on debate.

Mr. Don Ravis (Saskatoon East): Mr. Speaker, the Hon. Member for Trinity (Miss Nicholson) is to be commended for her interest in the extent to which organized criminal conspiracies are at work in Canada today. I am certainly pleased to speak in favour of her motion. The Hon. Member is a Member whom I have come to know over the last two and a half years in the House of Commons through a committee on which we serve. I have a lot of respect for the work that she does here in the House of Commons.

I have considered the remarks and views advanced by Members of the House when the matter was first discussed on March 12 last. Organized crime can be compared to a cancer intruding into the body of Canadian society. As was noted previously, the activities attributed to criminal organizations have taken many forms in the past and can be expected to continue to exploit and prey upon the weak and easily corrupted. I do not believe that any in this House would doubt that the influence of organized criminal activity permeates throughout Canadian society. No part of Canada is immune to its tentacles. The presence of narcotics in the Far North is clear evidence of this. Through such activities as drug trafficking, the leeches of the criminal world are sucking the life-blood from our youth and ruining the lives of their loved ones.

Canadians are a strong and virtuous people. They may be surprised to learn to what extent organized crime has spread through the body of our society. It is indeed unfortunate that so many have been seduced by the lure of wealth and high living as portrayed in such media creations as *Miami Vice* to believe that they too might consider participating in such endeavours. The glamour is a fantasy. The reality is the suffering of exploited victims, the suffering of families, the suffering of those within the criminal organizations who serve those at the top of the pyramid.

• (1740)

An individual involved in organized crime today is likely to be outfitted in a grey business suit and his or her influence is likely to be as far-reaching as that of an important industrialist. He or she is not likely to be flamboyant and would be largely invisible to his or her fellow Canadian, but that makes his or her power for evil even greater.

The financial cost of organized crime is not limited to the vast illicit profits made through drug trafficking. When these people worm their way into legitimate businesses, the cost is borne by the public. One of the reasons for flourishing criminality is the lack of awareness on the part of the general public. The public is often the innocent accomplice of criminal schemes.

If the purpose of the proposed royal commission would be to highlight the efforts of the police, courts and others dedicated to fighting crime as well as to expose the true dimensions of organized crime so that illegal activities are unmasked, then there might be some positive results from the exercise. It may well be that the general public would learn things that are at present only known by criminal justice officials. Perhaps this information could be relied upon to support the passage of legislation required to combat organized crime in Canada. As well, it might be that a heightened awareness would enable Canadians to do what they can on an individual level to reduce the profitability of organized crime.

I was greatly impressed with what the Hon. Member for Lethbridge—Foothills (Mr. Thacker) said on March 12 of this year with regard to the number and variety of areas in which the present Government is actually moving, both internationally and on the domestic front, to deal effectively with the threat posed to Canada by organized crime. As was stated during the first reading debate, there is already considerable movement at the federal level with officials of the Department of Justice and the Ministry of the Solicitor General discussing possible initiatives with their provincial counterparts. The task of improving the existing legislation while enhancing the capabilities of law enforcement agencies is well under way, and it is for this reason that I question the need for such a royal commission at this time.

I would like to caution both the Department of Justice and the Ministry of the Solicitor General to waste no time making these changes. I think the Canadian public is growing very impatient. The Archambault report was handed down a matter of four weeks ago and I read it with interest because of the capital punishment debate which is now going on in the House of Commons. The report says in essence that Canadians have lost confidence in the justice and penal systems. The systems have no credibility. Too many people are going to prison for minor crimes but not enough people who commit serious crimes are given sentences that really mean what they say. Too many people are being paroled from prisons when in fact they should probably be receiving longer sentences and serving full sentences. I say in not too light a vein that the justice and penal systems should certainly be reviewed with the greatest of haste.

By way of conclusion, I put forward my belief that all Hon. Members of the House appreciate the great concern over the extent of organized criminal activity in Canada voiced by the Hon. Member for Trinity. Further, we share her desire to see the Canadian criminal justice system rendered into an effective means of addressing this problem. It has been a pleasure for me to speak on today's Private Members' Motion because, as I said a moment ago, I think it relates very much to many other issues we are discussing in the House of Commons at this time and particularly to the whole issue of the justice system which I feel should certainly be reviewed.

[*Translation*]

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I would suggest that the motion is well intentioned because nobody in Canada is in favour of organized crime. Quite the contrary, all of us would want any kind of crime, not only organized crime but any crime whatever disappear from the life of Canadians, all the more so of course when we are dealing with an organization which implies constant premeditation, therefore a crime we want to fight against with even more dedication. The Hon. Member for Trinity (Miss Nicholson) is sponsoring a motion urging the House and recommending to the Government that a royal commission be appointed to investigate organized crime, a well intentioned motion if I ever heard one. However this raises a number of other problems because speaking of a royal investigation commission, Mr. Speaker, we have had some on other subjects, including at the provincial level. In Quebec, for example, the Commission of Inquiry on Organized Crime or the other one on tainted meat immediately springs to mind, but they did create rather serious problems for society.

A royal commission of inquiry is a very expensive tool. Today I note that the Liberal Member who spoke proposed an amendment to the motion of his colleague so that the royal commission of inquiry would complete its work within six months. I can understand why they would amend their own motion, precisely because they know full well that most of the time a royal commission of inquiry moves very slowly and takes years before producing a report. So in that sense one is justified to wonder whether it is the best way to fight against crime or against organized crime.

The process of that royal Commission is extremely costly and time consuming, as well as highly contentious because it ignores in most cases some of the basic rules of evidence which Canadians take pride in, which are traditional rules in our whole legal system and are used to protect people, to uphold the most basic rights of people, namely that anyone is deemed innocent and that no one can be declared guilty unless he has been deemed innocent in the first place. However, when a Royal Commission inquires into organized crime, for instance, it attracts so much public attention that anyone who is summoned to testify before that commission is indicted by the people without being given an opportunity to defend himself, to take advantage of the rules governing evidence which are provided in the Canadian legislation and the Canadian Charter of Rights and Freedoms. I therefore think, Mr. Speaker, that we should have some second thoughts about this before we decide to support the establishment of such a Royal Inquiry commission.

Moreover, and I read again paragraphe 5 of the motion, the Royal Enquiry Commission, according to the Liberal member, should include in its report observations and recommendations on:

> 5. effective and appropriate punishsment in instances of organized crime murder conspiracy;

As you know, Mr. Speaker, such a statement is totally irrelevant in a motion because if there is evidence that people, whether they belong to organized crime or not—this distinction is irrelevant again—have conspired to commit murders, if such evidence is in the hands of our police departments, there is no need for a Royal commission: Let those people be charged right away under the Criminal Code, without waiting six months, a year, or two years before they are charged and taken into custody. It is not clear what the Liberal member is attempting to do with this Royal commission of Inquiry. If she has evidence that people, whether they belong to organized crime or other associations, have conspired to commit murders, let them be indicted and sentenced, but let that happen now, and not in two years time.

Mr. Speaker, as several members mentioned earlier, organized crime derives its profits mostly from the sale of narcotics. It is everybody's secret, as you know, and it is also a well-known fact that criminals are usually engaged in criminal activities because there is some profit to be derived, and when a profit is at hand, criminals get organized to derive even greater profits. However, Mr. Speaker, although we do agree that the problem lies with the sale of narcotics, we should also agree that Canadian police forces have a number of efficient strategies at their disposal to deal with the sale and traffic of narcotics.

Let me just mention off the cuff a few of those instruments that are in the hands of police forces, to show that there is no need for a Royal Inquiry commission to tell us again what is already being done at the present time. Electronic eavesdropping exists and we use it, although it could possibly be used more. All police forces in Canada, even undercover agents, Mr. Speaker can use it. I am a lawyer, and I have seen on many occasions, during proceedings, that entire organizations had been destroyed through the use of undercover RCMP officers! Information obtained from repentant criminals allows also the police to make some good hauls. We could probably improve somewhat the means given to the police. If those who have the legal means to stop drug trafficking had more money, they could increase electronic surveillance, raise the number of officers to be trained as undercover agents and also the number of border guards.

My riding has 200 kilometres of border. Do you know how many RCMP officers there are to cover these 200 kilometres? Only three. How can they be blamed if they let some drug enter Canada! Here is an area where we could act.

One of the things which have been suggested and that the Government will probably propose in the next few weeks or months is to seize the profits from crime. If you do that, you undermine the foundations of organized crime. We could also, Mr. Speaker, and I am in favour of it, increase the sentences. We could raise the minimum prison term to seven years for importation of drugs into Canada, as we have seen that it can be effective.

The importer will know that he will not have a smile from the judge, he will not be given a reprimand, he will not be put on probation, he will not be fined, he will not get a month in jail. If he imports drugs into Canada he will get a seven-year prison term. If we were going to do the same for all drug related crimes, Mr. Speaker, we would see a lowering of the rate of that type of crime.

Mr. Speaker, the Hon. Member for Burnaby (Mr. Robinson) mentioned the efforts I have made to abolish contributions to political parties. I thank him for his kind words, but I do not see the connection with organized crime. But even so I want to take this opportunity, Mr. Speaker, to tell him that I thank him for supporting the efforts that I make. However, I must stress that these efforts were to the effect of preventing not only corporations or associations but unions as well from making contributions to any political group. And God knows how many such contributions the New Democratic Party receives from unions, from labour organizations.

So, rather than bringing up that point in a debate that does not concern that, I suggest the Hon. Member should talk his own party into approving the propositions that I have always advocated.

Mr. Speaker, the motion put forward by the member for Trinity is based on a very good intention, but the means that she proposes is certainly not the best, at this time, to fight organized crime.

• (1750)

[*English*]

Mr. Gauthier: Mr. Speaker, I know you would like to change the seconder of the motion before we proceed with the debate.

The Acting Speaker (Mr. Paproski): That is correct. I notice that the Hon. Member for Ottawa—Vanier (Mr. Gauthier) seconded the main motion, and I recognize that the Hon. Member for Bourassa (Mr. Rossi) is the seconder of the motion of the Hon. Member for York Centre (Mr. Kaplan).

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, it is with considerable interest that I take part in today's debate. Although I am not a lawyer, a criminologist or a former police officer, I take part with great interest in this debate and I wish to congratulate the Hon. Member for Trinity (Miss Nicholson) for her initiative. I hold this Hon. Member in high esteem, having learned to appreciate her as a member of the public accounts committee of which she is the chairperson and where she does an excellent job.

Moreover, I wish to indicate that as a member of our Standing Committee on Private Members' Business, I received this motion which much interest, just as the other committee members did. There is a wide concensus to allow the House to debate this motion as moved.

Yet, I wish to take this opportunity to indicate that I am against appointing a Royal Commission to investigate organized crime for several reasons, the first of which being that if we held a poll or a referendum from coast to coast to know whether Canadians are in favour of appointing and financing such a Royal commission of Inquiry on organized crime, my impression is that most Canadians would not support it. When we realize the costs . . . the fact is that past Royal commissions have involved enormous costs. Most of the time, these costs amount to several millions of dollars, and for what result, Mr. Speaker? As my friend the Hon. Member for Charlevoix (Mr. Hamelin) said a while ago, they unfortunately end up being shelved without any follow-up.

We can easily imagine the reaction of the Canadian public to such an investigation. We would give them the impression that they are not properly protected against organized crime and that nothing is being done in this country.

In my opinion, there are many Hon. Members who think that there is no evidence that organized crime is more widespread than five or 10 years ago. If one thing is sure, Mr. Speaker, it is that our police forces, whether at the federal, provincial or municipal level, are now better organized and have more sophisticated means to fight against organized crime.

Mr. Speaker, regularly in the headlines and in the newspapers we read about the successful raids of our police force and I think we should now take advantage of this occasion to show them how grateful we really are for fighting against organized crime with such dedication.

Mr. Speaker, the Canadian people could be left with the impression that nothing is being done when in fact it simply is not the case. I believe that our police officers are quite efficient in their fight against organized crime. We will not find the solution there. I see that my time is over. I think that our Criminal Code should be amended and that our courts should come down a lot harder on criminals.

The Acting Speaker (Mr. Paproski): I am sorry but the hour provided for the consideration of Private Members' business has now expired.

[*English*]

Pursuant to Standing Order 36(2), the Motion is dropped to the bottom of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed from Friday, May 1, consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee.

Mr. Speaker: It being six o'clock p.m., pursuant to Standing Order 13(5) the House will now proceed to the taking of the deferred divisions on the report stage motions to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereof.

Call in the Members.

• (1820)

And the division bells having rung:

Mr. Speaker: Accordingly, the first question is on Motion No. 2. Mr. Dingwall moved:

Motion No. 2

That Bill C-22, be amended in Clause 15 by adding immediately after line 34 at page 10 the following:

""research" is exploratory and innovative work undertaken on a systematic basis towards the acquisition of new knowledge in new ways. New knowledge involves the integration of newly acquired information into existing hypothesis, the formulation and testing of new hypothesis or the re-evaluation of existing observations;".

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

(*Division No. 93*)

YEAS

Members

Althouse	Gauthier	McDonald (Broadview—Greenwood)
Baker	Gray (Windsor West)	Murphy
Benjamin	Grondin	Nicholson (Trinity)
Berger	Hopkins	Nystrom
Blackburn (Brant)	Hovdebo	Ouellet
Broadbent	Isabelle	Penner
Cassidy	Kaplan	Riis
de Corneille	Keeper	Robinson
de Jong	Langdon	Rompkey
Epp (Thunder Bay—Nipigon)	MacLellan	Rossi
Foster	Manly	Young —35
Garneau	McCurdy	

NAYS

Members

Andre	Hawkes	Pietz
Attewell	Hicks	Plourde
Bernier	Hnatyshyn	Price
Bertrand	Holtmann	Ravis
Blenkarn	Horner	Redway
Bourgault	Hudon	Ricard
Brightwell	James	Schellenberg (Nanaimo—Alberni)
Browes	Jardine	Scott (Victoria—Haliburton)
Cadieux	Johnson (Bonavista—Trinity—Conception)	Scott (Hamilton—Wentworth)
Clark (Brandon—Souris)	Joncas	Scowen
Collins	Kelleher	Siddon
Comeau	Kempling	Sparrow
Crofton	Kindy	Speyer
Crosbie (St. John's West)	King	Stackhouse
Daubney	Ladouceur	Stevens
Desjardins	Lawrence	Stewart
Edwards	Layton	Taylor
Ellis	Lesick	Towers
Epp (Provencher)	Lewis	Tremblay (Lotbinière)
Fennell	MacDonald (Kingston and the Islands)	Tupper
Ferland	Mailly	Turner (Ottawa—Carleton)
Fontaine	Malone	Vankoughnet
Forrestall	Mantha	Vézina
Fraleigh	Martin	Vincent
Fretz	Mayer	Warner
Gass	Mazankowski	White
Gérin	McKinnon	Wilson (Swift Current—Maple Creek)
Gervais	McKnight	Winegard
Girard	McMillan	Wise
Gottselig	Minaker	Witer—104
Graham	Mitges	
Gray (Bonaventure—Îles-de-la-Madeleine)	Moore	
Greenaway	Nicholson (Niagara Falls)	
Grisé	Nickerson	
Hamelin	Oberle	
Hamilton	O'Neil	
Hardey	Paproski	

Mr. Speaker: I declare the motion lost.

Patent Act

Mr. Gray (Windsor West): Mr. Speaker, you may find, if you inquire, that there will be a disposition by Members of the House to apply this vote to the remaining motions offered by the Official Opposition. This may also be the case with respect to those offered by the New Democratic Party.

Mr. Riis: After a lot of discussion, and some hesitation since we oppose the Bill and would certainly like to have these amendments passed, to facilitate the business of the House we are prepared to co-operate with my hon. colleague, the Member for Windsor West (Mr. Gray), to ensure that this is dealt with as quickly as possible.

Mr. Speaker: The Chair can take judicial notice of the fact that there has been a great deal of discussion. Is it agreed that the division just taken, as recorded, apply to the other report stage motions?

Some Hon. Members: Agreed.

Mr. Speaker: Accordingly, Motions Nos. 3, 4, 5, 11, 12, 14, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43, 44, 45, 46 and 47 are lost.

Mr. Gauthier: Mr. Speaker, you said they were lost, but they will be recorded in *Hansard* as having been taken.

Mr. Speaker: The next question is on Motion No. 3. Mr. Dingwall moved:

Motion No. 3

That Bill C-22, be amended in Clause 15 by striking out lines 13 to 18 at page 11 and substituting the following therefor:

"consumption in Canada".

Motion No. 13

That Bill C-22, be amended in Clause 15 by striking out lines 28 to 32 at page 12 and substituting the following therefor:

"or production of medicine."

Motion No. 15

That Bill C-22, be amended in Clause 15 by striking out lines 3 to 7 at page 13 and substituting the following therefor:

"production of medicine".

The House divided on Motions Nos. 3, 13 and 15 (Mr. Dingwall), which were negatived on the following division:

(*Division No. 94*)

YEAS

Members

Althouse	Gauthier	McDonald (Broadview—Greenwood)
Baker	Gray (Windsor West)	Murphy
Benjamin	Grondin	Nicholson (Trinity)
Berger	Hopkins	Nystrom
Blackburn (Brant)	Hovdebo	Ouellet
Broadbent	Isabelle	Penner
Cassidy	Kaplan	Riis
de Corneille	Keeper	Robinson
de Jong	Langdon	Rompkey
Epp (Thunder Bay—Nipigon)	MacLellan	Rossi
Foster	Manly	Young —35
Garneau	McCurdy	

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motions lost. The next question is on Motion No. 4. Mr. Orlikow moved:

Motion No. 4

That Bill C-22, be amended in Clause 15 by striking out lines 18 to 49 at page 11 and lines 1 and 2 at page 12 and substituting the following therefor:

"for sale for consumption in Canada until the expiration of four years after the date of the notice of compliance."

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

(*Division No. 95*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost.

The next question is on Motion No. 5. Mr. Dingwall moved:

Motion No. 5

That Bill C-22, be amended in Clause 15 by striking out lines 19 to 49 at page 11 and lines 1 and 2 at page 12 and substituting the following therefor:

"(2) The prohibition under Subsection (1) expires in respect of a medicine four years after the date of the notice of compliance that is first issued in respect of a medicine where that notice of compliance is issued after the coming into force of this section."

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

(Division No. 96)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 11. Mr. Dingwall moved:

Motion No. 11

That Bill C-22, be amended in Clause 15 by striking out lines 8 to 14 at page 12 and substituting the following therefor:

"(4) Subsection (1) does not apply in respect of a medicine where

(a) on the day of coming into force of this section a notice of compliance has been issued to the patentee and a licence has been granted under section 41 in respect of the medicine but no notice of compliance has been issued to the licensee; or

(b) on the day of coming into force of this section a notice of compliance has been issued to the patentee and a notice of compliance has been issued to a person other than the patentee but no licence has been granted; or

(c) on the day of coming into force of this section, a notice of compliance has been issued to the patentee but no notice of compliance or licence has been issued to a person other than the patentee."

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

(Division No. 97)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan

Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 12. Mr. Orlikow moved:

Motion No. 12

That Bill C-22, be amended in Clause 15 by striking out lines 11 to 14 at page 12 and substituting the following therefor:

"licence has been issued in respect of the medicine or a notice of compliance in respect of the medicine has been issued to a person other than the patentee."

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

(*Division No. 98*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 14. Mr. Orlikow moved:

Motion No. 14

That Bill C-22, be amended in Clause 15 by striking out lines 41 to 49 at page 12 and lines 1 to 10 at page 13 and substituting the following therefor:

"41.14 (1) Notwithstanding anything in section 41 or in any licence granted under that section, where a patentee of an invention pertaining to a medicine gives notice in the form and manner prescribed to the Commissioner, within six months after

(a) the date on which this section comes into force, where the notice of compliance that is first issued in respect of the medicine is issued after June 27, 1986 and before the date on which this section comes into force, or

(b) the date of the notice of compliance that is first issued in respect of the medicine, where the notice of compliance is issued after the date on which this section comes into force, that the patentee intends to make the medicine in Canada for the purposes of completely or substantially supplying the Canadian market for that medicine, the Commissioner shall, by order, declare that this subsection applies in respect of the invention, and in such case, while the order remains in effect, no person shall, under a licence granted under section 41 in respect of a patent for an invention pertaining to the medicine, have or exercise any right,

(c) where the invention is a process, to use the invention for the preparation or production of medicine, or

(d) where the invention is other than a process, to make or use the invention for medicine or for the preparation or production of medicine for sale for consumption in Canada, until the expiration of 10 years after the date of the notice of compliance that is first issued in respect of the medicine.

(2) Every patentee who has given a notice to the Commissioner under subsection (1) shall provide the Commissioner with

(a) in such form and manner and at such times and subject to such conditions as are prescribed, information and documents concerning the medicine-making activity to which the notice relates; and

(b) such additional information or documents with respect to the matter referred to in paragraph (a) as the Commissioner may require, within such time as the Commissioner may specify.

(3) Where, after providing every person against whom an order of the Commissioner under this subsection is proposed to be made with a reasonable opportunity to be heard, the Commissioner finds that a patentee in respect of a medicine

(a) has failed to provide information or documents in accordance with subsection (2),

(b) has not commenced making in Canada the medicine that is the subject of the notice under subsection (1) within two years after the date of the notice of compliance that was first issued in respect of the medicine, or

(c) after the two years referred to in paragraph

(b), is not making in Canada the medicine that is the subject of the notice under subsection (1) so as to completely or substantially supply the Canadian market for the medicine, the Commissioner may, by order, direct that, effective on the coming into force of the order, the prohibition set out in subsection (1) ceases to apply in respect of the medicine and, in any case where paragraph (b) applies, the Commissioner may also by such order direct that the prohibition set out in subsection 41.11(1) ceases to apply in respect of the medicine effective on the coming into force of the order."

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

(*Division No. 99*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 16.

Mr. Orlikow moved:

Motion No. 16

That Bill C-22, be amended in Clause 15 by adding immediately after line 15 at page 13 the following:

"(3) Subsection 41.14(1) does not apply in respect of any licence or application for licence under section 41 where the Commissioner finds that the licence that has been obtained or is sought by a person is necessary to the utilization, for the manufacture and sale of a medicine, of a biological process patented by the person, or for which a patent has been applied, and the process has been invented and developed by the person in Canada to such extent as is prescribed."

The House divided on the motion (Mr. Orlikow), which was negatived on the following division.

(*Division No. 100*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kelleher
Kempling
Kindy

King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 17. Mr. Dingwall moved:

Motion No. 17

That Bill C-22, be amended in Clause 15 by striking out lines 17 to 20 at page 13 and substituting the following therefor:

"tion pertaining to a medicine shall provide, every three months, the Board with

(a) in such form and manner and subject to such condi-".

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

(*Division No. 101*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 18. Mr. Dingwall moved:

Motion No. 18

That Bill C-22, be amended in Clause 15 by striking out line 28 at page 13 and substituting the following therefor:

"ing the medicine in Canada and elsewhere, where such informa-".

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

(*Division No. 102*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins

Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 19. Mr. Dingwall moved:

Motion No. 19

That Bill C-22, be amended in Clause 15 by striking out lines 12 to 14 at page 14 and substituting the following therefor:

"(ii) any other patents of the patentee for inventions pertaining to medicine, whether granted".

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

(*Division No. 103*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 21. Mr. Dingwall moved:

Motion No. 21

That Bill C-22, be amended in Clause 15 by striking out lines 17 to 28 at page 14.

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

(*Division No. 104*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 22. Mr. Dingwall moved:

Motion No. 22

That Bill C-22, be amended in Clause 15 by striking out lines 44 to 46 at page 14 and substituting the following therefor:

"price that is excessive, the Board shall take into consideration the following".

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

(*Division No. 105*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 23. Mr. Orkikow moved:

Motion No. 23

That Bill C-22, be amended in Clause 15 by striking out lines 48 and 49 at page 14 and lines 1 to 29 at page 15 and substituting the following therefor:

"(a) the costs of making and marketing the medicine; and

(b) the Industry Selling Price as published by Statistics Canada under the authority of the *Statistics Act*."

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

(*Division No. 106*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 24. Mr. Dingwall moved:

Motion No. 24

That Bill C-22, be amended in Clause 15 by striking out lines 12 to 29 at page 15 and substituting the following therefor:

"tion;

(d) the Consumer Price Index as published by Statistics Canada under the authority of the *Statistics Act*

(e) the direct costs of making and marketing the medicine; and

(f) such other factors as are prescribed or, in the opinion of the board, are revelant in the circumstances."

Patent Act

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

(*Division No. 107*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 25. Mr. Dingwall moved:

Patent Act

Motion No. 25

That Bill C-22, be amended in Clause 15 by striking out lines 21 to 23 at page 15 and substituting the following therefor:

"price that is excessive, the Board shall take into consideration the following".

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

(Division No. 108)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motions Nos. 26 and 27. Mr. Dingwall moved:

Motion No. 26

That Bill C-22, be amended in Clause 15 by adding immediately after line 42 at page 15 the following:

"public as prescribed by regulation, the".

Motion No. 27

That Bill C-22, be amended in Clause 15 by striking out line 47 at page 15 and substituting the following therefor:

"(c) and the public and such minister is entitled to".

The House divided on the motions (Mr. Dingwall), which were negatived on the following division:

(Division No. 109)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski

McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motions lost. The next question is on Motion No. 28. Mr. Dingwall moved:

Motion No. 28

That Bill C-22, be amended in Clause 15 by striking out line 5 at page 16 and substituting the following therefor:

"sioner shall forthwith publish the ruling and shall concurrently inform the holder of".

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

(Division No. 110)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 30. Mr. Dingwall moved:

Motion No. 30

That Bill C-22, be amended in Clause 15 by striking out lines 15 to 17 at page 17 and substituting the following therefor:

"shall provide every three months the Board with

(a) in such form and manner and subject to such condi-".

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

(Division No. 111)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass

Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on motion No. 31. Mr. Dingwall moved:

Motion No. 31

That Bill C-22, be amended in Clause 15 by striking out lines 6 to 17 at page 18.

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

(*Division No. 112*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 32. Mr. Dingwall moved:

Motion No. 32

That Bill C-22, be amended in Clause 15 by striking out lines 21 to 24 at page 18 and substituting the following therefor:

"the order."

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

(*Division No. 113*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 33. Mr. Orlikow moved:

Motion No. 33

That Bill C-22, be amended in Clause 15 by striking out line 27 at page 19 and substituting the following therefor:

"relates, in which case this part of the hearing is deemed private by the Board or Commissioner but the hearing shall resume in public once the information or documentation is dealt with."

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

(*Division No. 114*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 34. Mr. Dingwall moved:

Motion No. 34

That Bill C-22, be amended in Clause 15 by adding immediately after line 18 at page 20 the following:

"(4) Notwithstanding anything in subsection (1), all rulings of the Board shall forthwith be made public, in a manner prescribed by regulation."

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

(*Division No. 115*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong

Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 35. Mr. Dingwall moved:

Motion No. 35

That Bill C-22, be amended in Clause 15 by striking out lines 26 to 28 at page 20 and substituting the following therefor:

"cine Prices Review Board consisting of 5 members to be appointed by the Governor in Council.

(2) A majority of members shall constitute a quorum of the Board."

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

(*Division No. 116*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 36. Mr. Dingwall moved:

Motion No. 36

That Bill C-22, be amended in Clause 15 by striking out lines 25 to 29 at page 21.

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

(Division No. 117)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 37. Mr. Dingwall moved:

Patent Act

Motion No. 37

That Bill C-22, be amended in Clause 15 by striking out line 7 at page 23 and substituting the following therefor:

"under section 41.15 or 41.16 and shall".

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

(Division No. 118)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay (Lotbinière)
Tupper

Turner (Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 39. Mr. Dingwall moved:

Motion No. 39

That Bill C-22, be amended in Clause 15 by striking out lines 20 and 21 at page 23 and substituting the following therefor:

"tion pertaining to a medicine shall, every three months, in such form and manner and".

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

(Division No. 119)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 40. Mr. Orlikow moved:

Motion No. 40

That Bill C-22, be amended in Clause 15 by striking out lines 30 to 33 at page 23 and substituting the following therefor:

"medicine;

"(c) expenditures made by the patentee in Canada towards the cost of research and development relating to medicine; and

(d) expenditures to be made by the patentee in Canada towards the cost of research and development relating to medicine to the years 1990 and 1995 respectively."

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

(Division No. 120)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy

King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 41. Mr. Dingwall moved:

Motion No. 41

That Bill C-22, be amended in Clause 15 by striking out lines 3 to 8 at page 24 and substituting the following therefor:

"subsections (1) and (2) shall be public unless the Board or Commissioner is satisfied upon representations made by the person who supplied the information, that specific, direct and substantial harm would be caused to the person by the disclosure of the information or documentation."

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

(*Division No. 121*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 42. Mr. Dingwall moved:

Motion No. 42:

That Bill C-22, be amended in Clause 15 by striking out line 35 at page 24 and substituting the following therefor:

"shall be set out in such a manner that".

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

(*Division No. 122*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton

Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 43. Mr. Orlikow moved:

Motion No. 43

That Bill C-22, be amended in Clause 15 by striking out lines 6 to 9 at page 25 and substituting the following therefor:

"(7) The Governor in Council shall make regulations defining, for the purposes of this section, the expression "research and development" which shall include the following criteria:

(a) all expenditures made under the requirements for a notice of compliance for phase one and phase two of clinical trials;

(b) all expenditures made for laboratory and preclinical work which lead to a notice of compliance;

but shall not include

(c) all expenditures made under the requirements for a notice of compliance for phase three of clinical trials; and

(d) all expenditures associated with the marketing of the medicine including all direct and indirect marketing schemes by patentees."

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

(*Division No. 123*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 44. Mr. Dingwall moved:

Motion No. 44

That Bill C-22, be amended in Clause 15 by striking out lines 10 to 13 at page 25 and substituting the following therefor:

"41.26(1) The Governor in Council may, at any time but no later than the expiration of four years after section 41.11 comes into force, by order, where he determines".

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

(*Division No. 124*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 45. Mr. Orlikow moved:

Motion No. 45

That Bill C-22, be amended in Clause 15 by adding immediately after line 14 at page 25, the following:

"and shall, if the patentees ratio of sales to research and development expenditures does not reach 8 per cent by 1990 and 10 per cent by 1995".

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

(*Division No. 125*)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Patent Act

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 46. Mr. Dingwall moved:

Motion No. 46

That Bill C-22, be amended in Clause 15 by striking out line 39 at page 25 and substituting the following therefor:

"(3) On the expiration of four years after".

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

(Division No. 126)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 47. Mr. Dingwall moved:

Motion No. 47

That Bill C-22, be amended in Clause 33 by striking out lines 3 to 15 at page 35 and substituting the following therefor:

"31. This Bill shall come into force on a day to be fixed by proclamation but not sooner than January 1, 1991."

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

(Division No. 127)

YEAS

Members

Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Garneau
Gauthier
Gray (Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark (Brandon—Souris)
Collins
Comeau
Crofton
Crosbie (St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz

Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

Mr. Speaker: I declare the motion lost.

• (1830)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): moved that the Bill be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

(*Division No. 128*)

YEAS

Members

Andre
Attewell
Bernier
Bertrand
Blenkarn
Bourgault
Brightwell
Browes
Cadieux
Clark
(Brandon—Souris)
Collins
Comeau
Crofton
Crosbie
(St. John's West)
Daubney
Desjardins
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gass
Gérin
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Hudon
James
Jardine
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kelleher
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Malone
Mantha
Martin
Mayer
Mazankowski
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Paproski
Pietz
Plourde
Price
Ravis
Redway
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Wise
Witer—104

NAYS

Members

Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Broadbent
Cassidy
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Foster
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Hopkins
Hovdebo
Isabelle
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Penner
Riis
Robinson
Rompkey
Rossi
Young —35

Mr. Speaker: I declare the motion carried.

When shall the Bill be read the third time? At the next sitting of the House?

Some Hon. Members: Agreed.

Mr. Speaker: It being 6.36 p.m., this House stands adjourned until eleven o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.36 p.m.

HOUSE OF COMMONS

Tuesday, May 5, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-1529, 332-1543 to 332-1545 inclusive, 332-1565, 332-1566, 332-1619, 332-1620, 332-1647, 332-1648, 332-1660, 332-1663, 332-1674, 332-1686 to 332-1690 inclusive, 332-1762, 332-1789 to 332-1791 inclusive, and 332-1975.

* * *

[*English*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF SIXTEENTH AND SEVENTEENTH REPORTS OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House the sixteenth and seventeenth reports of the Canadian NATO Parliamentary Association in both official languages.

* * *

TRANSPORT

PRESENTATION OF REVISED FIRST REPORT OF STANDING COMMITTEE

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, it is my duty to present the revised first report of the Standing Committee on Transport concerning Bill C-18, an Act respecting National Transportation, which effects certain necessary changes to the first report presented April 27. This touches Clauses 168 and 226.

[*Editor's Note: See today's Votes and Proceedings*].

* * *

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, pursuant to Standing Order 106, it is my pleasure to present three petitions, all on the same topic, from various centres in western Canada.

The petitioners are concerned that the proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. They believe that these proposed measures will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They are asking the Government, at this late hour, to change its mind, reject these proposals, and stop the increase of prescription drug prices for Canadians who need those drugs.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have the honour to present three petitions today on the changes to the Patent Act. The petitioners are from New Brunswick and Manitoba, including a number from communities in my own riding.

In their petition the petitioners explain their concern with the Government's intention to change the Patent Act. They believe it will unfairly hurt those people who require a large number of prescription drugs for health reasons. They also believe that this is yet another example of the Canadian Government making concessions to the United States at the expense of average Canadians as a result of the Government's intention to negotiate a free trade agreement.

[*Translation*]

REQUEST TO CHANGE PROPOSED AMENDMENTS IN BILL C-33

Mr. Guy St. Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 106, I have the honour to present a petition signed by 26 people who reside in Amos, Landrienne, Saint-Mathieu, Val-d'Or and Saint-Marc-de-Figuery, all in the riding of Abitibi, who contribute to the Public Service Superannuation Fund.

Petitions

Your petitioners point out that employee pensions should continue to be fully indexed; that contributors to the superannuation fund should have the right to make decisions; and that realistic levels of interest should be credited to the account.

Wherefore, Mr. Speaker, your petitioners humbly pray:

That Parliament amend Bill C-33 to include the following provisions:

1. All retirement benefits must be fully protected against inflation;

2. Existing superannuation accounts should be combined into one fund, and the new formula proposed in Bill C-33, namely to credit interest payments to those accounts, should be applied to all contributions;

3. The joint Pension Management Board proposed in Bill C-33 must be given decision-making powers and a mandate to provide for full protection of all pension benefits against inflation.

[*English*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have seven petitions which I would like to table today from residents of Canada who would like to present their grievance.

They say that, whereas the proposed changes to the Patent Act will affect directly all Canadians who are not protected by private or government medicare programs; and whereas the Government's proposals will raise the already high cost of provincial health care programs; and whereas the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies, will result in an increase in drug prices, and will severely restrict the ability of average Canadians to buy necessary prescription drugs; and whereas the proposed changes to the Patent Act are another example of the Canadian Government's concessions in the free trade negotiations with the United States at the expense of everyday Canadians, the undersigned, your petitioners, humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have 18 petitions which I wish to table today. They are all on a topic of grave concern to Canadians in general, that is, the proposed amendments to the Patent Act.

Whereas the proposed changes to the Patent Act will affect directly all Canadians who are not protected by private or government medicare programs; and whereas the federal Government's proposal will raise the already high cost of provincial health care programs; and whereas the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies, will result in an increase of drug costs and prices, and will severely restrict the ability of average Canadians to buy necessary prescription drugs; and whereas the proposed changes to the Patent Act are another example of the Canadian Government's concessions in the free trade negotiations with the United States at the expense of everyday Canadians, the petitioners humbly pray and call upon Parliament to reject the proposals with regard to Bill C-22 so that we can protect the elderly, the sick and the poor from high prescription drug costs.

• (1110)

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and duty to present a number of petitions. The first is from citizens of Elliot Lake, Ontario, in which they say that the proposed amendments to the Patent Act are measures that will unfairly hurt those Canadians whose health requires purchase of prescription drugs on an ongoing basis and that the proposed changes will result in higher cost to provincial government drug plans.

The undersigned, your petitioners, pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

TRANSPORTATION—ECONOMIC REGULATORY REFORM

Mr. Les Benjamin (Regina West): Mr. Speaker, I have five petitions containing several hundred names. One would hope the Government would finally get the message. The petitioners are from Edmonton, Orleans; Westmount, Quebec; Brandon, Manitoba; Fruitvale, Castlegar, Creston and Nelson, British Columbia; and from people in Ottawa, Hamilton and Selkirk, Ontario.

All these petitioners say that in their opinion transportation is a natural monopoly without economic regulation and that economic regulatory reform in Bill C-18 will create unnecessary chaos in the transportation industry, leading to unacceptable reductions in safety standards as well as deterioration in the quality, type and frequency of service.

They petition the House to persuade the Government to withdraw Bill C-18 and retain public convenience and necessity as a fundamental factor in the development of public transportation policy, and to retain licensing in order to restrict market-place activity to a positive level, functioning in the best interest of the public as a whole.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have the honour to present a petition from a number of citizens from western Canada concerning the proposed changes to the Patent Act which will quite obviously affect all Canadians who are protected by private or government medicare programs. The changes are as a direct result of free trade negotiations and will grant continuing monopolies. This petition is in total conformity with the resolution recently passed by the Manitoba Legislature which also condemns the Patent Act on behalf of the people of Manitoba. I think this petition only further strengthens that argument.

CANADA POST—CONTINUED OPERATION OF TABUSINTAC POST OFFICE

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, I have the honour to present two petitions on behalf of constituents from the community of Tabusintac who humbly pray that their Post Office will remain open and the five-year contracts will continue to be awarded to contractors.

RIGHT TO LIFE OF UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have great pleasure in presenting a petition, together with the required certificate signed by the Clerk of Petitions. It is sponsored by the Calgary Coalition for Life and is submitted by the Mill Woods Evangelical Free Church. The petition is signed by 39 persons, most of whom live in Calgary, Edmonton, Morinville and Villeneuve in the Province of Alberta.

They now avail themselves of their ancient and undoubted right to present a grievance in the certain assurance that this honourable House will provide a remedy.

The petitioners humbly sheweth that because thousands of unborn babies in Canada are killed for reasons of convenience, for the crime of being unwanted, wherefore your petitioners humbly pray that Parliament support Motion M-37 to allow unborn babies to be protected by the Charter of Rights. In duty-bound, your petitioners will ever pray.

[*Translation*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. David Berger (Laurier): Mr. Speaker, I have the honour to present three petitions. Your petitioners state that the monopoly granted to innovative pharmaceutical companies will prevent competition from generic and thus less expensive drugs.

They state that the proposed changes in the Patent Act will have a direct impact on all Canadians not covered by government or private health insurance plans insurance plans, and that the Government's proposals will increase the already high cost of provincial health insurance plans.

Your petitioners call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

These petitions are signed by residents of Manitoba, New Brunswick, Quebec, the Burlington area in Ontario, Etobicoke in the Toronto area, Midland, Ontario, and also Fredericton in New Brunswick, and Châteauguay and Lachine in the Montreal area.

I think you will agree that all parts of the country are affected, since people from so many different areas are objecting to this disastrous legislation.

* * *

IMMIGRATION ACT, 1976

MEASURE TO AMEND

Hon. Benoît Bouchard (Minister of Employment and Immigration) moved for leave to introduce Bill C-55, an Act to amend the Immigration Act, 1976 and to amend other Acts in consequence thereof.

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

Some Hon. Members: Agreed.

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

* * *

[*English*]

PRIVILEGE

ALLEGED DIVULGING OF *IN CAMERA* COMMITTEE INFORMATION

Mr. Speaker: Several days ago the Hon. Member for Selkirk—Interlake (Mr. Holtmann) introduced a question of privilege and, under the circumstances, because the Hon. Member for Kenora—Rainy River (Mr. Parry) who was also involved was unable to be here at that time, the matter was adjourned.

It is now appropriate to bring it back to the House. The Hon. Member for Selkirk—Interlake.

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, I rise again today to conclude statements which I made on April 28 regarding what I consider to be a question of privilege. As recorded at page 5329 of *Hansard*, I brought before the House a good deal of what I believe represented my case of privilege. I am not going to go over the entire statement. However, I would like to refer to Erskine May's nineteenth edition at page 146, Chapter 10, "Breaches of Privileges and Contempts", as follows:

> The publication or disclosure of proceedings of committees conducted with closed doors or of draft reports of committees before they have been reported to the House will, however, constitute a breach of privilege or a contempt.

• (1120)

Immediately after the presentation to this House of the third report of the Standing Committee on Aboriginal Affairs and Northern Development by the Hon. Member for Welland (Mr. Pietz), on April 28, I brought the actions of the Hon. Member for Kenora—Rainy River (Mr. Parry), to the attention of the House. The Hon. Member came to the House on March 25 and made a statement which is found at page 4540 of *Hansard*. I would like to go into his statement because I think it is very important and relative to this subject.

The Hon. Member for Kenora—Rainy River who, after concluding a previous day's meeting, which I attended, said to the House:

> —when Canadians elect representatives to speak for their concerns in Ottawa, they do so in the hope that, when appropriate, all parties will work toward constructive ends.

I think that is a wonderful objective.

As the spokesman on aboriginal issues for the New Democratic Party, I have and continue to hold the view that partisan concerns and parochial attitudes do nothing to further the cause of Canada's first people.

He went on to say:

Yesterday the Indian, Inuit and Métis people of Canada were reminded again of that truism. In an anonymous office tower, behind closed doors and safely tucked away from probing microphones, four Members of Parliament abrogated their responsibilities to aboriginal people. In a recorded vote,—

Which was also an *in camera* session.

—the Hon. Member for Selkirk—Interlake (Mr. Holtmann), the Hon. Member for Timiskaming (Mr MacDougall), the Hon. Member for Erie (Mr. Fretz) and the Hon. Member for Mackenzie (Mr. Scowen) voted to block the report—

I consider that to be a blatant violation of the rules and regulations by which this House governs itself. It is said that ignorance of the law is no excuse, and I point out that I think the Hon. Member has had ample opportunity to find out how the rules are applied.

The Chair must consider the damage which such actions can cause, not only now but in the future, if this is allowed to continue. I base my premise on the fact that it can be very damaging to Members because obviously *in camera* sessions are held from time to time for very obvious reasons.

I bring this to your attention, Mr. Speaker, and I thank you for hearing me on my question of privilege. I look forward to debate on this matter.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, in responding today to the question of privilege raised by the Hon. Member for Selkirk—Interlake, (Mr. Holtmann) I would first like to state that my defence to the Question of Privilege he raises is based on the belief that the vote I reported to the House was, *de jure*, not taken in an *in camera* session and that the actions of that Member and other Members of the Progressive Conservative Party, who were present at that meeting, had in essence obviated, annulled and rendered void the original notice of meeting for an *in camera* session.

I would like to refer to the spirit, and some of the text, of the Special Committee on Reform of the House of Commons. This particular topic is not covered in detail in that report. However, it is clear from this report that it is intended that Members of Parliament shall be granted sufficient power and freedom of action to represent fairly their constituents. I cite from page 2:

Private members must once again become instruments through which citizens can contribute to shaping the laws under which they live . . . If the private member is to count for anything, there must be a relationship between what the private member and the institution of Parliament can do and what the electorate thinks or expects can be done.

I would like to quote from the record of the hearings which led up to the meeting which is mentioned in the Question of Privilege of my hon. colleague. I would like to quote in order to demonstrate how the aboriginal leadership of Canada expected and anticipated in appearances before this standing committee, in that series of hearings, that there would be a report made on the question of aboriginal self-government. I quote from the proceedings of March 3:

The Assembly of First Nations would like this committee to prepare a brief but hard-hitting report to Parliament aimed at urging the federal and provincial governments, going into the First Ministers' Conference on March 26 and 27, to recognize our inherent or pre-existing aboriginal treaty rights to self-government.

That is testimony by Gordon Peters, the Ontario Regional Vice Chief of the Assembly of First Nations, and the record shows that the Hon. Member for Selkirk—Interlake was present at that hearing.

A week later, Mr. Louis Bruyere, President of the Native Council of Canada, said:

So what can you do? First of all you can send a message, you can take into account what I said and what the ICNI, and AFN, the International Council and other groups you are meeting with say. You can issue a strong report on the matter before the gavel falls on the First Ministers' Conference 1987. You can indicate that Parliament has a independent non-partisan and national and international role in this great endeavour.

A similar request was later made by Mr. John Amagoalik of the Inuit Committee on National Issues. Therefore, I believe that it is quite clear to anyone who attended those sessions, and to anyone reading the record, that the democratically elected leadership of the aboriginal people of Canada expected the committee to act and to act before the First Ministers' Conference in order that the lengthy deliberations of that committee had some value.

You, Mr. Speaker, and I believe all Hon. Members of this House, must realize that if public expectations are not met directly, they must at least be accounted for. As my Party's aboriginal affairs critic, I have to answer telephone calls and letters from aboriginal leaders, from private citizens and from the media, all asking why the committee did not report before the First Ministers' Conference.

The courts of law in this land live by an adage which Parliament should respect, namely, that justice must not only be done but should be seen to be done. How in a democracy can we withhold public information which is essential to the good government principle? I know full well that for reasons of national security, or the protection of witnesses or innocent Canadians, we have a responsibility to protect them, but we also have a responsibility, I believe, to respond in a case where a committee abrogates its responsibility.

The record clearly shows that I did not violate the intent of the *in camera* session. I and members of my office staff were asked for copies of the draft committee report. Despite the circumstances, we categorically refused these, as we should. However, when a vote is recorded and the public is demanding an explanation, I feel that an explanation has to be forthcoming.

What, after all, did committee members expect when they agreed to a committee recorded vote? Did they believe that a recorded vote, becoming part of the record, is then something which can be consigned into anonymity indefinitely until a committee chooses to make the report? If they truly wanted their opinions to be kept secret they should simply have rejected the notion of a recorded vote or, better still, ask for the original notice for that meeting to have been withdrawn.

This Parliament makes, I believe, a clear distinction between votes and proceedings, and I believe that if the Hon. Member for Selkirk—Interlake examines the exact text of my statement in the House, he will find—although I recognize that he will consider some of the invective to be disagreeable, and I intended it to be disagreeable to him—that what I was reporting was the vote and not the proceedings.

The nineteenth edition of Erskine May, at page 146, refers to proceedings. It does not refer to votes. There is a clear distinction in this Parliament. After all, we do have as part of our parliamentary documentation a publication which we receive every day entitled *Votes and Proceedings*. If votes, in fact, were proceedings, then there would obviously be no need for them to be differentiated as they have been, obviously, for some length of time.

• (1130)

I believe that I was reporting an abuse of procedure and an abuse of the spirit of the committee system in this Parliament. I would like to point out that five members of the Progressive Conservative Party came to the meeting in question. One of them, the Vice-Chairman of the Committee, the Hon. Member for Nunatsiaq (Mr. Suluk) left before the recorded vote was taken. He left because of a different matter, although he did say before leaving that he had not attended any of the series of hearings in question.

I would say that politically I grew up in a committee system which was not parliamentary but which was in the context of work done in voluntary organizations and in the context of work done at the municipal level. I believe that there are some principles of committee operation and committee function which have not perhaps been codified, not perhaps been adopted by the regulations of this House, but nevertheless some principles which apply to committees, whatever their nature. One of those principles is that members who are unable for whatever reason to attend meetings place some trust and some faith when it comes to key decision-making in those members who are able to attend the meetings.

This committee held six hearings on the subject matter of the proposed report. It saddens me to acknowledge that of a total of 24 attendance opportunities for the members of the committee who voted against the presentation of a report in a recorded vote that only five were taken up. This means an average attendance by the Progressive Conservative Members who stopped the report from coming to the House of less than 25 per cent.

However, I am pleased to report that the opposition Parties in those six hearings had 100 per cent attendance, and I think that is something that—

Mr. Speaker: Order, please. I have been listening carefully to the Hon. Member. Since this is an important matter I did not want to intervene in case there was some immediate relevance between the issue upon which I have to decide and what the Hon. Member was pursuing.

I believe that the Hon. Member is moving somewhat away from the issue upon which I have to decide and getting on to the question of which Members were at which particular meetings. The Hon. Member will know that there is a convention in this place that there is not to be comment with respect to the attendance of any Member or any Minister at either committee hearings or, in fact, in the House. The reason for that is quite obvious. Hon. Members are called upon to conduct a variety of obligations and responsibilities each day and each week and there are many times when Members are not able to attend to all matters to which they might wish to attend. Of course, the Hon. Member knows that this matter was adjourned over because he was properly involved in another matter and could not be in the Chamber. I point that out because that is of course why we have the rule.

I know the Hon. Member would want to remain within the rules so I would ask him to continue his comments to which the Chair is listening very carefully and which are cogent; but I would ask him to please stay with the basic issue, that issue is whether or not in view of what the Hon. Member did say in the House that that has in one way or another breached the privileges of the Hon. Member for Selkirk—Interlake (Mr. Holtmann) or other members of the committee who were meeting in an *in camera* meeting. That is the issue which the Chair has before it. I would ask the Hon. Member to continue.

Mr. Parry: Mr. Speaker, I accept your correction on that point and I thank Your Honour. I would like to extend my thanks to the Hon. Member for Selkirk—Interlake (Mr. Holtmann) for having this matter held over until today.

The essence then of my case, if I might sum it up, is that by the exercise of the operation of the taking of a recorded vote, the *in camera* meeting was in essence suspended, the taking and reporting of that recorded vote to the House is not on a level or footing with the reporting of proceedings to the House, which I did not do.

I thank you very much, Mr. Speaker, and I thank Hon. Members, both opposite and on this side of the House, for their indulgence in hearing my case.

Mr. Speaker: The Chair would like to ask the Hon. Member for Kenora—Rainy River (Mr. Parry) a question. As I take it, the issue, as the Hon. Member said, in defence, is the distinction that the Hon. Member draws between the recording of a vote and the proceedings of the committee itself. That seems to be the narrow point which the Hon. Member is asking the Chair to consider. Is the Chair correct in that assumption?

Mr. Parry: Yes, Mr. Speaker, that is correct. I acknowledge that that is, as Your Honour puts it, a narrow point.

Mr. Speaker: Perhaps the Chair could give some indication to Hon. Members who will want to rise on this matter that it might be helpful to the Chair if, in addition to any other points that Hon. Members think are of help to the Chair, they might also consider that point which the Hon. Member for Kenora—Rainy River has raised and has put most succinctly.

Mr. Parry: Mr. Speaker, in order to make sure that I do not misunderstand Your Honour's question, I would like to say that it is evident that my defence also rests on the inconsistency between a recorded vote and an *in camera* meeting which, obviously, I believe should be resolved in favour of the recorded vote.

Mr. Speaker: I want to assure the Hon. Member for Kenora—Rainy River that the Chair has that point. The Chair now recognizes the Hon. Member for Cochrane—Superior (Mr. Penner).

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I am rising to speak on this question of privilege because of my own participation and activity in the Standing Committee on Aboriginal Affairs and Northern Development.

Your Honour, I would begin by going to Beauchesne's Fifth Edition, Section 17, which makes it clear to all Hon. Members that a question of privilege ought rarely to come up in Parliament. That is so, Sir, because a question of privilege is a most serious matter and it should be taken seriously by the House. In addition, Your Honour, it must involve in some way an Hon. Member's capacity to serve the people who have chosen him or her as their representative.

I submit to Your Honour, therefore, that there is no question of privilege here at all. It is spurious and fatuous for the Hon. Member for Selkirk—Interlake (Mr. Holtmann) to suggest to the House that in some way his capacity to serve his constituency has been impaired or impeded. He himself failed, as I listened carefully, to make that case.

I would like very briefly to survey the facts as I understand them with respect to what took place in the Standing Committee on Aboriginal Affairs and Northern Development. First, as the Hon. Member for Kenora—Rainy River (Mr. Parry) has made clear, the groups who appeared before the committee asked for and expected that there would be a report to the House on the subject of the aboriginal right of self-government before the First Ministers' Conference.

The second point is that there was an all-Party understanding that we would report—not an agreement, not a motion that had been voted upon, but a general understanding. In support of that I refer to what the chairman said at one point:

> It would be possible to have a few notes about our preliminary report before the next week. It will be possible to depose our document probably the next week, about Wednesday or Thursday, probably.

• (1140)

That is a translation from the French, "depose" meaning a presentation to the House.

Third, a considerable amount of work was done by the committee staff in preparing a draft report. Because there was a draft report, a notice went around to all Hon. Members to meet *in camera* to discuss the substance of that report.

Ordinarily I find *in camera* meetings to be objectionable. I will come back later to the reason for *in camera* sessions based on Beauchesne's understanding of them. However, they are justified if you are discussing controversial material and looking at the substance.

Fourth, it became apparent shortly after the meeting began that Members from the government benches, for reasons unknown, and I will not impute motives or make any suggestions about those reasons, decided there should not be a report to Parliament presented by that committee. Following that there was very vigorous debate and the question was put that the committee not report. It was a negative motion. The Hon. Member for Kenora—Rainy River and myself vigorously opposed the motion but it was carried. At that point I called for a recorded vote which was duly taken by the clerk of the committee.

It does seem a curious situation to have an *in camera* meeting for a motion, a vote, and then have a recorded vote. As I reflect on it, Sir, it seems another step should have been taken to take us out of the *in camera* procedure. However, I think as soon as you have a recorded vote that, *de facto*, the *in camera* procedure has ceased to exist.

Subsequent to that meeting the Hon. Member for Kenora—Rainy River and myself, before the news media and representatives of aboriginal groups, publicly expressed our disappointment and displeasure with the decision. A decision had been expected, it was not taken, and I and the Hon. Member expressed our displeasure. Did we in some way publish the proceedings by doing so? I say not at all. We were simply reporting on an expectation which existed in the community.

As a part of that process as well, as you know, the Hon. Member for Kenora—Rainy River, under Standing Order 21, revealed the names of those who voted for the motion that the committee not report. I want to repeat that it was a recorded vote even though we were *in camera*.

However, I entirely agree with the Hon. Member for Kenora—Rainy River that the purpose of that meeting had altered. We had not met for the purpose of deciding whether or not there should be a report to Parliament. We met for the purpose of discussing the substance of the report.

I ask you to consider whether it is a serious matter to reveal the results of a recorded vote. That is what the Hon. Member for Selkirk—Interlake is charging, that it is a serious matter and his privileges have been breached because the results of a recorded vote were made known. I ask you, Sir, how has the Hon. Member's ability to serve effectively as an elected representative been damaged, limited, restricted or injured in any way whatsoever?

The Hon. Member referred to Beauchesne's Fifth Edition, Section 628 on page 199, where it says that the publication of *in camera* proceedings would be an offence. I interpret that to mean that if the words on a particular matter in a preliminary report were actually published and disseminated in the community we would have destroyed the purpose of an *in camera* meeting. I would like to come back to that in a moment, but I would ask you to rule that the revelation of a recorded vote under any circumstances at all is not the same thing as the publication of a committee's proceedings. It just simply cannot be. It would be stretching to absurdity the idea of what is a proceeding and what is a publication of that proceeding.

Beauchesne's makes it clear that the purpose of an *in camera* meeting is for Members to feel free to negotiate, discuss, deliberate, and compromise without the glare of publicity. In this particular meeting under discussion the negotiations had broken down. Discussion was over. Deliberations had ended. The possibility of a compromise was non-existent. Under those circumstances a vote was taken and I, as a member of that committee, asked that the vote be recorded.

We are publicly elected, we function under public scrutiny in almost all circumstances except those rare occasions when an *in camera* meeting is necessary. Such a meeting is necessary because once in a while we must negotiate, discuss and deliberate in private. Once we vote on an important issue, say whether or not a report will be presented to Parliament, then I believe the reason for an *in camera* meeting no longer applies. Our votes and the results of those votes are for the public record and the Hon. Member for Kenora—Rainy River has made a strong and eloquent case in support of that.

Therefore, I conclude that there is not and cannot be in this instance in any way a genuine question of privilege in the charges brought to the House by the Hon. Member for Selkirk—Interlake against the Hon. Member for Kenora—Rainy River. I call upon you to dismiss it quickly and summarily.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would like to join briefly in this debate to assist my colleague from Selkirk—Interlake (Mr. Holtmann). I do not do so with any pleasure. I do it with a certain amount of distaste because I find this matter to be very offensive.

I submit, as has my colleague, that the Hon. Member for Kenora—Rainy River (Mr. Parry) breached a trust, a confidentiality which all Members enter into when, as Members of Parliament, we gather together *in camera* to discuss matters which are better discussed, because it provides better results, *in camera*. They give a Member the freedom to negotiate, discuss, deliberate, and sometimes compromise without the glare of publicity which might add to the difficulties of agreeing to reports when it is desirable that those proceedings be treated in confidence.

The committee made the decision to negotiate and meet in private. Then, lo and behold, the next day the deliberations of the committee, and I will get to whether or not a vote is a deliberation in a minute, were brought forward in a partisan manner by the Hon. Member for Kenora—Rainy River in an effort to embarrass his colleagues.

I think even if you argue that a vote is not part of the proceedings of the House of Commons, one is entitled, since my colleague stands in my opinion convicted by his own words, to look at the words which were used. The question is, in discussing what he alleges was not a part of the proceedings, that is to say a vote, whether or not the words that were used imputed motives and put his colleagues on that committee in an embarrassing position. He entered into private discussions and negotiations with them in the give and take which we all know takes place and which we hope will continue to take place among Members of this House in committee.

• (1150)

First there is the platitude; I have and continue to hold the view that partisan concerns and parochial attitudes do nothing to further the cause of Canada's first people. Then, to swing from the platitude to the innuendo; his colleagues sat, not in an office tower without a microphone, but in one of the many *in camera* meetings which take place here. By inference or by innuendo his colleagues are thus convicted. By the way, I include my colleagues in the Liberal Party. They are included in that partisan and parochial attitude.

Then he goes on to say that it was an anonymous office. Everyone knows that it was not an anonymous office. If one wants to find out where the *in camera* meetings of today are being held, one goes to the parliamentary calendar to check and it says "*in camera*". The word "anonymous" is another innuendo or another inference that this was nefarious.

Then we move on to the allegation that his colleagues on the committee, including my Liberal colleague, abrogated their responsibilities to aboriginal people. What a damning comment to make about a colleague.

He also stated that they voted to block the report. He used the word "block", not make a decision because they did not like what was in it.

Even if you, Mr. Speaker, do not find a case of privilege here, I suggest that it is pretty damning, because what we have in this place is a breach of trust. A breach of privilege causes it go to committee and causes a final decision, if you so find, Mr. Speaker. However, there is one thing that, once we lose it in this place, if not forever, is very, very difficult to regain, and that is the trust of one's colleagues. No matter whether they are in one's Party or not, when one loses that trust, one has lost something—

Mr. Penner: Speak to the question of privilege; don't preach a sermon.

Mr. Lewis: Mr. Speaker, my hon. colleague always has the same answer when he is caught. It is "Speak to the question of privilege". I listened to my colleagues' comments. Perhaps when I bring up the subject of trust he feels a little uneasy too; I can understand that. However, I suggest to my colleague and I submit to you, Mr. Speaker, that you make the decision on whether or not a question of privilege goes forward to the Standing Committee on Elections, Privileges and Procedure, but we make the decision on whether or not to trust.

Mr. Speaker: I wonder whether I could ask for the co-operation of Hon. Members. Perhaps the Hon. Member for Selkirk—Interlake (Mr. Holtmann) or the Hon. Member for Kenora—Rainy River (Mr. Parry) could answer a question which I should like clarified. Was a report actually written?

Mr. Holtmann: Mr. Speaker, I think the record would show that at the *in camera* session there was a draft for consideration. I think the record would also show, if Hon. Members chose to look at the statements of the committee, that in fact the proposal was that the committee not report at that time. It never suggested that the committee should not report, as was suggested by the Hon. Member for Cochrane—Superior (Mr. Penner).

Furthermore, it was the Hon. Member for Cochrane—Superior who asked for a vote. Does that then mean, according to his argument, that he can turn an *in camera* session completely around—or can any Member of the House—by calling for a recorded vote? To me that is a hypocritical point of view.

Mr. Speaker: This is an important matter, and the Chair treats it as important. Again, in the proper spirit of arguments on points like this one, I do not think there is any particular need to use pejorative words about the motivations or actions of another Member.

The Chair understands very well the importance of this matter, and I think I have the fact pattern quite clear. Obviously it is important when Hon. Members agree to enter into an *in camera* discussion. The Chair does not consider the matter before us to be a particularly easy one. It will take some very careful consideration. However, if there are other Hon. Members who feel they may have something to assist the Chair, I would be pleased to hear them.

Mr. Rod Murphy (Churchill): Mr. Speaker, following on your last comments I wish to intervene for a few seconds. We have a difficulty in House of Commons committees. It is certainly true what Hon. Members on all sides have said, that we have a tradition of *in camera* meetings. Those *in camera* meetings are often used to deal with the details of a report and to provide an opportunity for members of the committee to try to reach some compromise. That has been a very useful exercise on a number of occasions. It has enabled us to have various task forces and committees of the House of Commons come out with unanimous reports and other reports which have been very solid.

However, there is a problem which I have noticed on an ongoing basis. Quite often many controversial issues are being settled in *in camera* meetings. Obviously this was a case where government Members felt one way and the members of the two opposition Parties felt the complete opposite. A recorded vote was taken. It is very important when there is a division in committee. The public has a right to know what is going on. It is all right to try to work toward some resolution in a committee. If it can be achieved, it is wonderful. However, we must not allow the ability of a committee to go *in camera* to be used to prevent the public from knowing what is going on. If there is a division in committee, I think all committees should move immediately from an *in camera* session to a public session. That should be the responsibility of the chairperson of the committee. It is something we should address, rather than being concerned about what happened in this particular case.

We should ensure that in future our committees are working in such a way that we have the right to move to *in camera* when necessary and useful and to move automatically into the public domain when there is obviously a split, in that the public has a right to know what is going on.

Mr. Speaker: As the Chair has indicated, this is an important matter.

I want to thank the Hon. Member for Selkirk—Interlake (Mr. Holtmann) and the Hon. Member for Kenora—Rainy River (Mr. Parry) for their joint co-operation in enabling us to hear the entire argument today. I also thank the Hon. Parliamentary Secretary, the Hon. Member for Cochrane—Superior (Mr. Penner), and the Hon. Member for Churchill (Mr. Murphy) for their interventions. Frankly, the Chair finds them very helpful.

• (1200)

The Chair will reserve on this matter. However, if I can put it this way, the defence of the Hon. Member for Kenora—Rainy River is that there is a distinction between the report of a vote and the deliberations that were taking place *in camera*. I may or may not find that distinction. What is important is that the Hon. Member for Kenora—Rainy River has not taken the position that anything that goes on at an *in camera* meeting, just because one may not agree with it, ought then to be reported. It is important that Hon. Members and the public watching and listening realize that the defence does not reach that far. Certainly the Chair has not taken it to have been meant in that respect.

I thank Hon. Members for their interventions. It is an important matter. It is a vexatious matter because the line between openness and the occasional time when it is appropriate to go into an *in camera* meeting is sometimes a difficult one to find. I shall do the best on behalf of all the Members to come back with an appropriate response.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 108.

[*Text*]

RADIO CANADA INTERNATIONAL

Question No. 108—**Mr. Lawrence:**

1. On Wednesday, February 18 (budget day) and on Thursday, February 19, 1987, did Radio Canada International broadcast the wrong tape or network feed instead of "The World at Six" newscast at 0000 hours Greenwich mean time (1900 hours eastern standard time) and, if so, who was responsible?

2. Has the person responsible been disciplined and (*a*) if so, in what way (*b*) if not, for what reason?

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

1. Radio Canada International does not tape "The World at Six". The program is fed live by line from Toronto to RCI's Sackville transmitters via an RCI studio in Montreal.

Normally, the feed is carried on the same line every day. On February 18, however, CBC Toronto switched the feed to another line. It advised the Program Distribution and Co-ordination section at the Maison de Radio-Canada in Montreal of the change of line. The Maison, however, failed to notify RCI, whose facilities are housed separately in La Tourelle. It took two minutes and 15 seconds after the start of the program to establish the feed on the new line.

On February 19, the feed from Toronto was delayed, again by two minutes and 15 seconds, due to work disruptions by NABET technicians in Toronto.

2. No disciplinary action was warranted.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 109 could be made an Order for Return, the return would be tabled immediately.

The Acting Speaker (Mr. Paproski): The question mentioned by the Hon. Parliamentary Secretary has been answered. Is it the pleasure of the House that Question No. 109 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

GOVERNMENT REVENUE AND SPENDING

Question No. 109—**Mr. Howie:**

Patent Act

For the fiscal year 1986, based on the accounting practices currently used by the government on a (*a*) public accounts (*b*) national accounts basis, what was the government's (i) spending (ii) revenue (iii) interest cost (*iv*) gross debt (*v*) net debt?

Return tabled.

[*Translation*]

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs) moved that Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, be read the third time and passed.

He said: Mr. Speaker, I rise today to make two points concerning this very important legislation for the future of this country. First, I want to restate the five critical reasons this policy is an important priority for the Government. Then I want to separate the facts from the fiction being perpetrated on the Canadian public by Hon. Members opposite.

The principle of intellectual property, significant industrial benefits, improved multilateral relations, consumer protection and the potential for significant and long-term health care benefits are the reasons I am pursuing these legislative changes as aggressively as I can. Each of these may stand alone. But together they represent a powerful and effective policy for Canada. They also represent a policy change long overdue in this country. In fact, it is a policy that will undo much of the damage caused by the former Government's short-sightedness in 1969 when it decided to deal Canada out of the biotechnological revolution.

Intellectual property rights, the right of inventors or creators to enjoy the benefits of their creativity, is not just a right, it is at the heart of the economies of every modern western industrial society.

If I invent a new widget that revolutionizes industry, my invention is protected by law. If I write a new book, nobody is allowed to plagiarize it. If I break new technological ground, I am allowed to protect that technology. If our Government attempted to remove those rights, the opposition Parties would scream foul, and rightly so.

Why is this basic principle of intellectual property rights suddenly so different when it comes to the pharmaceutical industry? Well, it is not. It is just that the opposition Parties want to gain some political mileage by striking fear into the hearts of Canadians through unfounded allegations.

Without adequate patent protection, Mr. Speaker, there is no incentive to invest or create. If we applied the current pharmaceutical patent legislation to all creative thinking in Canada, we would force all our inventors and creators out of the country. We might even lose a few members of the Opposition who think they have a new idea once and a while.

In the case of the pharmaceutical industry, we have seen the results of the 1969 policy; no significant investment in Canada, no research we can call our own and sell to the rest of the world, and no jobs for our bright young researchers in the biomedical industries. So they leave the country. Maybe that is acceptable to some Members, but it is not acceptable to me.

The second point is the industrial benefits of our policy. We have not even passed the legislation in this House and already there has been more than $800 million in new research and plant expansion commitments. That is money taken out of the country before our proposed changes. That is money which the generic money manufacturers did not invest even when they were getting a free ride under the 1969 policy. This $800 million is not an investment in one facility, in one location, in one region. We are talking about more than $200 million in Quebec, upwards of $80 million in British Columbia, at least $70 million in the Maritimes, about $100 million in Alberta and more than $250 million in Ontario. These investments do not include, of course, the aggregate increase in investment over the next few years, which will see every region of Canada benefit.

For instance, of the $400 million earmarked for educational and research institutes, almost $50 million will go to Manitoba. That to me, Mr. Speaker, seems to be a pretty important and substantial contribution to regional development in Canada.

The $800 million in planned investments to which I referred earlier is part of a package worth $1.4 billion over the next 10 years, 10 per cent of sales, up from 4.9 per cent. These funds will not begin to flow until after our legislation becomes law. That means every day of stalling by opponents exacts a price in terms of industrial benefits and health care research. More than that, every day of delay in passing this Bill means it takes that much longer to reach the research and development targets of 8 per cent of sales after four years and 10 per cent after 10 years.

The opposition Parties attack this Government constantly because they feel we are not doing enough for the regions. Here we have a policy which does not rely on government grants, which are favoured by the Liberals, it does not rely on government subsidies and takeovers, which are favoured by the New Democratic Party, but it is the private sector at work, doing what it does best. Why are the Liberals and New Democrats condemning it? That was a rhetorical question, Mr. Speaker. They are condemning our policies only because if they did not, they would not have anything to say at all.

The infusion of funds in our universities, teaching hospitals and private research facilities will help build a greater pool of expertise in this important area. The Opposition tells us this Bill is a bad thing. But then we are told that research and development funds are extremely important to the future of Canada. Well, Mr. Speaker, I wish the opposition Parties would get their act together. Here we have a policy that puts private sector money to work in our universities and research institutes, a policy that brightens the future for our talented young research scientists here in Canada, and the Opposition is telling us that we are doing the wrong thing.

I have the feeling that these misguided opposition Members would not be happy until the Government announces travel subsidies for our scientists and biotechnologists so they can seek research jobs overseas. That is the approach they are advocating with their opposition to this legislation, and it is wrong.

Members opposite have raised a great hue and cry about how drug prices are going to shoot so high that the elderly and infirm will not be able to look after their own health. Well, I can think of a lot of words to describe this attitude, Mr. Speaker, but most of them would be ruled unparliamentary.

This Bill provides a number of safeguards. The fact that the Patented Medicine Prices Review Board will function under the stewardship of Dr. Eastman is a safeguard. The federal contributions to the provinces is another safeguard. Finally, there is the type of health care system we have in this country. I think we are putting more safety valves in the drug system than it ever had before. Consumers are not going to suffer because of this legislation. They will benefit. This will be especially true in the area of improved health care. New drugs and new therapies will be introduced earlier. The need for hospitalization will be reduced, perhaps even the need for surgery, because we will have new drugs to cure old problems.

It is incomprehensible, Mr. Speaker, how Members opposite can risk trading away these advantages for a couple of percentage points in the current popularity polls. Do they not realize that they are playing with the future health of all Canadians? I am thinking especially of our increasingly aging population who will need these new drugs more than any other group.

Another point that must be emphasized is that through this legislation we have overcome the blight on our international reputation that has existed since 1969. We are signatories to many international agreements protecting intellectual property. We are entering a new round of GATT negotiations where these rights are being put on the table as part of international trade relationships.

[*Translation*]

Opposition Members know how important international trade is to Canada's economy. They always perform the same routine, never mind the fact that the Liberals did not do anything to improve our export competitiveness when they were at the helm. As a matter of fact they even tried to reduce it when they formed a coalition with the NDP in the course of the last decade.

If we want to attract the capital funds required to be competitive on the international scene, our country must convince foreigners that it is a good place to invest. The Canadian patent system must be geared to that of western countries just so our patents will be protected under international law. This issue does not relate exclusively to the drug industry, for it has an impact on all other sectors and it does enhance or tarnish Canada's reputation on the international scene.

In short, Mr. Speaker, we are talking about the basic reasons which justify some of the amendments advocated in Bill C-22. Now, if I may, I should like to refer to some of the questions raised by opposition Members in their attempt to defeat a sound policy with a view to polishing their image in public political polls. Again I must emphasize that the Progressive Conservative Government is not trying to implement this policy for the sake of gaining popular support. We are doing this because it is the right way to protect the future of Canada.

• (1210)

[*English*]

Let me deal with what seems on the surface to be the facts to many thousands of Canadians who have signed petitions opposing our policy. I freely admit that thousands have done so. The Leader of the New Democratic Party (Mr. Broadbent) indicated at the beginning of this year that over 20,000 Canadians had signed such petitions. I do not argue with that number, but I should point out that I have many, many thousands of petitions here indicating that we should proceed with the legislation. I have not bothered to waste the time of the House by introducing them. These petitions were sent to me by disgruntled Canadians faced with the so-called information provided by Hon. Members opposite and the facts provided by me.

The Opposition petition was sent far and wide by the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall). This petition is a marvellous piece of double-speak because it totally ignores what the policy is really about and plays only on raising fears in Canadian consumers. The petition indicates that the policy will directly affect all Canadians not protected by private or government medicare programs, will raise the costs of already high provincial health care programs and will prevent competition, increase drug prices and severely restrict the ability of average Canadians to buy necessary drugs. It says that the policies are another example of the Government's concessions to the United States at the expense of every-day Canadians.

I am not sure what an every-day Canadian is or how he or she differs from an average Canadian, but every premise contained in that petition is absolutely false. It raises fear and concern about the ability of Canadians to protect their own health and that of their families, without any proof. It raises fear over the inability of Canadians to afford the drugs they need, without any proof. It suggests that provincial health care plans will be adversely affected in the face of the protection the federal Government is providing for these plans and in the face of evidence presented before the committee by the head of the drug plan in Saskatchewan indicating that he did not think it would cost them anything. It brings in the ogre of the big, bad United States so the Liberals can wrap their concerns around the Canadian flag, again with nothing to back them up.

If I were not a Member of the House and I did not know what this issue was all about, I would sign a petition like that myself. However, let me quote from letters I have received relating to these very petitions distributed by the Hon. Member opposite and, I am sure, by many of his colleagues. I have answered all the people who have signed these petitions, not in the interests of politics but in the interests of telling the truth. One such letter reads:

> Dear Sir.
>
> Your recent letter regarding amendments to the Patent Act refers to a petition signed by me. I am unaware of reading or signing any such petition and would ask you to forward a copy of the petition, along with my signature, to my attention.

Yes, that is the kind of letter I got in return to the letters I sent out to people who had signed petitions sent around the country by the Hon. Member for Cape Breton—East Richmond. Another letter reads as follows:

> I agree wholeheartedly that amendments are necessary to encourage pharmaceutical research in Canada; I trust that you will press on with the passage of this legislation.
>
> To set the record straight, however, I did not sign a petition in opposition to changes in patent protection.

Yes, I received other letters like that. Perhaps the following is the most telling of all, and, to be fair, this one was in response to an NDP petition, not a Liberal petition, though I am sure they come out of the same Gestetner machine somewhere in the Centre Block. This letter reads as follows:

> I received your information letter recently.
>
> Yes, I did sign a petition against the Bill.
>
> However, having read all the information, I am now in favour of it.
>
> Go ahead.

I want to read from a final letter in order to drive just one more nail in the coffin in which the Hon. Member's dead policy lies. This letter is from the Dean of the Faculty of Pharmaceutical Sciences at the University of British Columbia and is addressed to the Hon. Member for Cape Breton—East Richmond, not to me. It reads in part:

> I am greatly disturbed by your letter addressed to 'Dear Concerned Canadian' which crossed my desk today. I realize that it is a function of the opposition Parties to keep the Government honest and to improve suggested legislation.
>
> Your letter goes beyond that, however, and makes assertions that are totally incorrect and appeal to the emotions of concerned Canadians.

I did not make up the facts, I leave that to members of the Opposition. Indeed, I would be most pleased to provide copies of these letters to Hon. Members opposite as long as they promise to provide me with copies of their correspondence with these individuals.

To add insult to injury, the petitions directed to "Concerned Canadians" contained a letter that accurately described the Hon. Member's Party Leader, the Right Hon. Member for Vancouver Quadra (Mr. Turner), as being the proponent of the legislation this Government is attempting to change. He proposed it when he was Minister of Consumer and Corporate Affairs in 1968. The letter did not say, however, that this same right hon. gentleman, when he was chairman of the board of directors of an international pharmaceutical company, Sandoz Canada, on many occasions voiced his opposition to the very legislation he had introduced. I would be delighted to provide a copy of my correspondence if the right hon. gentleman could satisfactorily explain his conversion from advocate to opponent back to advocate.

I am not quite finished with the Liberals. In fact, I could go on at length if my time in this debate were not limited. I have to quote from an article from last May featuring the smiling face and words of the Hon. Member for Sudbury (Mr. Frith). I do not know if the Hon. member really believed what he was saying or if he was only catering to the media.

This interview appeared in the May edition of *Revue pharmaceutique canadienne*. The nub of the quotation in the article was that the Hon. Member believed it was time to redress the current policy and provide multinationals channels for more research and development dollars into Canada. In the article, he was quoted as saying the following:

> I may be branded as a heretic amongst Liberals in this country but I happen to believe in intellectual property rights, and I think the patent laws of 1969 went too far in one direction.

I would be pleased to provide a copy of this article to all Members opposite, because the picture really is a good likeness of the Hon. Member and it is such a pleasure to discover such a bright and alert member of the Opposition who so strongly supports our Government's policy in this area.

Let me turn now to the tactics of the NDP. I can understand why they always support the Liberals when the Liberals are in power. They think so much alike and their tactics are so similar.

I have here a copy of a coupon that was circulated to all those attending the recent NDP convention in Montreal. It has a good heading and is obviously the product of a national or multinational advertising agency probably based in Toronto. That is not quite the style of NDPers, but maybe their members will forgive them for this lapse in judgment. The heading reads: "Let's Bust the Tories' Drug Deal". It kind of makes you think we are running illicit drugs—the exact effect the NDP wants in order to raise the fears of average Canadians. It then suggests that our policy will cost Canadians $600 million a year in higher priced prescriptions.

• (1220)

Where is the proof for this contention or the contention that employers will be asking for cuts in union-negotiated drug plans? I have not heard of any astronomical rises in drug costs, nor have I heard of contract negotiations being stalled at the bargaining table because employers want to cut the health protection policies enjoyed by many unions. Like Liberal strategy, this approach simply plays upon the fears of Canadians, fears that are not supported by the facts.

We get a clue to the motivation of the NDP when we read the fine print of the bottom of this NDP advertisement, "Produced by the Canadian Labour Congress". Now, I have nothing against Canadian labour, but I do not think Canadian workers of any stripe will be taken in by such professional advertising tactics. That is what the Liberals and the NDP are trying to do to this legislation. They want to mask the benefits of our policy in scare tactics and rhetoric calculated to appeal to people who do not understand the issue and are willing to accept the narrow-minded thinking of Members opposite.

I am sure many of these adherents would be astonished to learn of the range of thinking on this issue by various members of the Liberal Party. I would not like to pry too deeply into the views of the various members of the NDP because I am sure the same kind of schizophrenic reactions would result.

I am saving the *pièce de résistance* for last. I have a copy of the resolutions approved by the last national Liberal convention. I know the Liberal Leader is not bound by these resolutions, but they certainly contribute to one side of the debate.

Resolution 13-K-4 supports increased research in the field of biotechnology. That is precisely what this Bill does. I never thought I would support a policy or proposal adopted on the floor of the Liberal convention, but I do. I can only hope that all the Liberals in my riding, if there are any, will vote for me in the next election because of my support.

I have put in place a policy to ensure that Canada moves into the forefront of biotechnological sciences. The results to date have demonstrated that we are going in the right direction. I would like to issue a challenge to the Liberals. Give me a list of all the Liberal delegates who approved Resolution 13-K-4 and I will give you the same list back of people who support the policy which is being debated in the House today.

There is more. Resolution 55-2E—I will never understand how Liberals number their resolutions, maybe it is just to confuse their Leader—encourages private sector participation in research and development. That is precisely what this Bill does.

[*Translation*]

What I am saying, Mr. Speaker, is that the policies inherent in Bill C-22 are aimed at achieving all these objectives which were endorsed by the nation-wide Liberal convention. I simply hope that the Right Hon. Leader of Her Majesty's Loyal Opposition will respond to these questions when he takes the floor.

A few additional comments, Mr. Speaker, the most telling of them all. I get letters, lots of them, but they do not come from the average Canadian as depicted by the NDP, nor from the ordinary Canadian as described by the Liberals. They come from Canadians, and reflect sincere beliefs rather than the product of sensational distortsions or national petitions. They are unsolicited and express support for our efforts.

[*English*]

One letter is from a family doctor, diagnosed as having acute leukemia, who says that current Canadian drug patent laws provide no incentives for drug companies to research and develop drugs in Canada. The doctor writes:

> In conclusion, please do not oppose the new drug Patent Act for soon-forgotten political points and newspaper coverage . . . . Please remember that to oppose this legislation will deny the hope of new treatment and new cures for patients like myself, for your constituents and perhaps even yourself and your family members.

I would also like to note a January, 1987, article in the *Winnipeg Sun* describing a national lobby for Patent Act changes coming out of Toronto. This is not a product of multinational corporations. It is a campaign initiated by Doris Campbell, a quadriplegic who has vowed to fight for the new legislation as long as she can wiggle one toe. I should add that at the moment she can only wiggle one toe and communicates by tapping out Morse code messages with that toe. It is for the Doris Campbells of this world that we are going forward with this legislation because Doris believes that the issue is developing cures through research to save Canadian lives.

I apologize for all these quotes from Canadians, Mr. Speaker, but I want to make the point that the Government is pursuing these legislative changes for people, not for votes, which I suggest is the only reason Members opposite have forsaken principle, honesty and humanity to oppose what we are trying to do.

One final note is from the Lutherwood Institute which treats the emotional and psychiatric problems of children. This institute spends a significant amount of money every year on drugs. My correspondent is particularly blunt in his remarks about our proposed legislation. He says:

> While costs to the consumer are always an issue to us, I also recognize the importance of research in developing new and more effective medication for a variety of physical and mental illnesses. As a result, we would encourage you to proceed with the implementation of Bill C-22 in order to encourage the necessary innovation in Canada for the development of prescription drugs.

What can I say, Mr. Speaker? We have principle on our side. The Canadians who are supporting us are not coming forward because we are misrepresenting the issue, they are coming forward because they have a stake in the results of our policy. They desperately need the solutions which we are putting forward. In fact, according to the results of a recent poll by Decima Research, two out of three Canadians support the amendments to the Patent Act which affect prescription drugs. I defy a single Member opposite to come forward with such telling support for his or her position on this issue.

I have one more thing to say, Mr. Speaker, then I will sit down and let rhetoric and political expediency take over the debate. I am very concerned about the processes of the House of Commons which allow 47 new amendments to come forward from opposition Members at report stage of this legislation when these same Members proposed only 11 amendments within committee. I submit to you that these amendments should have been considered and discussed rationally and openly in committee with public submissions to expand the debate on them.

Mr. Orlikow: Then they could not have been discussed here.

Mr. Andre: I get the feeling, and I will not put it any more strongly than that, that these final-hour amendments were nothing more than an attempt to delay this essential legislation.

Mr. McCurdy: What a parade of nonsense.

Mr. Andre: They were a forum for political points that those opposing this legislation did not feel competent to make in committee.

Mr. McCurdy: If ever there was a kangaroo court, it was that committee.

Mr. Andre: However, despite these rather underhanded and unparliamentary tactics of the Opposition—

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

The Acting Speaker (Mr. Paproski): The Hon. Member may rise on a point of order, but I hope this debate will carry on in calmness.

Mr. Orlikow: Mr. Speaker, I am sure the Minister did not want to mislead Members of the House or the public, but the facts are that had amendments been moved in the—

The Acting Speaker (Mr. Paproski): That is not a point of order, it is debate. The Hon. Member will have an opportunity to bring that up when he has the floor.

Mr. Andre: Mr. Speaker, I hope those who may be observing this debate here or on television will note that when one says something with which socialists disagree they attempt to shout you down. That is the socialist tactic. Whether it is a member of the Government or a visitor, such as the President of the United States, they shout you down if they do not agree with you. That is what socialists believe democracy is all about.

However, despite these rather underhanded and unparliamentary tactics of the Opposition, I know the House will approve of the policy embodied in the legislation and will pass it without undue delay. I will be listening to the subsequent

debate with some interest. The technique that will be advanced by the Opposition will be, I am sure, reminiscent of an American politician of some distinction in the early part of this century. I know the Opposition does not like to be identified with American politics, so I do not understand why they adopt American political principles so often. However, the principle we have seen demonstrated in this House over the course of this debate has been to tell it long, tell it often, and sooner or later people will begin to believe it. That is the politics of the early twentieth century.

I have a lot of faith that modern-day Canadians will see through the political agenda of the Opposition and support our Bill because it is good for Canada, good for the health of Canadians, good for research, and good for our young scientists. It will save the consumer money.

• (1230)

The Opposition continually says that this will hurt senior citizens. They know they are not telling the truth because senior citizens are covered by drug plans. It is simply a falsehood to keep repeating that. However, the Opposition believes in the dictum, say it loudly, say if often, and eventually it will be believed. It is the "big lie" technique which they keep repeating.

As the Decima poll showed, Canadians are too sophisticated to fall for that propaganda technique.

Some Hon. Members: Hear, hear!

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am pleased to respond and comment with regard to Bill C-22. In particular, I want to address some of the matters the Minister of Consumer and Corporate Affairs (Mr. Andre) attempted to raise in his speech. The certain facts he has given and situations which he has raised today are totally incomplete.

There are three comments I want to make with regard to the process through which this Bill has gone. On April 15, 1987, the Minister put his time allocation motion to the House and said, as reported at page 5202 of *Hansard*:

> There were 82 hours of study in the committee, hardly a quick passing glimpse. Sixty-five hours were spent hearing witnesses.

He went on to say:

> Mr. Speaker, 46 different groups were witnesses before the committee . . .

He continued:

> Since the 1984 election there has never been a piece of legislation which has had more discussion in Parliament, outside of Parliament, and in various domains across the country than this piece of legislation. If there is anyone in this House who can suggest that they have not had an opportunity to examine this legislation, that they have not heard about it from the people concerned and received their reactions, they must have been living in some sort of cocoon.

Those comments by the Minister are rather unfortunate but, indeed, very typical of the Minister and Conservative Members who sat on the committee examining Bill C-22.

There were many witnesses for the precise reasons given by the Minister himself. The substance of this Bill is important for Canadians, and for the pharmaceutical sector. It is also important for provincial Governments that will have to pay the lion's share of costs, which taxpayers will ultimately pay. For those reasons, numerous witnesses from across the country wanted to appear before the committee.

Opposition Members in the committee attempted, without success, to deal intelligently and reasonably with members of the Conservative Party. If memory serves me correctly, we were told as a result of a resolution that was passed that only 45 minutes would be given to each witness. We responded by saying that that was not sufficient time since many of the groups, including national organizations, would spend 20 to 25 minutes presenting written briefs. That would only allow 20 minutes for questioning. That is not really sufficient time for a thorough examination of briefs that groups of Canadians had gone to the trouble of preparing, certainly not enough time in order that legislators have an opportunity to examine and thoroughly question the substance of their briefs.

I recall suggesting to government Members of the committee that perhaps we should wait to see how many briefs would be presented and then determine how much time would be required to examine them. Government Members simply indicated that the committee would sit on Monday, Tuesday, Wednesday, Thursday and Friday. While I accept the role of the majority in the House of Commons, surely one would have thought that due to our minority there would have been some civility and understanding of the demands that are made on the Opposition in terms of committees and their responsibilities in the House and their constituencies.

We were then confronted with a motion that was put forward in the committee by the Conservative Members of Parliament when opposition Members were not present. With some 15 minutes left in the meeting, they adopted a motion whereby they unilaterally decided to cut debate off at the committee stage. It is another example of interference in the process in order to put in place restrictions on opposition Members and those who may be opposed to the substance of the Bill. The restrictions were such that it was very difficult for those groups to present their views before Canada's highest court, the House of Commons. That is the sort of spirit that government Members created in the committee.

Every opposition suggestion, no matter how reasonable, was either voted down or not adhered to by government Members. Yet they wonder why only 11 amendments were introduced at the committee stage. It would not have been possible to receive a thorough examination of a substantive amendment.

The amendments that were put in committee were basically technical or consequential amendments that would not have shook the Government, rocked the House of Commons or upset the President of the United States. Yet the Government rejected all of those amendments, with the exception of one.

We introduced amendments at report stage in order to give Canadians an opportunity to hear the debate and understand where the Parties stood. I would have thought that if one had such a great case to support Bill C-22, government Members would have been keen to take the opportunity to support the thrust of the provisions of Bill C-22. I would have thought that out of 211 Members at least half would rise to present their great case that the Minister talks about. That did not happen. Very few Members spoke to the amendments to Bill C-22 at report stage.

I suggest that we must reflect upon this process very carefully. It is true that we heard from a number of witnesses, but many more wanted to appear. There was a certain amount of time given to witnesses, but not enough. There were 45 minutes given to the Canadian Labour Congress, to the Consumers' Association of Canada, to the Minister of Health in the Province of Manitoba. There were 45 minutes given to the National Anti-Poverty Organization and to the Canadian Auto Workers Union. That is not sufficient time to investigate and probe into the presentations by the Canadian Drug Manufacturers Association and the Pharmaceutical Manufacturers Association of Canada. That would have been a golden opportunity for Members on all sides to question the authenticity of the remarks contained in their submissions.

The Minister and his predecessors have argued in and out of the House that since Canada must live in the international community our regulatory system with regard to the pharmaceutical industry must be in keeping with other countries of the world, particularly the United States. Therefore, our present system is going to be changed. It will not become exactly the same as the American system, but we are moving in that direction. That was the argument for changing our laws to become internationally competitive, to move to the American system. Let us look at the process of the committee.

• (1240)

Mr. Benjamin: So we can get free trade.

Mr. Dingwall: That is right. It was moved by Members opposite, that if that is the way in which the Government wishes to go, logically, and if one is being honest intellectually, one would want to have individuals and organizations in the United States come before our parliamentary committee to expound upon their views on the system presently in place in the United States.

I think, for instance, of the National Senior Citizens Organization in the United States, of the Chairman of the United States Generic Pharmaceutical Industry, and a Congressman who chairs the subcommittee on health and who is now leading an investigation into the high cost of prescription drugs in the United States, Congressman Waxman, with whom I met. I would have thought we would have tried to have a few Republicans come before the committee just to get an understanding and better appreciation. But no, the process was curtailed. We were prohibited and limited so we could not hear from our colleagues and friends from the United States.

Was that particular motion brought in before our deliberations began? No, it was not. They waited until we heard PMAC. At that time its president was an American citizen. I had no objection, and I am certain my colleagues in the New Democratic Party had no objections as well, to this particular individual coming before our committee and expounding on his views as to why he favours the legislation. However, it was only after the lead spokesperson and organizer for Bill C-22, PMAC, was allowed, that all other individuals who may have been opposed to the Government's Bill were prohibited from coming before the committee and examining Bill C-22.

The process from its early stages—the way in which the Government tried to introduce the Bill in June of 1986—in itself, I think, tells us of the intent and motive of Members opposite. So the process from then until now, with time allocation, closure on this particular Bill, has raised considerable anxiety among Canadians who have called upon opposition Members of Parliament to fight their case in the highest chamber in this land, the House of Commons.

The Minister had the audacity to refer to polls. He said, "I challenge anyone here to refute this poll". The poll to which he referred was conducted by Decima Research. Decima does its work for the Conservative Party of Canada, and it conducted this poll because PMAC, the multinational organization, the lead organization supporting Bill C-22, retained Decima to conduct the research.

One may come from Edmonton, from Nova Scotia, from Newfoundland, but is there any thinking person who did not know what the conclusion of that poll would be? We knew before it was taken. Even those of us who live on that great island of Cape Breton knew what the conclusion would be. It was not anything new that Members of Parliament were being given. The agenda was written; what the questions were going to be and, of course, what the answers were going to be. But that was the Minister's poll. I think it was taken around February 26 to March 4 of 1987.

The Minister said here in the Chamber today, "I challenge anyone to refute the contents of that particular poll". Ministers of the Crown have to be careful. Sometimes they have these periods of amnesia where they conveniently forget. Does the Minister forget the poll which was conducted in January of 1987? I want to read what that poll said, and I am prepared to table it for Members opposite. I know my colleague, the Hon. Member for Windsor—Walkerville (Mr. McCurdy), would love to have a copy of this particular poll. I will give the House the highlights of the poll:

> A majority of Canadians oppose the proposed drug patent extension legislation with significant levels of opposition among Canadians from all walks of life.

What are the numbers? In this particular poll 58 per cent of the Canadian people opposed amendments to the Patent Act, while 30 per cent were in favour. Sixty-six per cent of the people in British Columbia were opposed to the amendments to the Patent Act.

I will read the question so I do not confuse Members opposite, particularly the only Minister in the Chamber at this particular time. I am sure she would want to know what the questions was. It says:

> As you may know, the Government recently presented legislation which will give drug companies exclusive patent rights to manufacture and sell the drugs they invented for a longer period of time than they have now. Other companies will not be allowed to produce or sell less expensive copies of most drugs for 10 years. Do you yourself support or oppose this proposed legislation?

I think that is a fair and objective question. In that great Province of Alberta from which some very distinguished Members of Parliament come, including yourself, Mr. Speaker, 62 per cent are opposed to Bill C-22. The people in Manitoba and Saskatchewan, one would think, might be in favour of this legislation, but 69 per cent are opposed to this particular Bill. In Atlantic Canada, 56 per cent are opposed. In Quebec, 54 per cent are opposed and in Ontario, 54 per cent are opposed. That is very revealing information, as I am sure you would agree, Mr. Speaker.

The anticipated impact of the proposed legislation on the research activities in Canada of drug companies was researched. What do they say with regard to research? Will there be more research or increased profits? In Alberta, and I will concentrate on Alberta for a moment because I am aware of the Speaker's great interest in the concerns and aspirations of the people of that province, 59 per cent believe there would be increased profits for the multinational corporations. In British Columbia, 62 per cent of the people polled believe there will be increased profits. In Atlantic Canada, 55 per cent believe that and 60 per cent in Manitoba and Saskatchewan. The percentages of those who believe there will be more research are; 26 per cent in British Columbia, 32 per cent in Alberta, 30 per cent in Manitoba and Saskatchewan, 32 per cent in Ontario, 34 per cent in Quebec and 28 per cent in the Atlantic provinces. So you see, Mr. Speaker, Canadians are very much against what the Government is doing.

What is the anticipated impact of the proposed legislation on drug prices, which was the third questions posed in this particular poll? It was a poll with respect to which the Minister challenged us here in the Chamber today to see if we could refute anything that he had in his possession, namely, the Decima poll. But this is a poll that was taken prior to that. The question asked in the poll was this:

> Do you think we can expect the price of pharmaceutical drugs to increase, decrease or remain the same as a result of the proposed legislation?

● (1250)

Some 72 per cent of those polled believe that prices will increase. The breakdown of that figure across Canada is as follows: Some 78 per cent of those in British Columbia and in Atlantic Canada believe that prices will increase; some 63 per cent of those in Quebec, 73 per cent of those in Ontario, 76 per cent of those in Manitoba and Saskatchewan and 75 per cent of those in Alberta believe that drug prices will increase as a result of amendments to the Patent Act.

The fourth and final question posed in the poll which I am sharing with Members of the House today was:

> In preparing this legislation, do you think the Mulroney government was paying more attention to the interests of multinational drug companies or to the interests of Canadian consumers?

Some 64 per cent of Canadians polled believe that the Government's main interest is that of multinational drug companies as opposed to that of Canadian consumers. The breakdown across Canada is as follows: Some 72 per cent of those in British Columbia, 66 per cent of those in Alberta, 71 per cent of those in Manitoba and Saskatchewan, 60 per cent of those in Atlantic Canada, 59 per cent of those in Quebec and 63 per cent of those polled in Ontario believe that the Government's main interest is in respect of multinational drug companies as opposed to consumers.

The Minister referred to some interesting statistics in his remarks. I would not want to say that he intentionally forgot, because that would be unparliamentary and I would not want to be unparliamentary because Your Honour quite rightly would point out that I was being unparliamentary, but for whatever reason he has forgotten what is in this particular poll commissioned for one of Canada's most respected newspapers and which was carried out by a respectable polling agency.

I now wish to go into a few other areas since it was alleged by some that the 1969 Patent Act had a negative effect in terms of job creation in Canada. The 1969 legislation is the legislation which is in existence today. In his recommendations Eastman dealt with this matter very thoroughly in order to dispel any suggestion that somehow job creation was retarded or prohibited under the 1969 legislation.

In Canada employment in the pharmaceuticals and medicines industry increased by almost 29 per cent between 1967 and 1982. Employment not only increased noticeably in this industry, it increased more rapidly than employment in all manufacturing in Canada. So on the issue of jobs it cannot be said, based on fact, that the existing legislation has in any way taken away from job creation. In fact, the complete opposite is true, which is evident on a review of the statistics from 1967 to 1982.

Employment in manufacturing increased by only 3.4 per cent between 1967 and 1982. The ratio of employment in pharmaceuticals and medicines to employment in all manufacturing increased during this period, rising from 0.74 per cent in 1967 to 0.92 per cent in 1982. Thus we can see that the legislation did not restrict or prohibit the creation of jobs, but rather increased economic opportunities. It provided jobs to those Canadians who wanted to work in this particular field.

Some observers have nevertheless commented that although employment may have increased in the pharmaceuticals and medicines industry from 1967 to 1982, it would have increased even more without the 1969 Act. That is the claim of Members opposite. Their claim does not appear to be supported by the facts. However, employment in pharmaceuticals and medicines in fact increased more rapidly in Canada than it did in the United States over the same period of time.

The data provided thus far demonstrate that the 1969 Act had no adverse impact on employment in the pharmaceuticals industry in Canada. That is very, very clear. But the data tell us nothing about employment in the Province of Quebec. In this respect the Minister has hauled out from time to time a resolution tasked by the National Assembly in the Province of Quebec.

What happened in Quebec? As we know, the pharmaceuticals industry is almost exclusively concentrated in the Toronto and Montreal areas. The data that I have show that between 1953 and 1982 Quebec's share of employment appears to have declined in this industry and gone to Ontario. For example, in 1953 some 48.3 per cent of employment in the industry was in Quebec while the corresponding 1982 figure was 43.3 per cent. It should be emphasized, however, that these percentages fluctuated a great deal from year to year, as shown in the figures that I have here in front of me.

The question which now needs to be asked is whether or not this relative loss of jobs in Quebec is the result of the impact of the 1969 Act concerning pharmaceuticals. It does not appear to be. The employment data in fact indicate that the ratio of employment in Quebec decreased in many industries since the 1960s. In manufacturing alone Quebec's percentage of employment dropped steadily after 1962. In 1962 employment in the manufacturing sector in Quebec was 32.7 per cent while in Ontario it was 48.3 per cent. In 1982 the figure had decreased to 26.5 per cent in Quebec while it was 48.4 per cent in Ontario.

The conclusion must therefore be that the 1969 Act had no adverse effects on employment in the pharmaceuticals and medicines industry in Canada or in the Province of Quebec. I share that information with Members opposite who for whatever reasons would want us to believe that the 1969 Act had a disastrous effect on job creation in Canada when nothing could be further from the truth.

The Minister said that he had received a great many letters from Canadians in support of Bill C-22. Members on this side of the House would have hoped that Members opposite who are receiving such mail by the carload in support of the Bill would have participated more in the debate that preceded today's debate. But that did not take place. The Minister touted some of his—

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I apologize to the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) for interrupting him, but I waited until one minute before one o'clock since I know that he will resume his very good remarks at three o'clock.

Mr. Speaker, after listening carefully to the remarks of the Minister who spoke a short time ago, this is the first opportunity I have had to give notice of a question of privilege, if we find on checking the "blues" that there seems to be one. I believe that I heard the Minister say that the Opposition used under handed and unparliamentary tactics in reference to some 11 amendments in committee and some 40 at report stage. It is not unparliamentary for any Hon. Member in the House to abide by the rules of the House. His remarks are a reflection on the integrity of Members, specifically opposition Members of the committee. More specifically, they reflect on the Chair. The Chair would not allow unparliamentary procedures. I believe the Minister should withdraw his remarks.

The Acting Speaker (Mr. Paproski): Now that the Hon. Member has risen on a point of order I hope that he will give written notice of his question of privilege so that this matter can be brought up tomorrow, since the "blues" cannot be used in this respect. If the Hon. Member is willing to do that then I am sure the Speaker will consider the matter.

It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

DISASTERS

TRAGIC DEATHS OF FISHERMEN OFF EAST AND WEST COASTS

Mr. George Henderson (Egmont): Mr. Speaker, every day on the open waters, far from land, our fishermen have learned to respect the awesome power of Mother Nature. They know that they are often only an accident away from certain tragedy. This year has brought much sorrow to our fishing communities.

In January the fishing vessel *Myers III* was caught in a sudden storm off Newfoundland's south coast, claiming the lives of five fishermen including four brothers from the Myers family. Then, on the Pacific Coast, the vessel *Scotia Cape* disappeared with its six crew members. Several days ago there were two accidents in the Gulf of St. Lawrence which claimed the lives of four fishermen. Those fishermen were all trying to make a living in a very tough occupation.

It is often said that our fishermen and other primary producers are the backbone of our economy. Too often they have made the ultimate sacrifice. I am sure I speak for all my colleagues in asking the Minister of Fisheries and Oceans (Mr. Siddon) and his cabinet colleagues, along with their provincial counterparts, to do everything possible to make our fishing industry safer. I cannot think of a more worthy cause.

S. O. 21

ABORTION

FORTHCOMING VOTE ON PRIVATE MEMBERS' MOTION

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, Monday, May 11, marks a significant day in the life of this Parliament. It will be the first time in this Parliament that there will be a recorded vote on a Private Members' Motion. Motion M-37 asks Parliament and the provinces to amend the Charter of Rights and Freedoms to include unborn children as a protected category.

Abortion is one of the great moral questions of the 20th century. In September, 1984, the people of Canada sent us here to take tough decisions. I believe every Member should state clearly how he or she stands on this issue. I suggest it is unacceptable for Members to avoid making a decision because of procedural difficulties with the motion. We owe more than that to ourselves and our constituents. Therefore, on Monday, May 11, I say to all Members: Stand up and be counted; all of Canada will be watching.

* * *

FORESTRY

BRUNDTLAND REPORT—EFFECT OF DEPLETION OF FOREST RESOURCES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, Canada has designated May 4 to May 10 as Forestry Week. In view of the Brundtland report released last week by the World Commission on Environment and Development, I remind the Government of the urgent need not only for increased awareness of the state of Canada's forests, but of the grave predictions regarding the environment of the entire world.

One billion people on this earth are forced to cut more trees than they plant, literally cutting away the lungs of the earth. As this continues deserts spread, the number of species diminishes, and the climate changes. The Brundtland report charges that all those in a position of power to alter this situation must be held accountable for the pollution and loss of resources caused by their decisions.

Each year an area of forest the size of Newfoundland is destroyed. Some 40 per cent of the world's tropical forests are already gone. Each year an area the size of Nova Scotia is turned to desert, increasing the more than one-third of the world which has already suffered desertification. I call on the Government to raise the priority for forestry and agro-forestry projects in the Third World, and on CIDA specifically to put more emphasis on non-exploitive forestry.

[*Translation*]

THE LATE RAYMOND BLAIS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, tomorrow, May 6, 1987, in the Saint-David church, the family of Mr. Raymond Blais will pay their last respects to this outstanding Canadian. South shore residents will sympathize with Quebecers and Canadians as evidence of their sorrow and their loss.

Raymond Blais devoted his professional life to the co-operative movement, the Mouvement Desjardins. Under the guidance of Raymond Blais the Desjardins co-operative movement crossed world boundaries.

A dreadful illness took away the husband, the father, the friend, the public man loved by everybody.

May his soul rest in peace.

* * *

UNEMPLOYMENT INSURANCE

REIMBURSEMENT OF CONTRIBUTIONS TO CERTAIN WORKERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, yesterday in the riding of Rosemont, I met with residents of Hochelaga—Maisonneuve and Mercier, three constituencies represented by Conservative Members, and again I spoke with older workers who are wondering what the Conservative Government is waiting for before proceeding with second reading, committee stage and third reading of the legislative measures aimed at reimbursing unemployment insurance benefits.

Unfortunately, Mr. Speaker, this Government and Hon. Members have no idea whether the Minister of Employment and Immigration (Mr. Bouchard) is prepared to proceed immediately with all stages of the Bill with a view to reimbursing the 35,000 Canadian workers, including 13,000 in Quebec. The Liberals are ready.

But, unlike the Conservative Members, we will never agree to discriminate against older workers, men and women who lost their job and will have to find another to become eligible. Never will the Liberals under the Right Hon. John Turner accept such discrimination towards older workers.

* * *

FORESTRY WEEK

IMPORTANCE OF FOREST RESOURCE

Mr. Guy St. Julien (Abitibi): Mr. Speaker, I would like to stress the importance of Forestry Week during Tree and Forest Week in Canada. On behalf of 43,000 people who work in the pulp and paper industry in Quebec, 24,000 who work in the lumber industry and 9,000 employed by forestry operations, on behalf of more than 127,000 people whose jobs depend indirectly on the forestry industry in Quebec, on behalf of

120,000 owners of private wood lots in Quebec and on behalf of the 127 communities in Quebec whose economy depends on our forests, on behalf of all Quebec forestry associations and on behalf of Quebec's honorary president of this special week, Mr. Jean Perron from Abitibi—Témiscamingue, on behalf of the Minister of State for Forestry and Mines (Mr. Merrithew) and on behalf of all Quebec Members in this House, I would like to point out, Mr. Speaker, that this is an excellent opportunity to show all Quebecers the importance of our forests for the well-being and quality of life of the people of our province.

* * *

• (1405)

[*English*]

PROVINCIAL AFFAIRS

PORT OF CHURCHILL DEVELOPMENT BOARD—SASKATCHEWAN GOVERNMENT'S CUT IN FUNDING

Mr. Rod Murphy (Churchill): Mr. Speaker, the Government of Saskatchewan, as a result of the horrendous deficit it has incurred through its own actions, has decided to cut funding to the Port of Churchill Development Board. This is a very short-sighted action.

It is interesting to note that 90 per cent to 95 per cent of the grain handled by the Port of Churchill comes from the Province of Saskatchewan.

I think the Government of Saskatchewan is cutting its own throat and the throat of its farmers by taking this short-sighted action. I call upon the Premier of Saskatchewan to reconsider this stupid and uncalled for action.

* * *

ENERGY

GULF CANADA—BEAUFORT SEA OILFIELD DEVELOPMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the tentative announcement made at the recent Houston World Petroleum Congress that, subject to certain price considerations, Gulf Canada is to start work this year on its 800 million barrel Amauligak oil deposit in the Beaufort Sea area of the Northwest Territories is certainly welcome news.

Congratulations are due to Gulf and its partners, Husky Oil and Norcen Energy, on what could be a $4.5 billion investment which will revitalize the northern oil and gas industry and will increase Canada's oil supplies by some 170,000 barrels per day.

The Government of Canada should now expedite the regulatory process so that this major project might see an early fruition.

S. O. 21

FORESTRY

VALUE OF EXPORTS—IMPORTANCE TO ECONOMY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, this is National Forest Week. The social and economic impact of the forest sector in Canada is enormous. We export 22 per cent of the world's total amount of forest products; $16.2 billion worth in 1985.

Three-quarters of a million Canadians are directly or indirectly employed in the forest sector. The forest industry provides the support system for more than 300 one-industry towns in Canada.

Because our forests are so important to the national economy, they cannot and must not be exploited in an anarchistic or mercenary way. To do so would be to endanger the health and equilibrium of the environment and the prosperity of generations to come who will depend upon the forests.

The Government of Canada must do more, not less, in giving active leadership in the cause of forest regeneration, research, and education.

The preservation of some forest lands must always remain a firm policy of this and future Governments. Our national parks heritage is precious to all of us. Some forest lands are the traditional lands of aboriginal peoples, and they must be left unharvested until the question of aboriginal title and unsettled claims is resolved.

Canada cannot be understood without reference to its forests. This imposes a heavy obligation upon all of us—users, conservers, and preservers alike.

* * *

CELTIC AFFAIRS

INTERNATIONAL GATHERING OF THE CLANS—AN INVITATION TO NOVA SCOTIA

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, on behalf of the people of Nova Scotia I extend an invitation to all Scots and would-be Scots to attend the 1987 International Gathering of the Clans, being hosted for a third time in the New Scotland of the New World, Nova Scotia.

The Highlands will be ringing with the sound of the pipes and the fiddle. Commencing with the official opening in Halifax on June 27, a program of Scottish gatherings, festivals, and events will carry on throughout the province until August 8.

Toward the middle of July, the Antigonish Highland Games will get under way. This is the oldest Scottish festival in North America. Also in July, St. Anns will host the annual Gaelic Mod. I am proud to say that these events will both occur in my riding.

The Scottish have a proud heritage, one which was transplanted to New Scotland many generations ago. The family ties that kept the Celtic character intact through the many years are still strong.

Hosting the International Gathering of the Clans is an honour we are proud to accept and an occasion we are all happy to celebrate.

The pipes are calling you.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

NEED FOR REFORM

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, we must recognize the fact that the Official Languages Act passed by this Parliament in 1969 is no longer sufficient to meet the objectives set when it was first implemented, namely to promote and defend bilingualism in this country.

The latest report by the Commissioner of Official Languages, and appearances before a Joint Committee of the House of Departments and Federal Agencies that blithely infringe the intent of this Act are a clear indication that we must proceed with a thorough reform.

Mr. Speaker, the present Government has a mandate and a duty to correct a situation that arose as a result of the inertia and neglect of the Liberals. In this country, every federal employee should be able to work in the language of his choice, just as every citizen has the right to be served in the language of his choice.

Mr. Speaker, this reform must refresh Canadians' perception of what it means to be a country that is founded on the respect for two cultures. We need reform and we need it fast!

* * *

• (1410)

[*English*]

SPORTS

EFFECT OF CORPORATE SPONSORSHIP AND FUNDING

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, it is becoming increasingly obvious that corporate domination of sport in Canada is not the be-all and end-all that some, including the Minister of State for Fitness and Amateur Sport (Mr. Jelinek), would like it to be. This morning we learned that the corporate battle between two breweries has killed the Canadian Grand Prix. We also know that corporate rights to the televising of NHL hockey play off games is preventing many Canadians from being able to follow our national pastime.

In Thunder Bay, for example, we have for years been able to watch the Stanley Cup semi-finals but this year we have been shut out of the Edmonton/Detroit series. The CTV has decided not to televise the play-offs this year, leaving the CBC to cover only one series. Carling O'Keefe, which own the rights to the Edmonton/Detroit series have, over the past few days, set up a special network of TV stations to show the games but they have not made arrangements for the games to be shown in Thunder Bay.

I raise these matters to point out, Mr. Speaker, that when we hand over the funding of sports events, whether they be professional events as in this case, or amateur events as the Minister is trying to encourage, that it is the interests of the corporations to make money, which is the prime consideration, and the interests of the athletes and the fans come second.

* * *

EDUCATION

NEED FOR NATIONAL COUNCIL ON POST-SECONDARY EDUCATION

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, right now thousands of young people are finishing exams and are in the process of finding or beginning summer jobs, that is, those lucky enough to find jobs.

Since 1984 the Mulroney Government has consistently cut back in funding for jobs for young people, particularly for summer jobs. It has eliminated our First Chance apprenticeship program, which would have helped 100,000 young people every year to bridge the gap between education and experience. It addressed the Catch-22 situation faced by so many young people of "no experience-no job—no job-no experience".

There is a crisis in post-secondary education in this country. Accessibility is limited, quality is declining, and facilities are deteriorating. We believe that we need a national council on post-secondary education to bring together all the players in the field. We must address the financial ability of those who want to attend college and university in Canada. We need that program now, Mr. Speaker, so that our young people can have a decent place in this country of ours.

AGRICULTURE

SUPPLY MANAGEMENT PRODUCTS—PROTECTION FROM IMPORTS ADVOCATED

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Government's aim in free trade would ultimately lead to goods being produced in Canada only if those goods could not be produced and transported to Canada more cheaply from somewhere else.

The Minister of Agriculture (Mr. Wise) and the Secretary of State for External Affairs (Mr. Clark) have indicated that they will not guarantee protection from imports for products which are presently under supply management in agriculture. If such a policy is followed in agricultural products, dairy and egg boards would not be able survive.

New Democrats call upon the Government to state categorically that it will protect supply management products from cheaper imports even if it does sign a free trade agreement with the United States.

* * *

[*Translation*]

YOUTH

ESTABLISHMENT OF GENERAL POLICY—GOVERNMENT POSITION

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, in an interview he gave the newspaper *La Presse* last March, the Minister of State for Youth (Mr. Charest) made it clear that he had given up the idea of establishing a general youth policy. These were the words he used, and I quote:

> The way to help youth is not by adding new programs or spending more money. We have to consider the general context and the Government's over-all strategy.

Mr. Speaker, it is a sorry state of affairs indeed, when the Minister of State for Youth decides to drop the idea of implementing a special youth policy for Canadians. The present infrastructures are definitely inadequate, and the problems facing our young people such as drugs, illiteracy, poverty and AIDS demand the development of real policies.

The Minister has no right to use a drop in the unemployment rate to justify his failure to act at a time when in many areas the unemployment rate has reached alarming proportions.

Mr. Speaker, what are we supposed to think when a Minister of State for Youth publicly refuses to help youth with concrete measures? What are young Canadians supposed to think?

S. O. 21

[*English*]

SHIPBUILDING

CANADIAN FRIGATE PROGRAM—AWARDING OF SECOND PHASE CONTRACTS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the first phase of the Canadian Frigate Program is moving on schedule. Saint John Shipbuilding Ltd. has put together a most effective team of management, design and trades people and the team is now ready to proceed with the second phase of this program.

• (1415)

Under the present phase, benefits are shared in the following manner: 23 per cent to New Brunswick, 52 per cent to Quebec, 20 per cent to Ontario and 5 per cent to western Canada.

Under the second phase with six ships being built in Saint John, only 52.6 per cent of the benefits would stay in Atlantic Canada and 47 per cent would be distributed to the other provinces of Canada.

If cost has anything to do with the awarding of this contract, the entire second phase will be awarded to Saint John Shipbuilding Ltd. because it can deliver the best, most cost effective contract to the Canadian taxpayer.

* * *

THE DISABLED AND THE HANDICAPPED

SUPPORT URGED FOR MULTIPLE SCLEROSIS CAMPAIGN

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, today three members of the Subcommittee on the Disabled and the Handicapped were able to take part in the launching of a campaign here at the House of Commons on behalf of the Multiple Sclerosis Society. The society itself was well represented here at the House of Commons.

I would like to bring to the attention of Members of the House that the Red Carnation Drive which begins this month is aimed at encouraging Members of Parliament, and through them the entire nation, to understand more fully the importance of the research which is required in this field and will be important in limiting the number of disabled and handicapped people. It is aimed as well at bringing to Canadians an understanding of the affliction this disease brings and of the fact that we are all susceptible to becoming in some way disabled or handicapped at any moment in our lifetimes.

On behalf of the committee, I want to express to the House and Canadians our concern that this research and development take place. We should keep in mind this important drive which begins today and continues for the next month.

* * *

PARLIAMENT

DECLARATION OF COMPLETE SMOKE-FREE ZONE SUGGESTED

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, it is time for Parliament to set an example. On Monday evening, April 27, I moved, seconded by the Hon. Member for Dauphin—Swan River (Mr. White), that smoking during all hearings of the Standing Committee on National Health and Welfare be forbidden. It was unanimously approved with a few "Ohs" and "Ahs". It just so happened that the committee's witness that night was the Minister for National Health and Welfare (Mr. Epp).

I have said before and I say again that it is not only conclusive that smoking is a serious health hazard to smokers and non-smokers alike but that Parliament and its precincts should set the best possible example at all times for all of Canada. Question Period may on occasion be the most notable exception to this, but all other practices cannot be.

With new legislation evolving to limit smoking in the federal workplace and in that of federally-regulated businesses, it seems contradictory to me that Parliament itself is not smoke-free. I am proud to say that at least the Standing Committee on National Health and Welfare has taken this exemplary step.

ORAL QUESTION PERIOD

[*English*]

REFUGEES

MINISTER'S STATEMENT ON GOVERNMENT POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister must recall with pride the fact that less than six months ago Canada was given the Nansen Award by the United Nations for our record in receiving refugees. The Prime Minister must reflect with shame on the statement made this morning on refugees by the Minister of State for Immigration.

Why are the Prime Minister and the Government defaming our reputation as a generous country? Does the Prime Minister wish to trigger restrictions on refugees in other countries? Does he want the global tragedy of refugees to be compounded even further?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, we are about to put in place a process that will guarantee an open determination to everyone in need of our protection. A real refugee will never be sent back to face death or torture.

We need a process that puts claims through fairly and quickly, and we assure the House that will be done. We must curb the abuse and we must be able to manage our resources effectively.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I say to the Minister that the process and particularly the pre-selection process will be an overwhelming burden for refugees trying to get into our country.

[*Translation*]

EXAMINATION OF ORIGIN AND REGION FROM WHICH APPLICANT COMES—CONSEQUENCES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a second question for the Prime Minister. He is telling us that no "real" refugee will be refused, yet he knows that the pre-selection process is an obstacle intended to make the system, not more equitable, but more effective.

Will the Prime Minister admit that simple examination of the origin and the region from which the applicant comes is an irresponsible solution which does not take very delicate circumstances into account?

• (1420)

[*English*]

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, we put into place a first step whereby two individuals, one an adjudicator and the other a member of the independent Refugee Determination Board, will examine the individual at the inquiry using four very specific criteria: Does the person have an established refugee status elsewhere? Can he be returned to a safe third country? Did he have the opportunity to make a refugee claim in that country? Could he have received its protection?

It is very, very clear that we must have that process in place. We must be able to curb some of the abuses of the integrity and credibility of our system. The specifics are very clear. If the individual falls into one of the criteria he will be excluded from the system. However, as long as one of the two people think there is a shred of evidence, everyone else will be sent to the Convention Refugee Determination Board for a full oral, non-adversarial hearing, and be given every right to show they fear persecution.

Mr. Turner (Vancouver Quadra): The pre-selection process of which the Minister speaks has no due process of law involved in it whatsoever.

POLICY AFFECTING REFUGEES ARRIVING FROM INTERMEDIATE COUNTRIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I will direct my third question to the Minister. Why has he stated that Canada may not receive refugees if they come to this country via a third country? Why should Canada, as a humane country, shift its burden in this world-wide problem to other countries to which refugees may flee or be chased because of war, torture and persecution? Why is the Government, on behalf of our country, not living up to its humane responsibility?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, this year Canada will choose 20,000 refugees under our Refugee and Humanitarian Program. We will contribute over $170 million to help them resettle through aid to international humanitarian agencies and food programs.

The third part of the program ensures that every individual who comes to our shores and our doors will be given a chance to demonstrate that they fear persecution. However, those with manifestly unfounded claims, those who have been asked to leave the country in the last 90 days, and those subject to removal, cannot be allowed to make a refugee claim, because they should be applying under the regular immigration laws of the country.

REFUGEE BOARD PROCEDURES—LISTING OF SAFE COUNTRIES

Mr. Sergio Marchi (York West): Mr. Speaker, my question is also for the Minister of State for Immigration and is also with regard to the Government's new refugee legislation. The Government has today adopted a Pontius Pilate attitude of washing its hands of genuine refugees and irresponsibly passing the problem to another country. This will only serve to aggravate the world phenomenon and trigger other countries to do likewise in a regressive fashion, in turn bringing more pressure to countries like Canada.

Given that the refugee board should have been independent and non-adversarial, why did the Minister give ultimate discretionary authority to Cabinet to design a list of so-called safe countries which will dictate who will access the system? Why were an immigration adjudicator and a lawyer present at the pre-screening process and the oral hearing which made it an adversarial process between the claimant and the department?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, there are 15 million refugees in the world and 100 million economic migrants. Our help to the real refugees must continue unabated. This is a real world rather than a theoretical world. It requires common sense solutions. We must be realistic, not naive. We need objective criteria, not subjective opinion.

• (1425)

Mr. Marchi: In his speech to immigrants, the Minister said: "If I do not deliver a good policy I will throw away my keys to the limousine". He had better throw away those keys and be ashamed of himself today.

APPEAL SYSTEM PROCESS

Mr. Sergio Marchi (York West): Mr. Speaker, why did the Minister give the system such a shamefully weak appeal procedure, with leave to the Federal Court, which only deals with arguments on legal process and not on the facts and circumstances of the individual? Why could people be deported during the appeal and until it is considered, thus endangering the lives of those individuals and going against the spirit of Section 7 of the Charter of Rights protecting individuals, thus making it unconstitutional?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, we are introducing a system that has streamlined processing. There are quality oral hearings in front of independent refugee board members. There are appeals by leave to the Federal Court.

This Government does not need to apologize for its contribution or anything we are doing. In the past year we contributed over $53 million to international humanitarian agencies. That is double what the previous Government committed in 1982.

Some Hon. Members: Hear, hear!

Mr. Weiner: In addition, we are spending at least double what the previous Government spent to settle, integrate and accommodate these new people in our country.

* * *

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA—LETTER REPORTEDLY SENT TO POTENTIAL COMPETITORS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It concerns the proposed takeover of Dome Petroleum by the Amoco Corporation. In the past the Minister has assured the House that this deal was not finalized and that there were options other than the takeover by Amoco. The Minister knows that that corporation has had a bad reinvestment record in Canada and has now publicly refused, even if it is able to take over Dome, to sell shares to Canadians.

The Minister is no doubt aware that Amoco has sent threatening letters to companies that potentially would offer a counter bid. Is he aware of the content of those threatening letters from Amoco and, if so, will he tell us what he has done about it, as the Minister of Energy, Mines and Resources?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, it was obvious from the very beginning that the various stages of negotiations between Dome, its creditors and potential owners would be a lengthy process that could take several weeks and possibly even several months.

Last week I met with the President of Dome who assured me, after saying so in public, that as the man responsible for Dome he had to consider any bid which would be made to Dome and which, in his opinion, would be better than Amoco's.

I would also emphasize that the Canadian Government is not aware of any other bid, so that I think it would be quite premature to presume how the Canadian Government might respond through Investment Canada.

As to the letter mentioned by the Hon. Member, I am not personally familiar with it. Should anyone feel that it infringes on one's rights, there are courts in Canada to handle this kind of situation.

[*English*]

INTEREST OF IMPERIAL OIL CORPORATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister says that he is not aware of any other bid. I thought it was more or less public knowledge that Imperial Oil Corporation was interested in such a possibility.

Presumably the decision to be reached by the Government of Canada will be in the interests of Canada, particularly western Canadians.

Considering that the letter threatened legal action against Imperial Oil if it made a counter bid, and that the Chief Executive Officer of Imperial Oil confirmed with me earlier today that Imperial Oil will not make a counter bid as a result of this letter, will the Minister live up to his Canadian responsibilities and intervene directly in this process to make sure there is open competition for the takeover so that Canadian interests will be served, and not guarantee that Amoco Corporation will simply get it?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I think all Members of this House will be surprised to see how earnestly the NDP is defending the corporate values of Imperial Oil. I think the company has enough lawyers and is sufficiently conversant with the Canadian legal system to decide whether it wants to bring the matter before the courts.

Secondly, I feel that if Imperial Oil wants to make an offer to Dome Petroleum, this kind of letter is certainly not going to prevent it from doing so.

Mr. Broadbent: Mr. Speaker, I am not sure I understood the Minister's last sentence, but I got the impression he implied that Imperial Oil did not make the decision because of this letter. If he said so, that is not the case.

• (1430)

[*English*]

The Minister is indicating on the contrary. All right.

REQUEST THAT MINISTER INTERVENE

Hon. Edward Broadbent (Oshawa): Since it is evidently in the public interest of Canada that whoever gets control of Dome Petroleum should be the best company for Canadian interests, Canadian taxpayers and the people of western Canada, and since this letter has now threatened one corporation by telling it legal action will be taken against it—and, because I understand it is now circulated throughout the industry it has presumably scared off other potential takeover bids—will the Minister finally get involved concretely, call all the parties in and make sure the takeover bid which is in the best interest of Canada is the one which succeeds?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think it is up to the Minister of Energy, Mines and Resources to discuss legal points or give a legal opinion on the subject of the legality of letters exchanged between corporations. I am willing to ask the Department of Justice whether the Canadian Government can intervene in such cases. Personally, I would be very surprised, but I will inquire.

I may remind the Hon. Member that the President of Dome Petroleum stated that he was prepared to consider and evaluate any offer that might be made to Dome Petroleum. If Imperial Oil wants to make an offer, it has to make that offer to Dome Petroleum and not to the Minister of Energy, Mines and Resources. That is why the Minister of Energy, Mines and Resources is not informed of the content of any offers whatsoever.

[*English*]

Mr. Broadbent: But they can't make an offer. They will be sued.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DEPUTY GOVERNOR OF JIANGSU, PEOPLE'S REPUBLIC OF CHINA

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery of Mr. Yang Yongyi, the Deputy Governor of Jiangsu of the People's Republic of China.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF DEPUTY SPEAKER OF HOUSE OF LORDS

Mr. Speaker: I wish also to draw to the attention of Hon. Members the presence in the gallery of Baroness Carolyn Cox, Deputy Speaker of the British House of Lords.

Some Hon. Members: Hear, hear!

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA—POSSIBILITY OF OTHER BIDS

Mr. Russell MacLellan (Cape Breton—The Sydneys): My question is directed to the Minister of Energy, Mines and Resources. On at least one occasion, on April 24, officials from the Minister's Department met with officials of Amoco Canada, Dome Petroleum and Investment Canada, putting an end to the Minister's contention that no proposal has ever been made to the Government. The Minister has obviously seen the agreement. He says the President of Dome would welcome other bids. Does the agreement between Amoco Canada and Dome Petroleum allow for other bids to be made?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I can only refer the Hon. Member to the statements made by the President of Dome Petroleum where the answer is yes.

[*English*]

HUSKY OIL INTEREST—ROLE OF INVESTMENT CANADA

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would say that the Minister of Energy, Mines and Resources is misleading the House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Order!

Mr. Foster: He did not say deliberately.

Mr. Speaker: I am sure the Hon. Member does not mean that the Minister is intentionally misleading the House.

Mr. MacLellan: No, I certainly would not mean that, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. MacLellan: The recently expressed interest of Husky Oil in Dome Petroleum once again indicates that there are other companies interested in bidding for Dome Petroleum. Will the Minister give us his assurance today that he will not allow Investment Canada to make a decision on the Amoco Canada bid until all bidders have had a reasonable time to make a bid for Dome Petroleum?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, according to the explanations given by the President of Dome Petroleum, the company has made a commitment to Amoco that it would not seek other bids. But should Dome receive a bid deemed to be better than that, Amoco or the person responsible for Dome, the President, must be made aware of it.

[*English*]

With respect to the second part of the Hon. Member's question, after Dome has made a decision on the question of the one which made the best offer, Dome will introduce the proper request through Investment Canada. That is the place where the federal Government will make its judgment. But as long as Dome is in the private sector, it is not up to the federal Minister of Energy to take on behalf of Dome a decision which is not mine to take.

* * *

REFUGEES

PROPOSED LEGISLATION—EFFECT OF PRE-HEARING PROCESS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is about the new refugee policy and it is directed to the Minister of Employment and Immigration or to his Minister of State. Does the Minister believe that Canada will be living up to its international obligations to refugees when the legislation announced today promises to set up a pre-hearing process which will operate like a kangaroo court at the border, and which will concentrate on finding reasons to dump our refugee problems on other countries rather than on the legitimacy of a refugee claim?

Hon. Gerry Weiner (Minister of State (Immigration)): Yes, Mr. Speaker, it not only meets our convention obligations but it respects our Charter obligations.

Mr. Cassidy: I would tell the Minister that there is a great deal of dispute about that precise question.

TREATMENT OF APPLICANTS ENTERING CANADA FROM UNITED STATES

Mr. Mike Cassidy (Ottawa Centre): If I can be specific, Mr. Speaker, the Minister is aware that large numbers of genuine refugees to Canada have been coming from Chile, Guatemala and El Salvador. Many have come to Canada after spending some time in the United States. Will the Minister confirm that these applicants, under the new process, can be turned back at the border and are forced to apply for refugee status in the United States, even though the acceptance rate is only 2 per cent compared to 50 per cent in Canada, and that if they are not accepted into the United States they may be deported back to face torture or death in their home countries when Canada should be accepting them here?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, what I can assure the Hon. Member is that we will protect those in need. Every individual who comes here will get a chance to demonstrate that his personal life, limb, liberty or security is at risk. He will be able to do that in a very fair and open, non-adversarial manner. We will do everything we can to make sure that when he demonstrates that fear he will be landed.

Of course, if he is not able to demonstrate that fear, he will have another appeal by leave to the Federal Court and then he will be asked to leave Canada, as you would expect, in order to meet the criteria that all economic immigrants have to meet in coming to this country.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

TESTS FOR ADMISSION AND SELECTION OF PERSONNEL—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Last night, Mr. Speaker, Radio-Canada reported on another RCMP breach of the Official Languages Act in the personnel admission and selection tests they must give applicants.

Last week the Canadian Security Intelligence Service director admitted before the Standing Committee on Official Languages that the Official Languages Act had been breached for two years.

How can the Solicitor General, who is ultimately responsible for all such cases, tolerate this evidence of bad faith on the part of both the RCMP and the Canadian Security Intelligence Service?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member that I am aware of the problem with respect to the types of questions used in RCMP tests. I have spoken to the RCMP about this matter this morning and have asked for a complete internal review.

• (1440)

With respect to CSIS, as I advised the House before, I am aware of language problems within CSIS. The Security Intelligence Review Committee was commissioned last year to perform a complete investigation of those problems. I expect the report to be on my desk within the next week. I can assure the Hon. Member, and all Members of the House, that I will deal with the report extremely expeditiously.

[*Translation*]

OFFICIAL LANGUAGES—REQUEST THAT SOLICITOR GENERAL PRESENT REPORT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, if the Solicitor General is unable to command respect for the law, and this is not the first time he is made aware of flagrant violations of the Official Languages Act, he ought to resign and let others take responsibility for enforcing the Official Languages Act.

My question to the Solicitor General: Five months ago, last December 18, the President of the Treasury Board said in this House: I am asking the Solicitor General to submit a report to me, to make me a proposition concerning a plan to implement the Official Languages Act, in the RCMP and elsewhere. Has he done that? And where is this report?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I am happy to advise the Hon. Member that the new Treasury Board application has been completed. I hope to proceed forward with it next week. I can assure the Hon. Member, and all Hon. Members of the House, that they will be very pleased with this new presentation.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—POSITION TAKEN BY CRTC CHAIRMAN

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister for International Trade. There are real problems which have emerged in the Government's trade approach to the United States. The head of the CRTC has warned of the dangers of free trade and of clauses in the new U.S. Trade Bill that threaten Canada. Given Andre Bureau's prediction of a $90 million loss for Canadians will the Minister clearly state that our country will not surrender either Bill C-58 or the right to cable television advertising substitution in the free trade talks?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I am glad to note that the Hon. Member is finally discovering that there are threats to Canada-U.S. trade contained in the U.S. Trade Bill. I can only tell the Hon. Member that we have said over and over again in this House that instruments of our cultural policy are not on the negotiating table. I see no reason to pursue this point when it has been made repeatedly in the House.

Mr. Langdon: Mr. Speaker, I have to say that at no point in time has the Government been prepared to say specifically that the policies that I have enumerated will not be eliminated. When the Government is prepared to do that I will take its word for it.

CORN PRODUCERS—REQUEST FOR FINANCIAL HELP IN COUNTERVAIL CASE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, will the Minister also guarantee that Canadian corn producers will receive financial help for countervail legal struggles equal to the $500,000 that the U.S. Trade Bill aims to give U.S. farm producers who are fighting our producers?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member has failed to observe that the Ontario corn producers won that countervail. The money is being provided to the Americans who lost it. I do not see how the Hon. Member can compare the two points.

ROYAL CANADIAN MOUNTED POLICE

PAYMENT AUTHORIZED TO FORMER INFORMANT

Hon. Bob Kaplan (York Centre): Mr. Speaker, I wish to ask the Solicitor General about the $56,000 payment authorized by Order in Council to be made to Warren Hart, an FBI and RCMP informer. Why was this payment made when the McDonald Commission, as set out in volume 3 at page 497, found that his termination, his severance and departure from the RCMP had been properly handled? Will the Solicitor General tell the House what new facts came to the attention of the Government which justified the making of this additional payment?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, what we have here is another example of selective readings by the Hon. Member. I refer the Hon. Member to the conclusion of the report at page 500 which states that while in Canada for over four years Mr. Hart "performed laudable service for the people of Canada."

Some Hon. Members: Oh, oh!

Mr. Kelleher: As a result of that my predecessor ordered an internal independent inquiry to see whether or not he should be reimbursed for loss of services and expenses. This independent inquiry determined that he should be paid the amount of $56,000. As a result of that recommendation payment was made.

REQUEST FOR TABLING OF LAWYER'S REPORT

Hon. Bob Kaplan (York Centre): Mr. Speaker, laudable services are not the issue if a finding was made that his termination was proper. Was it not made because of a promise made by the Minister of National Revenue when he was a back-bencher that he would take care of Warren Hart? Is the Solicitor General prepared to table the lawyer's report referred to in the media as a basis for the making of this payment? Let us see the report.

Some Hon. Members: Hear, hear!

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can assure the Hon. Member that the report was prepared by a Toronto solicitor, Mr. Letterman. It was the recommendation as a result of a full inquiry by him that this *ex gratia* payment be made. Pursuant to that recommendation, the payment was made.

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NATIONAL DEFENCE

PREPARATION OF WHITE PAPER—INFORMATION PROVIDED TO UNITED STATES DEFENCE SECRETARY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of National Defence concerning his comments on the upcoming White Paper. Why has the American Defence Secretary been kept "fully involved and informed" about the White Paper when this Parliament has seen nothing concrete and only selected Canadians have been consulted at the invitation of the Minister himself?

Hon. Perrin Beatty (Minister of National Defence): Because, Mr. Speaker, contrary to the policy of the NDP, Canada is a full partner in NATO and NORAD and as a consequence has a responsibility to consult its allies.

Some Hon. Members: Hear, hear!

POSSIBLE ACQUISITION OF NUCLEAR SUBMARINES

Mr. Derek Blackburn (Brant): Mr. Speaker, the Minister also said that nothing that the Government is doing would surprise the Americans. Does Mr. Weinberger know that the Government is considering spending billions of dollars on nuclear submarines because, as the Secretary of State for External Affairs told the defence committee just last week: "—in terms of threats to our sovereignty in our North—the larger threats come from our friends, the United States"?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, the Government will be announcing its policy with regard to our Navy in the White Paper. It is quite clear that there will be somebody's navy in our North. It will be either the American, the Russian, or the Canadian Navy. I would be interested to know from the Hon. Member what the position of the New Democratic Party is.

Some Hon. Members: Hear, hear!

* * *

AGRICULTURE

PRAIRIE GRAIN PRODUCERS—REQUEST FOR DEFICIENCY PAYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Prime Minister. Last Thursday night Bill Strath, the President of Prairie Pools Incorporated, sent a letter on behalf of 130,000 prairie grain producers to the Prime Minister demanding that the Government make a commitment for assistance for the 1987 grain crop year. In the uncertainty that permeates every western community at this time will the Prime Minister provide a positive response to these 130,000 grain producers? Will he give a commitment that he will provide a deficiency payment to give at least as great a return to the farmers in this new crop year as they are receiving in the current one?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, tomorrow I will be on my way to western Canada. I will be meeting again with farmers and provincial authorities to consult with them in regard to the ways in which, perhaps, we can be of assistance to farmers who are hurting pretty badly as a result of the drop in commodity prices.

I would point out that an Alberta Wheat Pool spokesman, Doug Brunton, said: "We are pleased in regard to actions taken recently by the federal Government". Brunton praised the federal Government and said: "From an agriculturalist's point of view, the Government is performing rather well".

• (1450)

I think what that means is that farmers realize this is a complex situation but they do have a Government in office disposed to work with them to solve the problems.

* * *

FARM CREDIT CORPORATION

LIFTING OF MORATORIUM ON FARM FORECLOSURES

Mr. Maurice Foster (Algoma): Mr. Speaker, farmers would like to know exactly what support they are going to receive in the upcoming crop year. Last Friday morning, after this letter was sent, the only response from the Government was to lift the moratorium on FCC foreclosures. The Minister of Agriculture says he is going to foreclose on only 600 this year. Do the Prime Minister and the Government not know that this will cause great uncertainty for the 6,000 farmers in arrears? Will he reinstate the moratorium until proper debt restructuring programs are put in place and end the uncertainty caused by the lifting of the moratorium?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, as usual the Hon. Member is quite inaccurate and quite misinformed. He continues to talk about thousands of people who will be affected. The fact of the matter is that 670 farmers were held by the moratorium. At this moment it is estimated that over half of those farmers have already left.

It is interesting to note that a spokesperson for the Alberta Wheat Pool praised the federal Government, "in contrast to opposition MPs who this week blasted the Progressive Conservative Government for being insensitive to western Canada." It is also interesting to see what the *Winnipeg Free Press* said about the Official Opposition task force. It was summed up as being pathetic, vague, meaningless and—

Some Hon. Members: Order!

Some Hon. Members: More!

Mr. Speaker: The Hon. Member for Kamloops—Shuswap.

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA—LETTER REPORTEDLY SENT BY AMOCO TO IMPERIAL OIL

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Energy. He now has in his possession a copy of the letter to Imperial Oil from Amoco stating that they have a binding contract with Dome, and that it prohibits providing information in connection with any acquisition proposal. It also prohibits entering into any agreement with respect to an acquisition proposal.

Given the very significant impact this takeover will have on western Canada, indeed Canada as a whole, does the Minister not consider it time to intervene in this takeover to ensure that Canada comes out with a deal that makes sense for this country as opposed to making sense for Amoco?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I said before that I would ask for an analysis by the Department of Justice and the Department of Energy, Mines and Resources. I have not had time to do so since Question Period began, and I think it will have to wait until after Question Period. I will get back to the Hon. Member tomorrow.

[*English*]

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, given that response, is one to believe that the Minister plans to take action to ensure that there will be more than one player in this takeover? If Amoco is in fact cutting out all other proposals, including Imperial Oil which we learned about today, is he prepared to take action to ensure there will be a number of participants bidding to take over Dome?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the best action plan for now is to request information to act.

* * *

CROWN CORPORATIONS

USE OF POTATOES IMPORTED FROM BELGIUM

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Prime Minister is leaving for western Canada to talk to western Canadian farmers.

Some Hon. Members: Hear, hear!

Mr. Baker: He will find that farmers in Manitoba and Alberta will be saying the same thing as farmers in Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland. That is, that prices are so low—

Mr. McDermid: What have you got in the pail, George?

Mr. Baker: —that they do not know what they are going to do.

The Government had to pay some farmers in some provinces this past summer to plough potatoes under. In light of that I would like to ask the Prime Minister, or perhaps the Minister of Transport who is more responsible for it, to explain to the Canadian people why on government jets used by cabinet Ministers and the Prime Minister, on Air Canada, a Crown corporation, and on VIA Rail, another Crown corporation as of four months ago, the potatoes used do not come from western Canada or eastern Canada? They are imported from Belgium, and that is not small potatoes to Canadian farmers.

Mr. Speaker: The Chair is always reluctant to interrupt the Hon. Member.

Some Hon. Members: Why?

Mr. Speaker: The Chair could not help but observe there seemed to be some prop to the question on the Hon. Member's desk. I know the Hon. Member, when he asks his supplementary as I know he will, will want to stay within the rules.

Mr. Gauthier: Table the potatoes!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, naturally a baker would be concerned about the potato.

Some Hon. Members: Oh, oh!

Mr. Crosbie: With reference to the Canada-France dispute, I remember the hon. gentleman was concerned about French fries. Now it is the Belgian potato and the question is just as half-baked.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Luckily I am knowledgeable on the subject. I learned that VIA Rail, under our predecessor Liberal Government, used rice.

Some Hon. Members: Oh, oh!

Mr. Crosbie: We at least have moved them on to the potato.

With respect to Air Canada, I am advised that it used 148,000 kilos of Canadian potatoes and 16,000 kilos from Belgium last year. The Belgian potatoes are processed. That is, they are mashed and processed into balls. The hon. gentleman I am sure will be interested in that important piece of information.

With respect to government aircraft, I am advised they purchase locally and take their spuds as they find them.

REQUEST THAT MINISTER CONDUCT INVESTIGATION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, getting back to my supplementary question directed to our half-baked Minister of Transport who will soon be known as Mr. Potatohead, and perhaps Bud the Belgian Spud in P.E.I., the price of potatoes to western Canadian farmers is roughly four cents to five cents a pound. To eastern Canadian farmers in our four Atlantic provinces it is just about three cents a pound. These potatoes imported from Belgium are a dollar a pound—five dollars for that small tin I once had on my desk.

Some. Hon. Members: Oh, oh!

Mr. Baker: Will the Minister of Transport investigate this waste of money by Crown corporations, admit now that the Canadian potato is the best in the world—

Some Hon. Members: Hear, hear!

Mr. Baker: —and no airline or railway in this country should be allowed to use potatoes from anywhere but Canada? If they do not like the size of the potatoes they can slice them, mash them, or scallop them. You can do more things than just peel a potato!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman is a real "pomme de terrorist", if not a "mashochist".

Some Hon. Members: Oh, oh!

Mr. Crosbie: I certainly intend to advise Mr. Jeanniot and Mr. Hanigan, and anyone else who might be concerned about this important issue, that we want them to purchase Canadian potatoes. I believe some of the problem is in packaging and getting the right quantities. However, if they can find them the size of the Hon. Member's head, I am sure they will be more than willing.

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[*Translation*]

RAILWAYS

SITUATION AT CHARNY, EASTERN QUEBEC, AND ABITIBI—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the same Minister and concerns the crisis situation in the railway transportation industry in Quebec, and specifically in eastern Quebec, in the Abitibi region and at the Charny yard.

In view of the massive cut-backs at Charny, and the possibility that railway tracks in eastern Quebec and Abitibi will be abandoned, what is the Minister going to do to save the jobs at Charny and maintain the railway tracks in eastern Quebec and Abitibi? What is he going to do?

• (1500)

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, there is no new emergency in connection with railway operations in Quebec. As a matter of fact, the changes in personnel which were contemplated or suggested several months ago have been gone into thoroughly with me by the Members who represent the area.

I am glad to see the Hon. Member taking an interest in something other than pornography.

[*Translation*]

Mr. Robinson: Mr. Speaker, for local workers it certainly is a crisis when they lose their jobs.

INQUIRY WHEN NEW MINISTER OF STATE FOR (TRANSPORT) WILL BE APPOINTED

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary is directed to the Prime Minister. When is the Prime Minister going to appoint a new Minister of State for Transport who will be able to deal more specifically with transportation problems in Quebec, considering that this key position has been vacant for almost three months? When is he going to fill this important position?

Right Hon. Brian Mulroney (Prime Minister): At the appropriate time, Mr. Speaker.

[*English*]

Mr. Speaker: I should like to advise the House that I will recognize the Hon. Member for Montreal—Sainte-Marie on two questions, followed by the Hon. Member for Cape Breton Highlands—Canso and the Hon. Member for York East on single questions.

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[*Translation*]

PENSIONS

INQUIRY WHETHER GOVERNMENT PREPARED TO INTRODUCE BILL TO INDEX PRIVATE PENSION PLANS UNDER FEDERAL JURISDICTION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

The Minister is aware that the Government of Ontario has formed a task force to look into the possibility of indexing private pension plans that come under the province's jurisdiction.

Could the Minister inform the House whether he would be prepared to table, as soon as possible, a Bill that would be aimed at indexing private pension plans that come under federal jurisdiction, namely those in the areas of communications, interprovincial transport and financial institutions, to ensure that when employees who are now paying into a private pension plan are retired, they will not become any poorer because of inflation? Is the Minister prepared to follow Ontario's example?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member will know about the difference of opinion on the indexing of pension plans within the Ontario Liberal Government. A number of cabinet Ministers have expressed different points of view publicly on it, as he is aware.

In respect of our Government, he should be reminded that we made a number of changes which improved the pension system, by not only changing the RRSPs, but also the RRIFs and the PBSAs.

[*Translation*]

INQUIRY WHETHER GOVERNMENT INTENDS TO UNDERTAKE COMPLETE REFORM

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Minister is trying to recall the mini-pension reform he carried out. It was not a real pension reform to help people.

Does the Minister intend to proceed and introduce genuine pension reform, first of all, by correcting the unfair treatment of people who are single, separated or divorced and are not entitled to the spouse's allowance; second, by allowing for the indexation of private pension plans under federal jurisdiction; and third, by calling a meeting of the provincial governments to urge the province to index private pension plans as well?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member does not know what he is speaking about. There have been major changes. I mentioned the RRIFs, the RRSPs, and the PBSAs. We have made changes to the Canada Pension Plan which are as dramatic as the introduction of the CPP in 1966. We also made changes to the spousal allowance.

If originally it was so wrong, why did they not make changes when they were still in government? We made changes. Now, after the changes have been made on the spousal allowance, they say it is discriminatory. If it is discriminatory now, what about when his Party was in office?

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HARBOURS AND PORTS

SMALL CRAFT HARBOURS—AULD COVE WHARF

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The Minister is aware of the deterioration of Atlantic Canada's harbour facilities. The Auld Cove wharf is but one example of inadequate and dangerous facilities.

What assurance can the Minister give that this problem, as typified at the Auld Cove wharf, will be addressed in a long-range plan?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the condition of our small craft harbours and the service they render to fishermen are of extreme importance to myself and to the Government.

That is why, in the Throne Speech of last autumn, a reference was made to the importance of improving the management and long-range planning of our harbour program and of ensuring safety and the adequate provision of services to fishermen.

For that reason we are looking very carefully at all the decay and deterioration which we inherited from the previous Government as a result of its lack of effective management.

We will abide by our commitment to improve the condition of those harbours, including the harbour at Auld Cove, about which I know the Hon. Member is very concerned. An immediate start will be made on repairs to that important harbour in his riding.

* * *

YOUNG OFFENDERS ACT

MAXIMUM SENTENCE FOR MURDER—REQUEST THAT STATUTE BE AMENDED

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of Justice. At a time when the House is debating the issue of capital punishment, the Minister is aware that the Ontario Court of Appeal has ruled, in the case of a 17-year-old charged under the Young Offenders Act with two counts of first degree murder, that the young offender would be subject to a maximum penalty of only three years of imprisonment.

Does the Minister agree with the defence counsel for the accused young offender who said that a maximum penalty of that sort was just too short, and will he take immediate steps to amend the Young Offenders Act?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I thank the Hon. Member for his question and congratulate him on his ongoing interest in matters relating to the Young Offenders Act.

As Hon. Members will know, the responsibility for the Young Offenders Act has only been recently transferred to me. However, I have studied this particular aspect and understand that the Minister of National Defence, when he had responsibility for the Young Offenders Act, in fact made a proposal to his provincial counterparts in the consultation process to mandate transfer hearings in respect of young offenders to adult courts. That was not accepted by the provincial authorities at that time.

Naturally I am supportive of the initiative taken by my predecessor who had responsibility for the particular Act. I will continue to monitor the situation and to discuss the matter with my provincial counterparts. If an appropriate amendment comes forward on the basis of that consultation, we will proceed in the House.

Mr. Speaker: I should like to advise the House that I have received an application for argument on a question of privilege from the Hon. Member for Nickel Belt and to indicate to him that I will hear it in a few minutes.

If the Hon. Member wishes to proceed this afternoon, I acknowledge that I have notice of the matter.

* * *

PRIVILEGE

CODE OF CONDUCT—ALLEGED BREACH BY MINISTER—MR. SPEAKER'S RULING

Mr. Speaker: I remind the House that a few days ago a question of privilege was raised in the House by the Hon. Minister of State for Fitness and Amateur Sport (Mr. Jelinek) respecting questions which were put by the Hon. Member for Ottawa Centre (Mr. Cassidy).

[*Translation*]

I am now prepared to rule on the question of privilege raised on April 14 by the Minister of State for Fitness and Amateur Sport (Mr. Jelinek). In my opinion, the question raised affects the very nature of Members' rights and immunity.

[*English*]

I should say that we in this House are protected by absolute privilege in respect of everything we say on the floor of this Chamber. This is a difficult thing for the public to understand, and this is why I want to explain it carefully.

There are only two kinds of institutions in this land to which this awesome and far-reaching privilege extends—Parliament and the legislatures on the one hand and the courts on the other. These institutions enjoy the protection of absolute privilege because of the overriding need to ensure that the truth can be told, that any questions can be asked, and that debate can be free and uninhibited. Absolute privilege ensures that those performing their legitimate functions in these vital institutions of Government shall not be exposed to the possibility of legal action. This is necessary in the national interest and has been considered necessary under our democratic system for hundreds of years. It allows our judicial system and our parliamentary system to operate free of any hindrance.

• (1510)

Such a privilege confers grave responsibilities on those who are protected by it. By that I mean specifically the Hon. Members of this place. The consequences of its abuse can be terrible. Innocent people could be slandered with no redress available to them. Reputations could be destroyed on the basis of false rumour. All Hon. Members are conscious of the care they must exercise in availing themselves of their absolute privilege of freedom of speech. That is why there are long-standing practices and traditions observed in this House to counter the potential for abuse.

The privileges of a Member are violated by any action which might impede him or her in the fulfillment of his or her duties and functions. It is obvious that the unjust damaging of a reputation could constitute such an impediment. The normal course of a Member who felt himself or herself to be defamed would be the same as that available to any other citizen, recourse to the courts under the laws of defamation with the possibility of damages to substitute for the harm that might be done. However, should the alleged defamation take place on the floor of the House, this recourse is not available.

Hon. Members will remember that I commented some time ago that originally when the absolute privilege was extended to Members of Parliament, as applied to the British House of Commons in a different age when things said within that House would probably not be heard throughout the length and breadth of the kingdom, circumstances were very different. Today, as a consequence of television and electronic broadcasting, anything said in this place is said on the street right across this country, and that has to be borne in mind. In these circumstances a Member can be expected to claim a violation of his or her privileges and to argue the case very strongly. I point out that if a statement is made here or an innuendo is passed in here no Member can go to court for correction or damages, even though that statement is said outside this place the moment it is uttered here.

[*Translation*]

The Chair has a serious responsibility in such cases. The Chair of course does not resolve the question, only the House can do that. However, on the basis of the evidence available, the Chair must determine whether the question has priority over all other business. When the Chair so rules, a motion is moved and usually the question is referred to the Standing Committee on Elections, Privileges and Procedure. The Chair has a crucial role to play in this respect.

[*English*]

In the case before us certain questions were asked which, in the view of the Hon. Minister, conveyed grave implications against his integrity and were, therefore, damaging to his reputation. That is the position which the Minister took. I have carefully examined the questions, together with the interventions which took place following the Hon. Minister's statement, and I confess to be very troubled as a result.

Perhaps, as has been argued, the questions did not directly violate the practice of this House concerning the making of charges and the levelling of accusations. I remind Hon. Members that I listened carefully to the questions and I did allow them. Nevertheless, I am sure all Hon. Members can appreciate the Hon. Minister's concern.

The House heard the Minister's statement. It is a long-standing tradition of this House that an Hon. Member's word is accepted without question. Given all the circumstances in this case, I am sure that the Minister's capacity to function as a Minister and a Member of this House is in no way impaired. I point out to Hon. Members that this is the real issue of privilege, although there are obviously other matters that surround the particular facts in this case, but the Chair has to look very carefully at the exact point of privilege.

With regard to the questions of which the Minister complained, legitimate though they may have been, I have already confessed to being troubled by their content. I would urge all Hon. Members to take the greatest care when framing such questions. Questions concerning conflict of interest guidelines are, of course, legitimate. Members are entitled to use facts they have been able to obtain and verify as the basis for such questions.

I would remind the House, however, that a direct charge or accusation against a Member may be made only by way of a substantive motion of which the usual notice is required. This is another long-standing practice designed to avoid judgment by innuendo and to prevent the overextended use of our absolute privilege of freedom of speech. One of my distinguished predecessors, Mr. Speaker Michener, in a ruling of June 19, 1959, which has frequently been quoted in this House stated that this is a practice demanded by simple justice.

I find therefore, again under the circumstances and after the most serious consideration of the evidence before me, that this matter should not take precedence over all other business. I would urge Hon. Members to take great care in this Chamber with respect to the honour of each other.

* * *

PRIVILEGE

ALLEGED IMPLICATION OF MINISTER'S ANSWER

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I rise on a question of privilege. It arises from an answer given by the Solicitor General (Mr. Kelleher) to a member of the Opposition with respect to Mr. Warren Hart and the awarding of an *ex gratia* payment of $56,000 to Mr. Hart.

The Solicitor General in his response said that the $56,000 was awarded to Mr. Hart because "for years he did a laudable job" for the Government of Canada. As part of that laudable job, we know from signed testimony by Mr. Warren Hart that he spied on two MPs, myself and the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) who was the Solicitor General at that time. Mr. Warren Hart also in his sworn testimony stated that he was in the employ of the RCMP security forces. In fact he was spying on an M P and on his own boss in the RCMP.

I believe that the statement by the Solicitor General has a clear implication that somehow or other I am a security threat to this country and, in fact, in some way this places a cloud over my functioning as a Member of Parliament.

I would suggest and remind Hon. Members that when I raised this matter of Mr. Hart spying on an MP, on myself, Mr. Justice Jerome ruled that there was *prima facie* evidence of a breach of privilege. Then when I put the appropriate question to the House, the Government of the day voted against the matter being examined by the Standing Committee on Elections, Privileges and Procedure. Here we have the Solicitor General bringing back into this House the ghost of 1976 and admitting and saying that Mr. Hart "for years he did a laudable job" for the Government of Canada.

If you find that there is *prima facie* evidence of a breach of privilege, I would be prepared to move the appropriate motion.

Mr. Speaker: The Hon. Member for Nickel Belt (Mr. Rodriguez) has raised a question of privilege. Are there other Members wishing to rise on this matter?

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, just to supplement the remarks of my hon. colleague, I think it is important to note that while the Solicitor General (Mr. Kelleher) appeared to have quoted from, I believe, page 500 of the report of the McDonald Commission in referring to the laudable nature of the activities of Mr. Hart, certainly the Solicitor General himself appeared to adopt those remarks and that characterization as his own.

• (1520)

I would remind Your Honour that the gentleman in question illegally opened mail, tapped telephones without warrants, possessed stolen merchandise and illegal weapons and bugged conversations of various politicians and Party caucuses.

The question of privilege is a very clear and very important one. If in fact the Solicitor General is suggesting even indirectly that the actions of Mr. Hart were in any way laudable, the implication is clearly that the targeting of a politician, the Hon. Member for Nickel Belt (Mr. Rodriguez) as well as the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), may have been appropriate. Clearly that is quite unacceptable.

Finally, this is the same Minister who recommended the payment of $56,000 of taxpayers' money, an *ex gratia* payment, to this individual. At the same time as this payment was recommended, payment was denied to another former member of the RCMP, Mr. Kim Westberg, who performed an outstanding service for his country in a major undercover operation.

In conclusion, Mr. Speaker, I would ask you, at the very least, to call upon the Solicitor General to set the record straight by indicating that by the payment of this sum of $56,000 or by his silence on the characterization of Warren Hart's actions as laudable, the Minister himself is not imputing that those actions were acceptable.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I welcome the opportunity to make it quite clear that the Hon. Member for Nickel Belt (Mr. Rodriguez) seems to be somewhat misinformed. I did not make the statement that "while in Canada for over four years he performed laudable service for the people of Canada". That was a conclusion reached by the McDonald Royal Commission after a rather exhaustive discussion of the entire matter. I merely quoted the statement made by that commission in its report.

I would also like to point out that I did not recommend the payment of $56,000. This recommendation was made by a person who had conducted an independent inquiry into this particular matter. He came to the conclusion that this payment should be made, and as a result of that, the payment was so made.

I quite agree with the final statement made by my friend, the Hon. Member for Burnaby (Mr. Robinson). I would not in any way want to suggest or have Hon. Members feel that anything Mr. Hart did with respect to the characters or reputations of these two gentlemen would be condoned by me in any way. I regard both Hon. Members as hon. gentlemen. Indeed, one is my predecessor and I have no reason to consider him anything but an hon. gentleman, and the same is true of the Hon. Member from our northern Ontario community of Nickel Belt.

Mr. Speaker: The point the Hon. Member for Nickel Belt (Mr. Rodriguez) has made is an important one. Many Hon. Members who are here now remember the incidents of which the Hon. Member for Nickel Belt has reminded us, and they are not necessarily happy memories. I am not surprised at all that the Hon. Member for Nickel Belt has raised this matter.

The Hon. Member for Burnaby (Mr. Robinson) made a suggestion which might resolve the matter, and that suggestion seems to have been picked up very quickly by the Solicitor General (Mr. Kelleher). In authorizing the payment of this amount of money to this particular individual upon the recommendation of a committee, the Solicitor General in no way endorses the activity of which the Hon. Member for Nickel Belt and no doubt others would complain. In fact, I think those complaints would go well beyond the Hon. Member for Nickel Belt.

The Chair is indicating that the Hon. Member for Nickel Belt would have a good deal of support in this House for the complaint he has brought to the Chair. The point the Chair is making is that the Hon. Member for Burnaby seems to have made a very helpful suggestion. I think the Hon. Solicitor General has made an absolutely unqualified statement indicating that in authorizing this payment, he is in no way and under no circumstances impugning the character, the loyalty or the patriotism of any Hon. Member in this place including the Hon. Member for Nickel Belt. As that statement was quite unequivocal, I think it would dispose of the matter at the present time.

I say to the Hon. Member that I believe I express the feelings of a great many Hon. Members in saying that we regret very much that Hon. Members had to be reminded of that unpleasant event.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Andre that Bill C-22, an Act to amend the patent Act and to provide for certain matters in relation thereto, be read the third time and passed.

The Acting Speaker (Mr. Paproski): When the House rose at 1 p.m., the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) had the floor.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I would like to continue my submission on third reading stage of Bill C-22.

In his opening remarks, the Minister talked about a number of things and I responded by addressing the process of Bill C-22. I responded to the Minister's challenge regarding polls, and I believe that if you check the record, Mr. Speaker, you will find that I concluded just before the break by mentioning the positive effects the 1969 Patent Act had on job creation throughout Canada.

Unfortunately, the Minister of Consumer and Corporate Affairs (Mr. Andre) indicated to the House, though I do not believe he did so intentionally, that somehow opposition Members were merely attempting to promote fear and cause anguish and anger over Bill C-22. Nothing could be further from the truth. The fact is that Canadians who understand and realize only too well the effects of Bill C-22 have been writing to Members of Parliament and, yes, Members of Parliament have been writing to them.

I have here a letter from the Manitoba Women's Institutes dated January 16, 1987, signed by the executive secretary. She says the following in part:

> The Manitoba Women's Institutes position re Bill C-22 is as follows:
>
> 1. We reject the proposed legislation.
>
> 2. We would accept a four year monopoly on a drug developed by a pharmaceutical company providing—
>
> 3. Any royalty monies derived be directed into research within Canada.

This particular representative of the distinguished Manitoba Women's Institutes made that presentation in a letter addressed to the committee studying Bill C-22. I do not believe it fair or reasonable to conclude that such individuals as this are attempting to promote fear, anguish and havoc among Canadians with regard to this Bill. These are legitimate concerns of Canadian taxpayers with regard to this important piece of legislation.

• (1530)

An organization from Vancouver called End Legislated Poverty sent a letter to the clerk of the committee. It is signed by Jean Swanson, the co-ordinator. It reads in part as follows:

> We believe that changes to the Patent Act proposed in Bill C-22 will increase the cost of drugs and jeopardize provincial free drug programs. The universality of the Canadian medicare system is at stake.
>
> To conclude, we believe that the existing Patent Act and the program of compulsory licensing provides balance between the generic and brand name manufacturers and benefits sick Canadians. The Act does not need to be changed. If it is changed in accordance with Bill C-22 low-income Canadians will get poorer and sicker.

The Minister referred to letters which he received. I want to refer him to letters I received which I am sure other members on the standing committee received as well. I have a letter dated December 17, 1986, addressed to the clerk, copies of which were sent to Members of Parliament. It reads in part:

> We are very concerned that the proposed Bill will raise the cost of drugs which are necessary to many people's health and are already too expensive.
>
> Many women we work with don't have the money to pay for drugs now when they or their children are sick. We cannot afford any increases in those costs.

That letter comes from Ellen Woodsworth of Wages for Housework in Vancouver, British Columbia. The letter is dated December 17, 1986. I was not appointed to the legislative committee by my Leader until some time in January of 1987. This is another organization which opposes Bill C-22.

The Second Mile Club of Toronto wrote a letter on February 11, 1986, to the Clerk of the standing committee. They said:

> The members of High Park Branch, Second Mile Club of Toronto, unanimously supported a resolution in support of the stand taken by the Ontario Association of Senior Citizens Organizations representing 18 organizations and about 250,000 seniors in the province protesting the forthcoming Mulroney Government Bill C-22 that the seniors claim will cost Canadians an additional $650,000,000 in drug prices in the next 10 years.

They have attached a list of signatures of some of those individuals. I have no reason to question the authenticity of those names. I suppose I could spend my every waking hour for the next several weeks checking with every individual. That is another organization opposed to this Bill.

During our deliberations at committee stage we heard a number of good presentations. One of the best was that of the National Pensioners and Senior Citizens Federation which came before us and expressed a great deal of concern. They talked about the historical perspective of the Patent Act prior to 1969 and thereafter when legislation was passed by this House. They talked about the Canadian pharmaceutical industry and its profitability as announced by Professor Eastman in his study which was concluded in September, 1985.

I believe that Professor Eastman is recognized by all political parties as an authority on the Canadian pharmaceutical industry. It was he who stated quite categorically that as a result of the 1969 Patent Act Canadians saved millions and millions of dollars. Therefore, the senior citizens in this organization made the case that the profitability of the Canadian pharmaceutical industry is very good indeed. They talked about the impact of compulsory licensing and raised a number of questions about the future cost of drugs.

In addition to talking about the cost of new drugs which will be entering the Canadian market after this legislation is passed they raised the question of what will happen to the drugs which are presently in the system, the generic drugs. Generic companies operating in Canada which are told that the rules of the game have changed, that they will have to wait seven to 10 years before they can reproduce drugs newly manufactured by the multinational corporations, have two options. They cannot reproduce the new drugs coming on to the market and, therefore, can either go under or increase the price of generic drugs on the market today.

If you have discussions with housewives and other individuals who purchase drugs at the drugstore you will learn that that is happening. I do not have the money to conduct a survey to substantiate that that is taking place in every part of the country, but I know that it is taking place in certain parts of the country.

Leslie Batterson, the President of the National Pensioners and Senior Citizens Federation, and the Ottawa representatives, Herbert Hanmer and Ross Chapman, made a very impressive presentation of the reasons they oppose Bill C-22. These are average, ordinary Canadians making submissions to Members of Parliament from all three political parties with regard to an important piece of legislation. I suggest to you again respectfully, Sir, that this is not information manufactured or innovated, if you will, by opposition Members of Parliament.

The Ontario Coalition of Senior Citizens' Organizations made a presentation before the committee. Contained in their presentation is the following:

> Proposed changes to the Patent Act contained in Bill C-22 will reduce the availability of low-cost alternative generic drugs and that, without competition, brand-name costs are certain to rise;
>
> Commitments made by multinational firms for investment and job creation in Canada are unenforceable;
>
> Canada will never achieve world class research status in pharmaceuticals without a strong domestic industry, which this Bill prevents; the legislation can't effectively penalize brand name manufacturers who fail to follow pricing guidelines; direct payment costs for drugs will rise; private insurance plans will be forced to increase premiums. provincial taxes will be forced to rise to continue public drug benefit plans; hospital costs will increase with a concurrent effect on provincial medicare premiums; Jobs will be lost through a cut-back in the generic industry and the failure to establish a Canadian fine chemical industry.

• (1540)

All of these statements made by this worthy organization can and have been sufficiently substantiated that I would concur with them.

Provincial taxes will be forced to rise to continue public drug benefit plans. The Government has, in effect, admitted that. Otherwise, why would it provide $100 million for the provinces over a four-year period? If it is simply pulling that figure out of the air, then it represents rather sloppy management and forecasting by the Department of Consumer and Corporate Affairs.

It is another organization that has a great deal of concern with regard to the purport of Bill C-22. It illustrates that it is not only members of the opposition Parties who are opposed to this legislation. The Nova Scotia Government Employees Union wrote to us. They wanted to appear before the committee and wanted to travel to Nova Scotia. While the Minister can suggest that we have had ample time for this Bill and so on, the number of people who wanted to make presentations and address this matter is remarkable.

In Nova Scotia the President of the Nova Scotia Government Employees Union said: "If this Bill is allowed to pass as it stands, it will have serious effects on people residing in the Province of Nova Scotia". That explains the situation quite succinctly and appropriately.

Other groups that are opposed to Bill C-22 may share my thoughts with regard to the effects on senior citizens, the elderly, the poor, the sick, and those who do not have any private medicare drug plans. Will the Minister tell the Royal Canadian Legion that its 590,000 members have it all wrong? Is he suggesting that all of us are village idiots and that we do not know what we are talking about when it comes to Bill C-22 and the fact that prices will rise? Will the Minister go to every Legion command in this country and tell our veterans and the associate members that they do not know what they are talking about? The Minister does not have the guts to do that because he knows that the prices for prescription drugs in this country will go up.

The President of the Royal Canadian Legion wrote to the Minister in November, 1986. Let me quote from part of that letter as follows:

> We believe the proposed changes will undermine compulsory licensing by granting brand-name companies ten (10) years of patent protection for all new drugs before they can be made available as less expensive generic equivalents.

As this letter clearly suggests, older Canadians are quite concerned. But the Minister says that it is the Opposition's fault because it is trying to cause anguish and fear among Canadians. I do not believe that opposition Members of Parliament will fool the Royal Canadian Legion, particularly its President. The President goes on to say:

> Despite statements that the new legislation will not increase the price of existing brand-name drugs by one cent, we expect that within a very few years the Government's present initiatives will end up costing all Canadians more money. The elderly, the sick and the poor are all bound to suffer financially with any change in federal legislation.

> In addition, we foresee possible cut-backs in existing health services and/or drug subsidy plans in some provinces.
>
> On behalf of our organization, which has a membership in excess of 590,000 I wish to express disapproval to the Government's proposed course of action which may force Canadian taxpayers to pay more than they now do to subsidize the pharmaceutical industry.

In a small province like Nova Scotia, its people and its Government will have to get more money to fund their drug plan. We are a have-not province and it will either have to raise taxes or impose cut-backs. It will have to cut back in the health care sector on such things as jobs in our hospitals. The first to lose their jobs will be the cleaners and those people on the bottom. The doctors, senior Deputy Ministers and Assistant Deputy Ministers in the Department of Health will not lose their jobs, it is the jobs of the working men and women that will be cut in order to raise the money. Of course, the Government has confirmed this as a result of its offer of $100 million on which the provinces can draw on a per capita basis.

The Minister of Health in the Province of Nova Scotia said that it will cost the taxpayers of that province up to an additional $25 million a year.

I agree wholeheartedly with the Royal Canadian Legion of Canada that the price of drugs will rise and will affect citizens throughout Canada. Not only will it affect elderly Canadians who are on a pharmacare program, what will happen to the four million Canadians who do not belong to a pharmacare program? They will not be subsidized and will have to pay through the nose so that multinational corporations can enjoy a larger profit margin. Mr. Stacey of the Royal Canadian Legion wrote to the Minister. It is not just opposition Members of Parliament who are opposed to the Bill.

Another organization that has a great deal of credibility, like the Royal Canadian Legion, is opposed to the legislation. Does the Minister suggest that the United Church of Canada has it all wrong? Are all those who oppose Bill C-22 fearmongers who are trying to perpetrate havoc and anguish among Canadians? Are they all wrong? Is that what the Minister is telling the United Church of Canada?

Let me quote what the United Church of Canada thinks about this legislation:

> The Working Unit has reviewed the proposed changes and has concluded that they threaten the long-term best interests of Canadians. We urge you to abandon the proposals and to reaffirm Canada's commitment to providing security for Canadians who are sick and dependent on affordable drugs.
>
> We are disturbed that this decision is being taken under pressure from external, political and corporate sources. We are also disturbed that the case for the changes to the Drug Patent Act is being made on grounds that give little assurance to Canadians that the values undergirding the country's health care system will be retained.

• (1550)

That letter was sent to the Clerk of the Legislative Committee on Bill C-22, and it was distributed to all Members of Parliament for their benefit. In fact, it was a copy of a letter sent to the Prime Minister (Mr. Mulroney) on December 17, 1986.

Is the United Church of Canada wrong? Is the director of the office of the church, Dr. Bonnie M. Greene, a fearmonger? Is she trying to perpetrate havoc in this country? I think not. I think the Minister's charges are totally unfounded and unwarranted and, from my perspective, they are not fair or reasonable at all.

The Cangene Corporation which came before our committee talked about patents. This is an interesting company because it is a Canadian company founded in 1984 by two experienced Canadian industrial genetic engineers. It said, and I quote:

> —patent policy can also serve the purpose of furthering the Government's industrial policy with respect to a particular sector of the economy. This, of course, has been amply demonstrated, not only in the existing Patent Act, but also in the amendments proposed in Bill C-22 as they relate to the pharmaceutical industry. It is also amply demonstrated in that other nations have used variations in fundamental patent policy for the purpose of encouraging development and innovation in particular sectors of the economy.

That was one of the primary purposes of the 1969 Patent Act. Yes, it was to lower prices, but also to use this as a tool to develop our own Canadian pharmaceutical industry. Since that time we have seen the proliferation of generic companies which, I think, have added substantially to the providing of affordable drugs to Canadians from coast to coast.

Cangene was very concerned about the proposed changes to the Canadian Patent Act, and I quote from page 2 of its brief:

> In this brief we will provide a rationale for the role patents should play in the development of a Canadian-owned genetically based pharmaceutical industry, and explain why Canada should not permit or encourage, as a matter of policy, the granting of patents on natural products per se, but rather on the real advance illustrating the invention; namely, the biotechnology process method utilized in the production and manufacture of the natural product already existing in nature.

This is another Canadian company, incorporated under the laws of this country, and doing rather well financially, I might add, which is also opposed to Bill C-22 for all of the reasons I have already stated.

In September of 1986, when the Government was in the process of reintroducing the Bill, it attempted to bring forward on June 30, 1986, a number of national organizations, such as the Canadian Council on Social Development, the Canadian Health Coalition, the Catholic Health Association of Canada, the Federal Superannuates National Association, the Inter Pares/Women's Health Interaction, the National Action Committee on the Status of Women, the National Pensioners and Senior Citizens Federation, the President of the National Council of Women of Canada, The National Anti-Poverty Organization, the Health Action International-Canada, the President of the Consumers' Association of Canada, the President of the Canadian Labour Congress and the Chair of the Canadian Federation of University Women. They all signed a letter addressed to the Prime Minister requesting that he not proceed with the drug Bill.

All of these agencies are national in scope. Professional people work with these organizations. They have all had an opportunity to review and examine the legislation and thereafter to make their views known. They have let it be known to parliamentarians, to government Members as well as to members of the Opposition, that they are opposed to Bill

C-22 for many of the reasons to which I have already alluded, that is, higher prices, no enforceable guarantees for research and development or jobs, the ineffectiveness of the Patented Medicine Prices Review Board and, of course, the human tragedy it will cause to individuals who will not be able to afford drugs because of their high cost.

One of the more interesting submissions we received, and I say "interesting" because we had a good opportunity for questions and answers, was from a company called Green Shield Prepaid Services Inc. This is a Canadian company. It is a non-profit Ontario corporation offering pre-paid extended health services, including pharmaceuticals, dental, hospital, nursing, vision and audio care, prosthetic devices and, more recently, legal service plans. It has been in business for quite some time. It was interesting to hear what it had to say with regard to Bill C-22 and the cost of drugs, and I quote:

> Drug costs are comprised of two elements, namely, the professional fee paid to the pharmacist, and the cost of ingredients. The professional fee, payable by Green Shield under its program, has increased almost in lock-step with the rise in the Consumer Price Index.

There has been a 118.8 per cent increase in fee compared with the Consumer Price Index of 112.4 per cent in the 10-year period from 1976 to 1986. There is only a difference of 4 per cent or 5 per cent. The professional fee went up in concert, if you will, with the Consumer Price Index. The report continues:

> On the other hand, the cost of ingredients has risen significantly in excess of the increase of the CPI for the same 10-year period.

There was a 247.1 per cent increase in ingredient costs as compared to a CPI of 112.4 per cent. It has more than doubled. We have the two costs, the professional fees, which kept in line with the Consumer Price Index, and the ingredient costs, which more than doubled the CPI. That is fairly significant. The report continues:

> These cost increases are comprised in part, of inflationary changes plus the sharply increased cost of new drugs when such drugs are first introduced to the market-place. (For example, a month's supply of Tagamet, when first introduced, cost $27, but drugs newly entering the market-place, today can cost as much as $100 for a month's supply).
>
> Thus the professional fee paid to the pharmacist by Green Shield has been reflective of the market-place in terms of inflation, but the cost of ingredients has risen well in excess of the cost of inflation producing a significant enhancement of revenues of the pharmaceutical manufacturers.

Green Shields is an non-profit organization which has been in the field for a considerable period of time, and that is part of the submission it made to members of the legislative committee examining this particular piece of legislation.

• (1600)

I think we should take note that the objections and concerns being expressed by Canadian organizations are rather substantive, to say the least. The submission concludes:

> We respectfully submit that the changes proposed to Section 41 by Bill C-22 are inappropriate in the interests of Canadians. The costs will be borne by Canadians—the benefits will accrue to the multinational drug manufacturers, companies which are already very profitable by any standard of measurement.

That is precisely what members of the Opposition have been saying in the Chamber, outside the Chamber, on the hustings and in the provinces. This reputable non-profit organization came before the committee and made this substantive conclusion based on its experience in the pharmaceutical industry.

Again, I refute very seriously the comments of the Minister of Consumer and Corporate Affairs (Mr. Andre) that the opposition to Bill C-22 is merely in the imagination of Members opposite.

One of the many—

The Acting Speaker (Mr. Paproski): Order, please. I believe the Hon. Member will be speaking for a few more moments, and I regret to interrupt him, but I would like to bring to the attention of the House the Proceedings on Adjournment Motion tonight.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Broadview—Greenwood (Ms. McDonald)—Film industry—(*a*) Distribution—Canadian control. (*b*) Government position; the Hon. Member for York East (Mr. Redway)—Trade—Canada-United States negotiations—Parliamentary debate on possible treaty; the Hon. Member for Trinity (Miss Nicholson)—Harbourfront—(*a*) Moratorium on construction projects at Toronto waterfront. (*b*) Types of projects involved.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Andre that Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, be read the third time and passed.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, one of the many magazines and booklets that I receive in my office and to which I refer on a fairly regular basis is a magazine entitled *Policy Options*. This is a publication which is produced in Atlantic Canada and, as Hon. Members might expect, coming from Atlantic Canada I am very careful to examine its contents to make certain that I agree with it. If I do agree with it I want to be in contact with the authors of the articles so that I can better familiarize myself with points that they are trying to make. An individual by the name of Roy Davidson wrote in the December issue of *Policy Options* an article entitled "The Scope of Patents". In the article he referred to some of the findings of the Eastman Commission of 1985. One of the things he stated was the following:

> The 1985 Report of the Commission of Inquiry on the Pharmaceutical Industry . . . estimated that savings to Canadians as a consequence of compulsory licensing amount to a minimum of $211 million annually.

That is a significant sum of money. He went on to state:

> Total employment in the industry rose by 29 per cent in Canada between 1967 and 1982, compared with an increase of only 23 per cent in the drug industry in the United States for the same period.

I wish to read some of the author's conclusions into the record because I am sure Hon. Members would like to reflect upon them. The author states:

> The legal grounds for compulsory licensing are straightforward enough. In the first place, the compulsory licensing provisions of the Patent Act are not in contravention of the international Patent Convention to which Canada is a signatory. That Convention principally requires that the advantages extended to Canadians by the Patent Act, also be given to the nationals of other countries that are likewise signatories. The Convention does not require that an unqualified monopoly be conferred on the patent owner.

I wish to make these points because I will be coming to arguments, particularly one on intellectual property in the convention which established that particular matter, in order to refute the Government's claim that somehow Canada is in breach of that particular aspect. The author went on to state:

> In the second place, the idea that compulsory licensing infringes the Canadian Bill of Rights has already been rejected by the courts. The Federal Court has held that title to a Canadian patent for medicinal products is granted subject to the compulsory licensing provisions of the Act. Compulsory licensing, the Court said, does not therefore constitute subsequent interference with title. It is a qualification of the title as and when granted.
>
> The notion that inventors are entitled as a matter of natural justice, not just to monetary rewards, but to complete control over the use of their inventions, is nowhere accepted in practice.

I think Hon. Members should take particular note of the following:

> Various countries have identified particular fields where patents are not granted at all. Some countries give products themselves patent protection, while other countries give patent protection only to the processes by which products are made. Other countries besides Canada make provision for compulsory licensing, but the grounds on which compulsory licences may be granted vary.

He went on in the article to note:

> The United States and Canada grant patents for a period of 17 years from the date of issue. Most member countries in the European Economic Community grant patents for a period of 20 years from the date of filing. So does Japan. The term of patent protection in India is only seven years.

Further in the article he states:

> —South American countries do not generally grant any patent protection at all to drugs, and neither did Italy until quite recently. Japan requires foreign firms to co-venture with domestic firms to market new drug products. Britain and Norway rely on the centralized purchasing power of the state to regulate both price and industrial benefits.
>
> France and Belgium impose price controls on pharmaceutical products. Many countries establish selective or negative lists of drug products as the basis for determining eligibility for reimbursement under government pharmacare plans.

In refuting the Minister's claim that Canada has to keep up with the rest of the world the point has to be made that there are countries that are presently operating pharmaceutical industries which are quite different. Canada was one of the countries which had a unique system which benefited Canadian consumers. I believe, as I think has been confirmed by Eastman in his report, that it has saved us millions of dollars. It has also addressed in a very fundamental way the Canadian pharmaceutical industry and the development of a Canadian pharmaceutical industry.

We should not be apologizing for the behaviour that was set in motion in 1969 with regard to the Patent Act because it has been a great success. It is not in contravention of any international statutes to which Canada is a signatory. It is not in breach of any of the federal statutes here in Canada, whether it be the Bill of Rights or the Charter of Rights and Freedoms. We do have a law which is on the books which is working, and working to the benefit of Canadians.

Yet what has the Government chosen to do? Change the law to benefit whom? Multinational corporations.

Finally, the author of this article concludes by saying:

> In summary, the reasons so far given by the Government for changing existing policy on compulsory licensing of patented drugs are not persuasive. The proposed policy cannot be justified by a naive appeal to inalienable property rights that don't in fact exist. The proposed policy is likely to be a costly and relatively ineffective industrial development strategy. The proposed policy weakens, rather than strengthens, Canada's bargaining position in trade negotiations.

The author of this article, Mr. Davidson, is a reputable Canadian. He was educated at the Universities of Alberta and Toronto. He has made his findings after examining quite thoroughly, I would assume, the legislation, as well as the reports that have been written on the pharmaceutical industry. He concludes that this policy that we will adopt by the will of the majority of 211 Conservative Members of Parliament is not in the best interests of Canadians.

• (1610)

Another group to appear before the committee was the Manitoba Coalition on Health and Higher Education. That organization was formed in late 1985 and consists of 34 member groups. The coalition represents 250,000 Manitobans who are committed to ensuring that high quality health care and higher education services are available to all Manitobans, indeed all Canadians. The coalition maintains that these amendments to Bill C-22 will give multinational drug companies a 10-year monopoly on any new drugs developed, and cost the Canadian consumer millions of dollars a year. They will seriously jeopardize the ability of certain segments of the population to purchase medication. They believe that if passed, the amendments will have a serious effect on Canada's ability to provide its people with the quality health care they deserve. For that and other reasons the coalition strongly opposes Bill C-22.

As Members of Parliament surely we would want to listen very carefully to what those people are saying. They have to deal with those affected. They must have some understanding of how the system works and how it will work as a result of this Bill. I cannot understand why the Government, or perhaps I should say the Minister, continues to say it is only opposition Members who are opposed to Bill C-22. We have reputable organizations like the Manitoba Coalition on Health and Higher Education who are opposed to Bill C-22.

I received a letter, as all members on the committee did, from a couple in British Columbia. They sent a copy to their Conservative Member of Parliament. God knows what he did with it. However, it was sent to him and to the Clerk of the committee. It is dated December 28, 1986. It says:

Dear Sir:

My husband and I are both in our 60s and we are writing to express our urgent concern over the proposed change in the drug legislation. We feel this legislation should not be allowed to pass as it will, without a doubt, lead to increased drug prices. We can now purchase a generic drug at one-third to one-half the price of the same brand name drug. If the generic companies are no longer able to copy a brand name drug for at least ten years, people, and particularly the older person, will face an increased burden on their already limited income.

As concerned citizens and voters, we urge you to reconsider this legislation.

Ordinary Canadians, concerned about prices they have to pay for prescription drug prices, are writing Members of Parliament to express their opposition to the thrust of Bill C-22.

The Multiple Sclerosis Society of Canada came before our committee and made a very impressive and moving presentation. In listening to that presentation and reading their brief, I thought, for the benefit of Members who did not have an opportunity to be there, including the House Leader of the NDP, I would read into the record—

Mr. Riis: A point of order, Mr. Speaker. I have been listening with rapt attention to my hon. friend's comments on this Bill which, I appreciate, he is speaking against. Since the time on third reading debate is limited to today and another day, tomorrow or some other day, does he plan to continue his comments which, in a sense, preclude his colleagues from speaking, as well as others, in this House? I am as much concerned about his own colleagues who have indicated an interest in speaking. I am just kind of curious about the motive of the Hon. Member with respect to helping us decide how we might approach the debate on this Bill.

The Acting Speaker (Mr. Paproski): It is not a point of order but maybe the Hon. Member can say whether he plans to share any of this debate which, as you know, will come to an end after two days. I know other Members would like to speak, but it is up to the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall). The Chair is at your disposal.

Mr. Dingwall: Mr. Speaker, in response to the reasonable request of my colleague, I do have other things I wish to read into the record. I do not think it will take an inordinate amount of time. They are important—

Mr. Riis: Indeed they are.

Mr. Dingwall: —to our deliberations.

The Multiple Sclerosis Society of Canada made a presentation to the committee, as I was saying before a point of order was allowed by the Chair, and I would like to read into the record the conclusions and recommendations the presentation made.

Results of the survey indicated that while the majority of their respondents had full or partial assistance in the payment of their drug costs, 24 per cent did not.

The Acting Speaker (Mr. Paproski): Order, please. I do not know whether I misinterpreted what the Hon. Member said. Did he say the point of order was allowed by the Chair? I said it was not a point of order and I put the question to the Hon. Member. I do not want to get into an argument between the NDP and the Liberals. It is up to them to decide who is going to be the next speaker and who is not. I do not intend to recess this House again in three, four or five seconds either. You have to decide among yourselves what is going on. The Hon. Member has unlimited time, and I am just suggesting to the Hon. Member that this is a two-day debate and maybe he would like some of his colleagues to take part in the debate. That is all I said and that is the way I interpreted it.

Mr. Dingwall: Thank you very much, Mr. Speaker. I am glad you made that clarification because I had a different interpretation of your remarks. I appreciate your second statement because it does, for me, qualify the interpretation I originally had of your first submission. So I thank you very much for rising in your place and explaining that very important point to me.

Of those paying their own drug costs, 29 per cent paid between $50 and $100 a month, and 18 per cent paid over $100. On an annual basis this represents a direct cost of between $600 and several thousand dollars to each of these people. That is a phenomenal amount of money for those people to have to pay.

Of the 16 most commonly used drugs by respondents, eight had generic or other competition. Savings achieved by the use of cheaper equivalents ranged from 21 per cent to 89 per cent. The proportion of drugs with competition in any future list will decrease if amendments to the Patent Act are passed.

• (1620)

This presentation, which is neither against nor for the legislation, assesses very reasonably the shortcomings in Bill C-22. It should be read in its entirety by all Hon. Members in order that they will have a better and fuller appreciation of what is taking place.

The Canadian Conference of Catholic Bishops also wrote to the Minister. I believe it was the Bishop of Calgary, Paul J. O'Byrne, who wrote to the Minister expressing his concerns about Bill C-22. I should like to read part of his submission to destroy the very weak argument and comment of the Minister of Consumer and Corporate Affairs (Mr. Andre) that the opposition to the Bill is in the imagination of opposition Members of Parliament. He wrote the following:

We have followed the debate on this legislation and have noted that the pressure to change Canada's generic drug laws has not come from the people of this country. Indeed, national organizations representing thousands of Canadians from virtually all sectors of society have been unanimous in calling upon your Government not to proceed with the proposed legislation.

We add our voice to that call because we believe that this legislation, if enacted, would have detrimental effects on average Canadians, especially on the elderly and the poor. Thanks in large part to existing drug patent legislation, Canadians enjoy low prescription drug prices and high standards of health care.

The proposed amendments will cost Canadians hundreds of millions of dollars annually in drug price increases. The changes will also have serious implications for health care costs and for the future of medicare in this country.

The letter goes on, but basically it asks the Government to withdraw the Bill for many of the reasons which Members of Parliament, ordinary citizens, and other Canadians have expressed about the effects of Bill C-22.

We on the committee were not only limited to receiving briefs and presentations from individuals who appeared before us. We also received numerous presentations from individuals who could not attend. One such group was from the Province of Quebec, the ACEF-Centre, *Association Coopérative D'Économie Familiale du Centre de Montréal*. It indicated the following opinion:

—Bill C-22, an Act to amend the Patent Act, should be withdrawn.

By making it impossible for pharmaceutical companies to copy drug products quickly, the bill would result in the medium term in the consumer having to pay more for prescription drugs. Indeed, the consumer would end up paying more, either directly at the pharmacy or in taxes or medical insurance premiums.

Furthermore, the ACEF-Centre believes that this bill does not deal directly with the real problems affecting the pharmaceutical industry, namely the over-abundance of similar, useless and even harmful drugs on the market, the lack of research to develop drugs that are truly effective in treating illnesses which are now incurable, the excessively high percentage of funds allocated for advertising purposes, etc.

Another distinguished Canadian organization of professional people opposes the thrust of Bill C-22.

On several occasions the Minister said to the House that he had two resolutions from the Province of Quebec supporting the thrust of Bill C-22. I do not doubt it. However, it is interesting to note that other legislatures or assemblies in different provinces have also had the subject matter of Bill C-22 before them.

I do not wish to downplay the significance and importance of the resolution from the National Assembly of the Province of Quebec, because it is an important one, but equally so I would have thought that a Minister of the Crown would have availed himself of the opportunity to express very clearly what other legislatures have done.

The Minister of Health and Social Services in Prince Edward Island and the Minister of Justice and Attorney General wrote a letter to the Minister of Consumer and Corporate Affairs and to the Minister of National Health and Welfare (Mr. Epp) in November, 1986, in which they said:

This Government is strongly opposed to any amendments which will result in an increase in the cost of prescription drugs. While this position was conveyed to the Minister of Consumer and Corporate Affairs at the Minister's Conference in Thunder Bay, we feel it is necessary to reiterate it in writing.

To date, we have no guarantee that the proposed amendments will result in any economic benefit to the Province of Prince Edward Island or that the provincial drug bill will not increase because of these amendments.

One of the persons who sent that letter was the Liberal Minister of Health of the Province of Prince Edward Island. As well, the Legislature of Prince Edward Island convened a session and, by unanimous consent, passed a resolution in opposition to Bill C-22, which I should like to read into the record. For whatever reasons, the Minister of Consumer and Corporate Affairs failed to make mention of the matter in his deliberations. I am not suggesting that he did not want to give balance to his argument. He just wanted us to hear only one side! I hope to give balance to the argument and to put both sides of it before the House. The resolution reads:

WHEREAS the Government of Canada has introduced amendments to the Patent Act which will inexorably over time result in an increase in the price of prescription drugs;

AND WHEREAS the Province of Prince Edward Island has recently introduced a Drug Cost Assistance Plan which strives to reduce the cost-burden of drugs for senior citizens;

AND WHEREAS increased prescription costs will adversely affect this Plan and indeed all other citizens of our Province who require drugs from time to time;

AND WHEREAS there is no more than a token, non-statutory requirement in the proposed federal scheme for pharmaceutical manufacturers to meet any research and development expenditure commitments;

AND WHEREAS there is no direct economic benefit which will accrue to Prince Edward Island as a result of the proposed amendments;

AND WHEREAS this Government is committed to obtaining prescription drugs at the lowest possible cost to the citizens of Prince Edward Island;

THEREFORE BE IT RESOLVED that this Assembly urge the Prime Minister in the strongest possible terms not to proceed with this Bill.

That was Resolution No. 6 regarding the Patent Act dated March 10, 1987, passed by the Legislature of Prince Edward Island. However, the Minister rose and spoke as if they did not even exist, as if the senior citizens, the elderly, and the other people of that province did not count for anything.

I think it is a very important document, just as important as the one from the National Assembly of the Province of Quebec. I hope Hon. Members give due consideration to what the people of both those provinces are saying through their elected representatives.

I have another resolution opposing Bill C-22 which was passed by another legislature. It is of great importance. Again, because of the Minister's refusal to look at both sides of the issue, he did not draw attention to it in his deliberations. I am not suggesting that he did it intentionally, because that would be unparliamentary. However, I have a telex from the Clerk of the Manitoba Legislative Assembly which was addressed to the Hon. Minister of Consumer and Corporate Affairs and to all Members of the House of Commons which reads:

The Manitoba Legislative Assembly has directed me to send you the following resolution which it adopted on Wednesday, April 29, 1987.

The resolution reads:

• (1630)

Whereas the availability of safe pharmaceuticals at reasonable cost is fundamental to the health and well-being of Canadians, and

Whereas Section 41(4) of the Patent Act as amended in 1969 has provided the vehicle whereby Canadian licencees can produce low-priced generic substitutions of brand-name pharmaceuticals to be marketed in Canada, and

Whereas according to the Eastman Commission, these generic substitutions saved Canadians well over $200 million in 1983, and

Whereas these generic substitutions resulted in a saving in hospital, pharmacare and prescription costs for Manitobans amounting to over $14 million in 1986, and

Whereas the drug reimbursement paid out by the provincial Government through its universal pharmacare program has risen from $4.3 million in 1975 to $28 million in 1986, and

Whereas the proposed changes to the Patent Act which delay the introduction of new generic substitutions will result in even higher hospital, pharmacare and prescription costs, while providing few alternative benefits to Canadians, and

Whereas the cost to Manitobans of the delayed entry of new generic substitutions will be over $2 million in the first year after the changes, and could total $44 million by 1995, and

Whereas the increased costs will be borne directly by consumers both at the counter and through increased costs to our pharmacare program and will especially affect the elderly and those who require continuous medication, and

Whereas the federal Government, in spite of strong representation by the public opposing the amendments, and in the face of constant pressure from the multinational drug companies, continues to insist on amending the Patent Act.

Therefore be it resolved that the Legislative Assembly of Manitoba urge the Government of Canada to withdraw the Bill outlining amendments to the Patent Act which would result in higher cost drugs for all Canadians, and

Be it further resolved that the Clerk of the Legislative Assembly be instructed to send copies of the resolution to the Federal Minister of Consumer and Corporate Affairs and all other Members of Parliament.

This is signed by Mr. W.H. Remnant, Clerk of the Legislative Assembly of Manitoba. The telex number is available if it is to be tabled.

There we have another legislature in this country speaking out against the harmful effects that Bill C-22 will have upon the citizens of that particular province, namely Manitoba.

We hear this cry from other provinces. Ontario sent a letter to the Minister of Consumer and Corporate Affairs opposing the proposals of Bill C-22. He offered some possible constructive changes to the Bill, and of course the Minister dismissed them. The additional costs in Ontario will be about $35 million. The Government of Saskatchewan is opposed to Bill C-22. There was a provincial election and money for the farmers. Then Saskatchewan changed its mind. Representatives came to committee and made a presentation. I have to be fair, it was not the Minister responsible in the Province of Saskatchewan, it was the Deputy Minister of Health, I believe. He was the one who, under cross-examination by Members of Parliament, in reading through his brief had about 9 to 11 preconditions and if they were to be met, Saskatchewan would support the Bill. Fortunately, or unfortunately, when I questioned him, he would not, and perhaps in all fairness, could not say that he supported or did not support the Bill as it now stood because he was representing his Minister and was not in a position to exercise that sort of ministerial discretion which we know can only be given to a Minister and not his deputy.

We have seen government representatives, organization representatives, representatives of national organizations, representatives of non-profit corporations and representatives of Canadian corporations. We have had citizens groups, the Legion and people from the Church of Canada. Numerous Canadians from all walks of life, unions and what have you, all rose in opposition to Bill C-22. Some Members may say this is sickening. I do not think the stand, the suggestions, the queries and the concerns of the United Church of Canada are sickening. I do not think that the views of the Royal Canadian Legion of Canada, of their veterans, their associated members and all other members approximating 590,000, on the subject are sickening. I think they are relevant and germane to our deliberations as we proceed with the debate on Bill C-22 and the effects the Bill will have on Canadians from coast to coast.

The Canadian Drug Manufacturers Association, which I must admit is one of the lead organizations, is opposed to Bill C-22. It has a vested interest in being opposed and we should understand that off the bat. If one looks at the Canadian pharmaceutical industry, we want to see multinational corporations in operation as well as our own Canadian generic firms. That is what we want to see, Mr. Speaker.

I have listened attentively and patiently to many claims in committee. I wish to quote briefly what a number of organizations have said on this Bill. First, the Canadian Drug Manufacturers Association said this:

> —we do not think there is any real social or economic reason to change the current system of compulsory licensing. It has brought only good to Canada . . . world-class industry must have six separate sectors: pure research, applied research, fine chemicals, brand name manufacturers, generic manufacturers and the new biotechnological companies . . . Bill C-22 will reduce Canada's industry to only two components and will result in whopping big reliance on foreign firms for our drugs.

That is found at pages 3:7 and 3:8 of the brief, if Members find it important enough and wish to check on it.

What does the Pharmaceutical Manufacturers Association of Canada say? It says:

> These companies (the multinationals) have indeed made their announcements (of investments). I think they have also said very clearly that if the Bill is not passed, not all of this investment will go ahead, and I expect you will see evidence.

I am not saying that this is blackmail, but it is pretty close to it. It is either "you pass this legislation or we will not proceed with our investment intentions". As a Canadian parliamentarian and one interested in public policy, I find that to be a very unfortunate statement made by the Pharmaceutical Manufacturers Association.

Let me quote the Canadian Labour Congress. It says:

It is the position of the Congress that the Bill presently being debated is one that is based on political considerations and not on economic ones—

The last thing in the world the ethical manufacturers in this country want is competition.

Let me come now to the Canadian Health Coalition, another reputable national organization which has professionals in its midst and has worked with this subject matter for quite some time. The coalition said:

Our conclusion is that the only ones to benefit from Bill C-22 will be the multinational pharmaceutical companies, while the cost to Canadians, both economically and in terms of their health, will be substantial.

Next is the National Pensioners and Senior Citizens Federation, which said:

—we are of the opinion that Bill C-22 and the policies related to it are seriously flawed. We therefore urge the Government to withdraw this legislation.

Now I come to the National Federation of Nurses Union, which said:

Unionized Canadian nurses, as taxpayers, health care consumers, and providers, urge you to withdraw the proposed amendments. The legislation is not the right combination.

Canadian nurses are opposed to Bill C-22. As you know, Mr. Speaker, many of these nurses are the ones who have to give medication which is prescribed, if you will, by physicians in Canada.

Let me read what the Public Service Alliance of Canada had to say:

We reject the premise that Canada will be denied access to needed medication unless Bill C-22 legislates a monopoly for drug manufacturers. We also reject the argument that Canada's drug patent system is unfair to the so-called innovative companies.

• (1640)

Of course, the Minister would lead us to believe that anyone opposed to Bill C-22 is out to lunch. That is not fair. He did not say that, he said that those who are opposed to Bill C-22 are opposition Members of Parliament. I think I have provided in spades today examples of Canadians' and Canadian organizations' opposition to Bill C-22. It is not merely opposition Party Members who are opposed to Bill C-22.

Professor Kell Antoft who came before the committee said the following:

—our experience has shown the branch plant operations are not concerned with basic manufacturing primarily but with repackaging—

We need to reinforce basic research in our universities . . . I do not think this will be done by increasing the profit margins of the drug industry.

—but one can speculate about the plea that they (the multinationals) are unable to support research when the parent company is obviously directing research into what they can do with their excess cash.

As you can see, Mr. Speaker, numerous organizations have come forward to express their reservations about Bill C-22.

Before my colleague from the New Democratic Party joins in this debate momentarily, I will conclude by saying that it has been our contention for quite some time that the Liberal Party is very much opposed to Bill C-22. We have adopted and promote the recommendations contained in the Eastman report which provide for a period of exclusivity of four years provided certain moneys are paid into what is known as a pharmaceutical research fund. The Eastman report has been our Party's position from day one, and I want to reiterate that that is our position. We follow the recommendations of the Eastman report very clearly.

I think there is irrefutable evidence that drug prices will rise and will rise dramatically over the next number of years. Senior citizens, the poor and the less fortunate will have to pay the price of the Government's actions. There is very little support in Canada for changing the legislation in the way the Government proposes to change it. We have heard from legislative assemblies in Prince Edward Island, Manitoba and, yes, the Province of Quebec and from numerous organizations opposed to Bill C-22. We have questioned the constitutionality of this Bill and Ministers have responded by saying that there is nothing wrong with it. I suggest that there is.

Industrial benefits will not be equally distributed. There are no guarantees that it will enforce research and development commitments. There are no enforceable guarantees of job creation. I say sincerely that the process has been wrong and has been undermined by government Members of Parliament. The substance of the Bill will have a negative effect on all Canadians and particularly the elderly, the poor and those on fixed incomes. Canadians do not support the thrust of Bill C-22. For those reasons, I am opposed to Bill C-22, and I am certain that after reflection, you too will be opposed to it, Mr. Speaker.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are debating a Bill brought forward by the Conservative Government. I will not describe it as a Progressive Conservative Government because there is nothing progressive about it.

We are at third reading stage of a Bill which will wipe out the legislation enacted in 1969, legislation which amended the Patent Act as it affected the manufacture and sale of prescription drugs. Prior to 1969 when multinational drug companies controlled the entire prescription drug market, there was virtually no research done and Canadians paid the second highest prices in the world for prescription drugs, drugs which are so important to many people and particularly to the young and seniors.

A whole series of studies were done in 1967 and 1968 which proved the fact that Canadians were paying the second highest prices in the world for drugs. The legislation we enacted in 1969 permitted companies, which came to be described as generic drug companies, to receive licences from companies which had researched and developed prescription drugs after a certain period of time during which the brand name drug companies could get back the investment they made in researching, developing and producing drugs. Generic companies were permitted to produce drugs on payment of royalties to the companies which had originally developed the drugs.

The legislation that was passed in 1969 had a tremendously important effect on Canadians. The drugs produced by generic companies were sold to consumers at the retail level at prices that were usually half or less the prices paid for brand name drugs.

A few years ago when the former Liberal Government was in power, the multinational drug companies, which had always opposed the legislation because they felt it interfered with their very substantial profits, put pressure on the then Government and persuaded the then Minister, the Hon. Member for Papineau (Mr. Ouellet), to appoint Professor Eastman, a professor from the University of Toronto, to study the organization of the industry and its profits and to make recommendations. Those recommendations were not tabled in the House until after the Liberal Government was defeated and the present Conservative Government was in power.

The legislation that is before us bears little resemblance to the recommendations made by Professor Eastman. Professor Eastman found that the companies were making very substantial profits, among the highest profits made by any industry in Canada. Professor Eastman told us that in 1983, the last year for which he had figures, Canadians saved $211 million as a result of the competition to multinational drug companies provided by generic companies. The professor suggested ways in which he felt the law, which had been enacted in 1969, could be amended so that multinational companies would have a little more protection but the consumers would not have to pay exorbitant prices. Those recommendations of Professor Eastman have all been virtually ignored by the Government as demonstrated in this legislation.

• (1650)

Mr. Riis: Mr. Speaker, I rise on a very important point of order. After the Speaker recognized that the Dome takeover was important enough to grant an emergency debate in the House of Commons, the Committee on Energy, Mines and Resources decided it was appropriate to summon before it as witnesses the Chairman of Dome and the President of Amoco. We learned moments ago that the committee has decided to reverse that decision and not hold hearings with these two individuals as witnesses.

The Acting Speaker (Mr. Paproski): Order. In view of the fact that this subject matter is not before the Chamber, I do not think I can accept this as a point of order. The Hon. Member could give written notice to the Speaker and raise it as the first item of business tomorrow. However, I cannot permit this particular point of order in the House at this time.

Mr. Riis: Mr. Speaker, I accept your judgment on this. I was only asking to serve notice with regard to a very special section of *Beauchesne's Parliamentary Rules and Forms*. I refer to section—

The Acting Speaker (Mr. Paproski): I know exactly which chapter and verse the Member is going to quote. If the Member wishes to serve notice, he should do so to the Speaker and we can carry on with debate today.

Mr. Riis: I appreciate your comments, Mr. Speaker. For clarification, do I take it that you would entertain a motion that the House summon to the bar various witnesses? Are you recommending that a resolution to that effect be put forward tomorrow?

The Acting Speaker (Mr. Paproski): The Speaker will have to entertain the point of order and then make a ruling accordingly.

Mr. Epp (Provencher): Mr. Speaker, would the Chair be so kind as to give a clarification? The Member for Kamloops—Shuswap (Mr. Riis) left the impression in my mind that the Speaker might be in agreement with such a motion. I hope that is not the—

The Acting Speaker (Mr. Paproski): I cannot read the Speaker's mind. I cannot make a decision on the point of the Hon. Member for Kamloops—Shuswap (Mr. Riis), nor can I make one on what the Hon. Minister has just said. The Chair will decide when the Hon. Member submits a written request. The Hon. Member for Winnipeg North (Mr. Orlikow) has the floor.

Mr. Orlikow: Mr. Speaker, the proposal of the Government as contained in this Bill was greeted with almost unanimous opposition by a host of groups from across the country which wrote to, telephoned, and visited Members of Parliament. Those positions were rejected by the Minister of Consumer and Corporate Affairs (Mr. Andre) who, in innumerable speeches, claimed that there was little opposition to this Bill and that the people who opposed it did not know what they were talking about and had not looked at the facts.

In debate on this Bill at second reading stage the Minister, who believed that members of the Opposition were holding the Bill up unnecessarily, argued that the Bill should be allowed to go to committee where all the witnesses would be heard and all the evidence would be seen. At almost the first meeting of the committee a government Member moved time allocation.

The result was that only a small fraction of the groups which wanted to testify and register their opinions on the Bill were allowed to do so. The time allocated to each group was limited to 45 minutes. The committee met five times a week and heard three delegations at each meeting. In the nearly 25 years that I have been in this House I have never seen a committee restrict discussion in the way in which this committee did.

When the Bill returned to the House at report stage, a motion was moved that debate at report stage be limited to one day and at third reading stage to two days. This motion, of course, passed as a result of the Government's large majority.

Let us clearly understand the real views of the Government of Canada. I find it very strange, to put it mildly, that the Minister would continue to insist that there is very little opposition to the Bill given the large number of groups from almost every segment of our society which have opposed this Bill and continue to oppose it today.

On April 22 the Canadian Conference of Catholic Bishops wrote to the Minister. I cannot believe that the Minister believes that this is not a responsible organization. They said in part:

> We have followed the debate on this legislation and have noted that the pressure to change Canada's generic drug laws has not come from the people of this country. Indeed, national organizations representing thousands of Canadians from virtually all sectors of society have been unanimous in calling upon your government not to proceed with the proposed legislation.
>
> We add our voice to that call because we believe that this legislation, if enacted, would have detrimental effects on average Canadians, especially on the elderly and the poor.

We heard from the Canadian Legion and the United Church. I will quote again, as I have done on other occasions, from a letter from Mr. Jack Penner, the President of Keystone Agricultural Producers, who wrote on behalf of that organization to the Minister of Consumer and Corporate Affairs on November 25, 1986. He said in part as follows:

> —KAP members share the concerns of those who believe that extended patent protections will, by limiting the ability of drug manufacturing companies to produce generic copies by means of royalty payments, raise the prices charged to consumers for pharmaceutical drugs to unwarranted levels. Farmers and their families are, of course, part of the general consuming public, and stand to be seriously affected in any such situation.

The Acting Speaker (Mr. Paproski): When this debate resumes the Hon. Member for Winnipeg North (Mr. Orlikow) will have seven minutes remaining plus a 10 minute question and comment period.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

THE SENATE

SUGGESTED EQUAL PROVINCIAL AND TERRITORIAL ELECTED REPRESENTATION

The House resumed from Monday, March 30, consideration of the motion of Mr. Taylor:

> That, in the opinion of this House, the government should consider the advisability of introducing the appropriate measures to abolish the Senate and create a new Senate composed of Senators elected by the people of Canada on the basis of equal representation for each province and territory, and to initiate discussions to that end with provincial and territorial governments at the earliest opportunity.

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, I welcome this opportunity to take part in the debate on the motion presented by the Hon. Member for Bow River (Mr. Taylor), which seeks to abolish the Senate and create a new Senate composed of Senators elected by the people on the basis of equal representation for each province and territory.

The motion also urges the Government to initiate intergovernmental discussions to that end at the earliest opportunity.

Mr. Speaker, as Hon. Members will know, Senate reform is getting a great deal of attention these days. The subject was broached last Thursday at the First Ministers meeting at Meech Lake, as part of the discussions on the Quebec constitutional question.

The First Ministers agreed to a second round of constitutional discussions where Senate reform will be analysed in depth. The provisions of the Meech Lake Accord with respect to this second round are as follows: The accord requires that a First Ministers' Conference on the Constitution be held not less than once a year and that the first be held within 12 months of proclamation of the present amendment but not later than the end of 1988; and it provides for entrenchment in the Constitution of the following items on the agenda: Senate reform, including the functions and role of the Senate, the powers of the Senate, the method of selection of Senators, and the distribution of Senate seats. It will also include the roles and responsibilities of fisheries and other agreed upon matters.

Mr. Speaker, it also provides for entrenching in the Constitution the annual First Ministers' Conference on the Economy now held under the terms of the February 1985 Memorandum of Agreement, and finally, the Accord stipulates that until constitutional amendments regarding the Senate are accomplished, the federal Government shall appoint persons from lists of candidates provided by provinces where vacancies occur and who are acceptable to the federal Government. Once these measures have been ratified, this fact should encourage the federal and provincial governments to reach agreement on the future of the Senate. Furthermore, as a token of its good faith, the federal government has promised to allow provincial governments to participate in the selection of Senators until a reform is implemented. This provision reflects the Government's desire to ensure that the provinces will be able to participate fully in our national political life.

I also support the decision to entrench in the Constitution the annual First Ministers Conference on the economy. As Hon. Members know, the process for holding this annual conference was set in motion in February 1985 at the Regina First Ministers' Conference.

This constitutional commitment should promote two major objectives of this Government: The pursuit of national reconciliation, and the harmonization of federal and provincial policies with due respect for provincial jurisdictions.

Mr. Speaker, I should like to take this opportunity to comment briefly on the other principles underlying the Meech Lake Accord.

First, the Accord acknowledges the distinctive character of Quebec within Canada, whose two major linguistic communities, one centred in but not limited to Quebec, and the other concentrated in the rest of the country but also present in Quebec, together constitute a fundamental characteristic of the Canadian federation.

The Accord also aims at providing constitutional protection for a broader version of an immigration agreement concluded with Quebec. Over the years the Government and seven provinces have concluded administrative immigration agreements taking into account their particular concerns.

The most comprehensive such agreement is the Cullen-Couture agreement made with Quebec in 1978. Under this agreement Quebec has extensive powers, based on its own selection criteria, in the choice of foreign immigrants. This agreement has proved to be quite constructive since it was first implemented, and its principles have been found satisfactory.

Pursuant to the Meech Lake Accord, Ottawa will also be able to make similar agreements with the other provinces, based on their own requirements.

In view of its distinct identity, Quebec has a vested interest in the membership of the Supreme Court. Let us not forget, Mr. Speaker, that Quebec is the only province whose legal system is governed by the civil code instead of by common law, the system in effect in all other provinces and territories.

Quebec's civil code is entrenched in the Constitution and recognized by the Supreme Court Act, a federal Act that specifies that at least three of the nine justices of the Court shall be appointed from the civil bar. To be on the safe side, Quebec wants to have this safeguard entrenched in the Constitution.

The Accord provides for entrenching the Supreme Court, and the requirement that at least three of the nine justices come from Quebec, in the Constitution. Furthermore, the Accord will allow for provincial input regarding appointments to the Supreme Court. Quebec and the other provinces will thus have an important role to play in the appointment of justices selected from the members of their respective bars.

The courts have maintained for a long time that under the Constitution, Parliament can raise taxes in any manner or under any tax system it sees fit but it can also appropriate funds for any purpose whatsoever. In addition to funding the programs and activities that come under its jurisdiction, Parliament may therefore incur certain expenditures for purposes that go beyond its jurisdiction.

I am satisfied that the constitutional amendments arising from this Accord will have the effect of enhancing the legitimacy of our national institutions, with the assurance that any changes in those institutions can be made only with the consent of the majority.

The Senate

• (1710)

[*English*]

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the motion which stands in the name of the Hon. Member for Bow River (Mr. Taylor) with respect to the Senate of Canada is one which has considerable appeal for me. I take the position now, as I have for a very long period of time, that in a democratic system there really ought not to be any place for an appointed body which makes the claim that it represents either individual citizens, groups of Canadians, sectors of our society or regions of the country.

It is quite true that in a democratic society there are many appointed persons, for example, judges, public servants, presidents of universities and so on. However, in no case of which I am aware is an appointment made in total and complete absence of any system of accountability. It is also true that having a Senate of Canada lacking the obligations of precise and structured means of accountability does not mean that we do not have many hard-working and distinguished Senators. They may impose upon themselves very rigid and demanding sets of standards. We all know that an individual who is his own boss can be the hardest taskmaster possible. In the so-called other place down the hall there are undoubtedly such individuals. On the other hand, it is equally possible that the reverse may be true. However, it is not for me or for any Hon. Member to make these kinds of judgments.

From a report prepared by the Senators themselves, it is clear they are convinced that their role, their work, their importance and their functions can only be legitimized by way of election, be it by direct election or, in my view, a less desirable method of proportional representation where the successful candidates would be drawn from Party lists.

I note that the motion calls for abolition as a prerequisite to the creation of a new Senate composed of Senators elected by the people of Canada. It would seem to me that immediate abolition would signal the Government's seriousness about Senate reform. Before a new structure can be erected, it is of course necessary to clear the site. The old order changes, making way for the new.

For a long while I was one of those who believed that abolition in and by itself would be sufficient. Today, however, I am better able to see the value of a bicameral Parliament in a federal state such as ours. A second elected Chamber can be, or could be an effective protector of regional interests. A second elected Chamber could act as a check upon the very extensive executive powers which exist in a parliamentary system such as ours.

The Hon. Member for Bow River calls for equal representation from each of the provinces and the Territories. I want to commend him most heartily for having included the Territories. So often the two great Territories of this country are neglected, forgotten and left out. For example, they were absent at the recent Meech Lake meetings at which a very significant accord was arrived at for the future of this country.

At one point the idea of equal representation from each province and territory gave me some difficulty. I contrasted a small province and a very large province in terms of population and it gave me some difficulties. However, having been an active observer at the First Ministers' Conference on aboriginal rights, I saw the important role played by the territorial Governments there, and I saw the important role played by some of the smaller provinces, for example, New Brunswick, Nova Scotia, Prince Edward Island and Manitoba. I also saw that where convincing and effective leadership was expected from the larger provinces they were often found to be wanting.

Professor Geraets of the University of Ottawa envisages in an article he recently wrote, which was published in *The Globe and Mail*, an enlarged elected Senate with the regions of the country having approximately equal representation. This is a slightly different approach from that advanced by the Hon. Member for Bow River. Professor Geraets sees the regions as being first, Atlantic Canada, second, Quebec, and third, the west. Of interest to me, leaving that aside, is Professor Geraets' suggestion that 10 additional seats ought to be established for the aboriginal people of Canada. That has a considerable amount of appeal for me.

In conclusion, I would like to raise a few questions to which I hope other speakers in this debate will provide the answers. If the Meech Lake Constitutional Accord is ratified, then provincial powers in this country are going to be greatly enhanced and the federal Government will correspondingly be enfeebled. I would like to know if an elected Senate would strengthen further the voice of the regions and the provinces at the centre, or would it find itself in competition with provincial Governments for allegiance and decision-making on matters which are vital to a particular region or province? I note, for example, that in the United States of America, a very powerful Senate has caused—not in all cases but in many—state Governments to be diminished in both their authority and influence.

I ask also what the effects of a powerful elected Senate would be on the authority and functions of this House? It would undoubtedly change us in many ways. However, I still say that if ever an institution stood in need of a major overhaul and renewal, it is this Canadian House of Commons. The parliamentary system in Canada, I argue, suffers from institutional retardation. Our evolution lags well behind that of Westminster and behind the parliamentary system which has evolved in the federal state of Australia.

A reformed Senate, elected, equally representing the regions, and a reinvigorated and renewed House of Commons, I believe, would give Canadians a better kind of representation, and I think they deserve much better than what our institutions allow at the present time.

Mr. Paul Gagnon (Calgary North): Mr. Speaker, before I commence this debate, I would certainly like to pay tribute to the Hon. Member for Bow River (Mr. Taylor). Although he may be a senior citizen, I do not know of anyone who is a harder working individual. His energy, integrity and dedication are certainly an inspiration to all of us.

The Hon. Member's motion for an elected, equal and effective Senate has certainly captured the imagination of not only western Canada but of all Canada. As my colleague, the Hon. Member for Kamouraska—Rivière-du-Loup (Mr. Plourde), mentioned earlier in debate, the Meech Lake Accord is a major step toward that evolution, a Triple-E Senate.

I would like to speak about how we got to the Senate. I would like to refer to a paper prepared by Sean Graham from Calgary. He stated that the Constitution Act of 1867 stated two objectives of the Senate. The first was to bestow power to the less populous provinces so as to protect them from the heavy populated provinces and the second was to act as a chamber of second thought. Obviously, we will have to investigate whether or not the wishes of the founding fathers were fulfilled. I think it is obvious that they were not.

• (1720)

The British North American Act of 1867 dealt with the composition, powers and responsibilities of the Senate. Section 22 states that Canada was to consist of three divisions: Upper Canada, Lower Canada and the maritime provinces of Nova Scotia and New Brunswick. Each division was to have 24 members. Sections 26 and 27 state that any additional members added to the Senate were to be added equally to each division, thereby maintaining equilibrium between the divisions. Section 147 states that in the case of the admission of Newfoundland or Prince Edward Island, each would receive four members in the Senate. In the event that Prince Edward Island entered Confederation, she would be considered part of the maritime region. The BNA Act of 1915 recognized the west as an independent division and granted it 24 Senators.

I would now like to quote Canada's first Prime Minister, John A. Macdonald, who said the following during the Confederation debate:

> There would be no use of an Upper House if it did not exercise, when it thought proper, the right of opposing or amending or postponing the legislation of the Lower House. It would be of no value whatever were it a mere chamber for registering the decrees of the Lower House. It must be an independent House, having a free will of its own, for it is only valuable as being a regulating body, calmly considering the legislation initiated by the popular branch, and preventing any hasty or ill-considered legislation which may come from that body.

He added further:

> No Ministry can in the future do what they have done in Canada before—they cannot with the view of carrying any measure, or of strengthening the party, attempt to overrule the independent opinion of the Upper House by filling it with a number of its partisans and political supporters . . . The fact of the government being prevented from exceeding a limited number will preserve the independence of the Upper House, and make it, in reality, a separate and distinct chamber, having a legitimate and controlling influence in the legislation of the country.

Let us look at what has happened since those debates in the intervening 120-odd years. I would now like to quote the words of James K. Gray who addressed the Calgary Chamber of Commerce on February 17. He stated:

> In World War I the price of wheat began to mount and the government of day froze the price; cut the top off the boom and extracted from the farmers of Western Canada a disproportionate contribution to the war effort.

He stated further:

> In World War II it happened again! All prices were frozen, but at the time the freeze was introduced farm prices were still at the late-depression levels and the booming world prices, which could have provided an opportunity for our farm operators to clear debt and consolidate their operations, were withheld.

It happened again in peacetime between 1972 and 1985 when the central Government cut the top off the oil and gas boom. National policies on oil and gas reduced the revenues that would have flowed to the producing provinces by $56 billion. That $56 billion would have gone to the producing provinces and the producing companies. Instead, these revenues were passed on to the consumers of Canada and to the federal Treasury. That is what has happened. That is why the people of western Canada are demanding a stronger say in the system.

A number of people have looked at reform of the Senate. I would like to list some of the groups of people who have spoken out in this respect in the last eight years. The Canada West Foundation put out a report entitled *Alternatives* in 1978. The B.C. Government put out a constitutional report in 1978. There was an Ontario Government advisory committee in 1978 which dealt with the subject, as well as a federal government amendment Bill of 1978. There were the Conservative policy proposals in 1978, as well as an article by the Canadian Bar Association in 1979. The Pépin-Robarts task force called for reform of the Senate. The Canada West Foundation put out a regional representations paper in 1980 on this topic. The Joint Committee of the House of Commons and Senate on Senate Reform published its report in 1984. The Alberta Legislative Committee on Senate Reform issued its report in 1985, and the Macdonald Royal Commission published its report in 1986. There is no doubt that through this debate more and more people are looking at it and saying: "We have a problem. We have had this problem for 120 years. It is time that we addressed it".

What is happening in other parts of the world? In the House of Commons central Canada has 60 per cent of the seats. In terms of equal representation it would only have two parts out of 10. The West and the North have 28 per cent of the seats of the House of Commons, while Atlantic Canada has but 12 per cent. Essentially, then, 60 per cent of the House of Commons represents the population of central Canada in Ontario and Quebec. There are predictions that 50 per cent of Canada's population will be located in Ontario by the year 2000.

In the United States the largest state has two Senators, as does the smallest state. Switzerland has the same balance. In Australia the largest state and the smallest state each has 10 representatives. In Germany the largest state has five Senators while the smallest has three. In Canada the largest has 24 while the smallest has four. We have a built-in imbalance in our system. This leads to alienation. To address this alienation we have to address reform of the Senate. We must move to a Triple E Senate.

I will finish my remarks as I commenced them by congratulating my colleague, the Hon. Member for Bow River, for bringing forward an excellent and worth-while motion.

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to join in the debate on the motion presented to the House by the Hon. Member for Bow River (Mr. Taylor). The Hon. Member is one with whom I at times violently agree and with whom I at times violently disagree. There is no doubt that the Hon. Member is indeed an experienced parliamentarian and that I have no trouble at all with many of his ideas. I enjoy listening to the Hon. Member when he takes a few strips off the CPR and the central banks. I sit and applaud him because I think that many of his arguments and reasons are sound. Indeed, he very often represents the sense of western Canadians. As such, I appreciate the remarks and the comments that he often makes. On this occasion I have very little difficulty in supporting the Hon. Member. The proposal for a Triple-E Senate has a lot going for it.

• (1730)

First we have the notion of an elected Senate. We in the NDP have always considered the appointed Senate to be an obsolete body. Imagine these people, most often appointed for purely political patronage reasons, having a say in the legislative process. That is surely a throwback to medieval times. It has no place in a modern democratic society. It is amazing that we have kept this appointed Senate for as long as we have. However, it has been, I suppose, to the advantage of the various Governments to maintain the *status quo*.

If we are going to have a second body, it of course should be elected. There should be no question about that. As to an equal Senate, if we are going to have a second legislative body like a Senate, then there is something to be said for it being equal. It should represent the regions of this country. The House of Commons is elected on a proportional basis, and we could have the Senate as a second body of review representing the regional interests.

In a unitary state you can make an argument that such a body is not necessary. In a federal state, however, one with continuous tensions between different regions, cultures, and, very often, points of view, to have an equal Senate allows the legislative process to take into account regional differences. I suggest that an equal Senate would facilitate a smoother functioning of Government in this federal state. I suggest that with an equal Senate it is possible that we will have less regional alienation than now exists.

There is no question that today there is a tremendous amount of alienation in western Canada. I am sure you have heard on many occasions that our fellow Canadians out West do not feel they are really full partners in Confederation. They are and have been treated historically as second cousins. When times are good in the West, our wealth has been taken from us. There was the NEP. The previous speaker mentioned other historic cases such as during wartime where the prices of wheat and other grains were frozen, all to the betterment and advantage of the bulk of our population in central Canada. Having an equal Senate would ensure that those resource grabs will no longer occur. Western Canadians need that reassurance. It is one thing to have resources taken from you in the boom times, but in the down times we have a dickens of a job trying to get some assistance in the West.

The debate last week on the farm crisis is an illustration of the type of battle which has to occur in order to get back some of the wealth we lost in the boom times. When you survey the editorials of the eastern newspapers you find that they go on and on about how it is time that the farmers bit the bullet. They have to accept that we should have fewer farmers. These, Mr. Speaker, are fair weather friends. There are some people in central Canada who are quite willing to see great hunks of our farm population going under in these bad economic times. They are not willing to offer assistance to ensure that those farms remain viable so that when the price of wheat gets back up we will be functioning farm units.

Coming back to the question in front of us, I think an equal Senate would help in that regard. It is not a guarantee, but it is at least a step in the right direction so that all regions in this country are treated on an equal basis.

We then come to the third E, and that is effective. Again I have no problem with an effective Senate. There is work to be done by a second House. There is work to be done which will help contribute to wise legislation and wise governing of the country.

I am not certain about the final outcome of the conference at Meech Lake with respect to Senate reform. My initial reaction is that Senate reform will be frozen. In essence the patronage opportunity which used to belong to the governing Party on the federal level has now been transferred to the governing Parties in the provinces. Really we have replaced federal patronage with provincial patronage. As well, every province will now have a veto on Senate reform. That, I think, will make it extremely difficult to achieve Senate reform in the future. The First Ministers will be discussing Senate reform in the conferences ahead so we will know more about their attitude.

Whether the various provinces will be honest and prepared to see an effective and equal elected Senate remains to be seen. However, at this stage I feel somewhat pessimistic. I am not convinced that all the provinces will agree to Senate reform or forgo their new-found patronage opportunities and instead depend upon an elected Senate. That is why I was particularly surprised that the Premier of Alberta was not more forceful in trying to obtain a new agenda for Senate reform.

I accept and understand that the conference dealt primarily with obtaining some agreement to allow Quebec into the Constitution. I laud both the Government and the Premiers for their efforts and their accomplishments. However, I really had some fear that when it comes to Senate reform the agreement as it now stands will really not allow for genuine Senate reform. Certainly we do not have an elected Senate now. It will now be appointed by the provinces. We do not have an equal Senate because the distribution of Senate appointments remains as skewed as it was before, with central Canada appointing most of the Senators. We certainly do not have an agenda to allow for an effective Senate.

Again I am somewhat fearful that the way things are now we will not see genuine Senate reform in the very near future. Yet, as to the resolution in front of us, I am quite prepared to endorse it and support it and I congratulate the Hon. Member for Bow River for an excellent motion.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I appreciate the opportunity to take part in this debate this afternoon on the motion put forward by my colleague, the Hon. Member for Bow River (Mr. Taylor). Like my colleague, the Hon. Member for Calgary North (Mr. Gagnon), I have had the opportunity of working with the Hon. Member for Bow River since 1982. I certainly admire his dedication to the House and to his riding, and I appreciate the opportunity to be able to sit with him.

• (1740)

The motion calls for the abolition of the present Senate and its replacement by an elected Senate with equal representation for each province and territory. It also asks that intergovernmental consultations to this end commence at the earliest opportunity. The motion is certainly timely in light of the recent historic agreement reached by the Prime Minister (Mr. Mulroney) and the Premiers at Meech Lake, Quebec, on April 30.

Calls for a directly elected Senate of some kind have grown significantly in recent years. In January, 1984, for example, a special joint committee of the House of Commons and Senate recommended a system of direct election which would give smaller provinces proportionately more Senators than populous provinces.

The joint committee also recommended that the Senate consist of 144 Members, with 24 Members each from Ontario and Quebec, 42 from the combined Atlantic provinces, 48 from the West, 4 from the Northwest Territories, and 2 from Yukon.

In March 1985, a Select Special Committee of the Alberta Legislative Assembly endorsed what has popularly become known as a Triple-E Senate, meaning direct election, equal representation by province, and effective powers. As the Alberta special committee argued, Canada needs an effective Upper House in order to protect the diverse interests of Canadians. The recommendations in that report were unanimously endorsed by the Alberta Legislature in May, 1985.

On March 10 of this year, the Alberta Legislature unanimously confirmed its support for the special committee's report.

Others have suggested looking at the Australian Senate as a means of grafting the federal principle on to a parliamentary system of government. Like the Canadian Senate, the Australian Second Chamber was intended to ensure that state interests would be taken into account with the national Government.

Senate reform and a directly elected Senate, in particular, are issues which have acquired considerable public appeal and hold great attraction to a number of political leaders in the west. There is little doubt that direct election represents, in part, a desire for a stronger voice in federal institutions. Similarly, there is some sympathy for the Triple-E proposal, though difficult questions remain about the powers of such a Senate, its relationship to the House of Commons, and its effect on the powers of provincial Governments. As noted by Professors Peter McCormick and David Elton in their March 1987 article for the Canada West Foundation entitled *The Western Economy and Canadian Unity*, the replacement of an existing Senate with a new elected Senate will raise a wide range of questions of detail which will have to be worked out. Nevertheless, they added:

> If Canada is to maintain and enhance the opportunities for its citizens in an increasingly competitive world, it must create national institutions which are capable of acting in the interests of all Canadians.

Finally, Professors McCormick and Elton impressed upon the First Ministers the need for attention to Senate reform. They said:

> We have only begun the process of the renewal of the Canadian federation, and if the impetus is lost now we may not have the luxury of waiting another century before the problems arise again.

Prior to the First Ministers' meeting at Meech Lake, Premier Getty endorsed the Triple E proposal. In his April 5 speech to the Alberta Progressive Conservative Party Convention, he declared that Canada "can only grow in a healthy way if our regional representation is fair and balanced".

While not in any way downplaying the importance of Senate reform, on April 9 in the House the Prime Minister reminded all First Ministers of their commitment under the August 1986 Edmonton Declaration that the top constitutional priority was the following one:

> —to bring about Quebec's full and active participation in the Canadian federation. There was a consensus among the Premiers that then they will pursue further constitutional discussions on matters raised, which will include, amongst other items, Senate reform, fisheries, property rights, etc.

The Prime Minister went on to say:

> If the matter of Senate reform is reached pursuant to this formula enunciated by the Premiers, the Government of Canada will have a proposal to put forward in regard to Senate reform.

In this same spirit the Secretary of State for External Affairs (Mr. Clark) injected an element of caution as we enter the second round of constitutional discussions. Speaking in Camrose, Alberta on April 25, he pointed out that many questions "have to be considered very carefully as we proceed with Senate reform because you cannot change one institution in isolation from the rest". The Minister also affirmed that "we want changes that make Canada work better, that require both commitment and care". He added that this was the approach in which the Government would address the undeniable need for Senate reform.

The Prime Minister and the 10 Premiers took a crucial step in strengthening the federation by reaching an agreement on the top constitutional priority—bringing Quebec into the Constitution. However, the process does not end there. The communiqué issued at Meech Lake on April 30 required the following:

> A First Ministers' Conference on the Constitution be held not less than once per year and that the first be held within 12 months of proclamation of this amendment but not later than the end of 1988.

Among the items on the agenda to be entrenched in the Constitution will be Senate reform, including the functions and role of the Senate, the powers of the Senate, the method of selection of Senators, and the distribution of Senate seats.

Finally, as a demonstration of good faith on the part of the Prime Minister, the communiqué provided:

> —until constitutional amendments regarding the Senate are accomplished the federal Government shall appoint persons from lists of candidates provided by provinces where vacancies occur and who are acceptable to the federal Government.

I remind Hon. Members that this change to the method of Senate appointments is a variation of numerous proposals in the past aimed at providing a role for the provinces in the selection of Senators. Among these was one put forward by the federal Government in the 1969 discussion paper entitled *The Constitution and the People of Canada*. The paper suggested:

> The Senate could be partly selected by the federal Government and partly selected by provincial Governments. The method of selection of Senators by the provinces could be by nomination of the provincial Governments.

The Prime Minister announced the following in the House on May 1:

> The Meech Lake Agreement is good for Canada and good for Canadians. It will unblock the constitutional reform process and enable Canadians to turn their attention to other issues such as Senate reform and fisheries.

The tabling and proclamation of the Meech Lake Agreement will conclude the first round of constitutional renewal. Senate reform is very much a part and indeed is at the top of the agenda of the second round.

Though much remains to be done, let us not forget that much has been accomplished. I believe, as the Prime Minister declared in his address at Sept Iles, Quebec on August 6, 1984, that we are on the threshold of a true national renewal.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I am pleased today to debate the motion sponsored by our colleague from Bow River (Mr. Taylor) concerning the reorganization of the Senate. Perhaps it might be useful if I were to put this question in a certain historical context to make it easier to understand. First I would refer to the Charlottetown meeting of the Fathers of Confederation when these outstanding Canadians set up a parliamentary system designed to protect the interests of every region of Canada, and this was the advent of the House of Commons. They also established a Senate, and one of its objectives was to protect the interests of the various components of Canada, especially its minorities.

Over the years Members of the House have heard a number of representations aimed at revamping and modernizing the Senate. So our Government too decided to change and modernize to take the present context into account, and particularly to correct the indecency of the previous Liberal administration which, in 1982, chose to ignore 27 per cent of the population of Canada—in other words, when the 74 Quebec Liberal Members forgot to include their province in the new constitutional agreement. Indeed it is easy to understand why they should display so little interest in anything constitutional: As I look around today I cannot see a single Member of that Party listening to what is being said in the House, proof positive that they could hardly care less about the very essence of Canada.

Our Prime Minister (Mr. Mulroney) and our Government had promised to integrate Quebec in the Canadian Confederation. A few years had elapsed since we took that stand and, recently, thanks to the cooperation of all the provincial premiers, especially Mr. Bourassa from Quebec, our Government has been able to offer Quebec full participation in the Canadian Constitution. All Quebecers are delighted with this historic meeting of April 30, 1987, which will remain for us Quebecers and I am sure for a great many other Canadians as significant a landmark as our Fathers of Confederation's meeting in Charlottetown.

The meeting was a success, Mr. Speaker, thanks to our Prime Minister, who managed to obtain a consensus from ten premiers of 10 Canadian provinces on bringing Quebec back into the constitutional fabric. Today, this country is complete, from coast to coast.

Today, I am more of a Canadian because I feel Canadian through and through as a result of what was achieved by my Prime Minister on April 30, 1987. We corrected the mistake and the omission the Liberals made in 1982. Furthermore, our provincial premiers and the Prime Minister of Canada decided to provide new possibilities for the provinces including a re-evaluation and redefinition of the role of the Senate, and they included in the new Constitution a requirement to consider Senate reform.

They even decided, and this is to take place in 1988, to have a meeting of the 10 premiers and the Prime Minister of Canada on the subject of the functions and role of the Senate, the powers of the Senate, the method of selection of Senators and the distribution of Senate seats. Meanwhile, Mr. Speaker, to show our goodwill and receptivity to all suggestions by the various provinces that were involved in the Accord reached on April 30, 1987, our Prime Minister has decided that he will not proceed with further appointments to the Senate before receiving a list of candidates provided by provinces where vacancies occur. We have wiped out the constitutional affront of 1982. We have wiped out Liberal arrogance. We are now Quebecers and Canadians who are proud to be part of Canada. We feel welcome.

Our Prime Minister was the first Prime Minister to formally accept provincial proposals concerning Senate appointments and to take them into account in appointing senators. What a difference with the previous liberal administration!

Think of such a move by René Lévesque to have someone appointed at the time, and imagine the kind of cooperation that would have existed between himself and the former Prime Minister of Canada.

However, Quebecers and Canadians know there are always improvements to be made. They are needed. This is why my position is to respect a decision made by the 10 Premiers and the Prime Minister on April 30, 1987, until the next negotiation meeting on the Senate that will be held before the end of 1988.

I feel certain, Mr. Speaker, that all the First Ministers will be able at that time to reach a consensus leading to a Senate amendment that will be supported by all.

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate you recognizing me, knowing however there are only two or three minutes left before 6 p.m., which means I will have to conclude my remarks during the next sitting. In the circumstances, and to prevent my speech from being cut in half and less understood by Canadians, I would ask for unanimous consent for the House to adjourn until the next sitting, so that I may make my speech in one go, 10 full minutes.

• (1750)

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FILM INDUSTRY—DISTRIBUTION—CANADIAN CONTROL. (B) GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): I rise now to address a question that I have raised in Question Period with the Minister of Communications (Miss MacDonald) regarding the Government's policy on film distribution. The facts are very well known to us. They are pointed out, I am afraid, in very sad detail in the report of the film industry task force which was published in November, 1985. The Government has had well over a year to consider its response. Its response has been very weak, especially considering the very serious situation that when Canadians go to see films at the cinema and pay their money, the money does not gets plowed back into Canadian film production. Because distribution outlets are overwhelmingly American-owned and because of the vertical integration within the system, the money goes mainly into American production. Only 3 per cent of the films actually seen on the screen are Canadian.

This task force came up with some very strong recommendations for reform. First, that the distribution of films and videos in all media in Canada be by companies owned and controlled by Canadians. Very specifically the Government was asked to make a clear policy statement that Canadian ownership and control over distribution in Canada is essential and to take the appropriate legislative and regulatory measures to ensure that this policy is carried out. Has the Government done it, Mr. Speaker? No, I am afraid not. It would appear from remarks made by the Minister that there is no intention to carry out this recommendation of the task force.

There are two more recommendations for specific action. One is regarding tax incentives and the third is the creation of a Canadian film fund with an annual budget of $60 million. Work on this third recommendation has been undertaken, but the fourth recommendation has also been ignored.

• (1800)

The fourth recommendation is to enact measures which will prevent all vertical integration, distribution and exhibition to the extent such integration limits competition and freedom of trade in Canada. The Government has taken only a very modest step in the direction of fulfilling Recommendation No. 4.

The task force composed of experts in the field concluded that its principal recommendations are relatively few. They form a whole and cannot be separated without threatening to upset the balance of the entire structure and should be applied concurrently. The task force is looking for a comprehensive response on the part of the Government and the Government has not made that comprehensive response.

It has been estimated that the film import licensing proposal of the Minister will reduce American control by only 15 per cent or less. Instead of 97 per cent of the profits going out of the country, roughly 80 per cent of the profits would go out of the country. That is not a very significant change.

I would like to compliment the Minister for taking a step in the right direction and to point out the cowardice of the previous Liberal Government which had these facts available to it over the years. The previous Minister, Francis Fox, certainly had access to that information. Yet he turned tail and did not have the courage to stand up to the American majors who are milking money out of Canada, plowing that money back into American productions and leaving Canadians with little opportunity to see the excellent films that do get produced in Canada and a very small fund of money from which to produce more.

I note that the Minister's paper on cultural industries cites European examples of much more vigorous methods of dealing with film production and distribution. Other countries that do more include Austria, West Germany, France, Italy, The Netherlands, Australia and New Zealand, indeed all the EEC countries. Since the 1920s, these countries have protected the production and distribution of films to ensure that they have viable film industries, something which we do not have here.

Canada is treated as a colony of the United States for purposes of film distribution. It is shameful for Canadians to have to be treated within their own country as an appendage of the United States. Of course, we do not have the funds to develop our own industry.

I am afraid that the Minister's response so far has been the desire to be congratulated on the very modest step she has taken, not to look seriously at all four recommendations made by the task force. She seems to consider her step adequate. In effect, she has even repudiated the first recommendation for a Canadian-ownership and distribution policy, a policy countries larger than ours that need this protection even less have instituted.

Our Minister is not standing up to the American distribution companies and is not putting Canadian policy first. I would call on the House to ask the Minister to put Canadian distribution first so that excellent Canadian programs will be distributed and Canadians will have a chance to see them.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased to respond to the Hon. Member's concerns about the distribution of films in the Canadian film industry. The Government has taken decisive action to foster the development of a healthy Canadian film industry, building on the recommendations of the film industry task force chaired by Steven Roth and Marie Josee Raymond. This means addressing all phases of the industry: production, distribution and exhibition. Our goal is to have a viable film industry so that Canadians can have access to films by Canadians about Canadians.

In a pattern that has hardly changed in the past decade, only about 3 per cent of screen time in Canadian theatres has been devoted to Canadian films. To remedy this abnormal situation, the Government has acted on two complementary fronts. It established a new $30 million feature film fund administered by Telefilm to provide direct financial support of the production and distribution of Canadian feature films.

• (1805)

A stronger distribution sector is needed for two reasons; first, to bring Canadian films to Canadian screens and, second, to participate in financing the production of those films. To be strong, Canadian distribution companies have to be able to do more than distribute Canadian films. They have to be able to distribute more of the films imported into Canada.

To give Canadian distributors an equitable opportunity to distribute imported films, the Government is developing legislation to license the importation of films meant for commercial distribution in Canada. Such legislation will contribute to the establishment of Canada as a distinct market for film distribution. It will further the creation of a healthy production, distribution, exhibition cycle for Canadians and Canadian film and video productions. At present we are consulting with the Canadian film industry, the provinces and, indeed, the American film industry, the distributors of which operate in Canada on this pending legislation.

The American film industry is responsible for bringing more than $200 million in production activity into this country annually, which employs hundreds of Canadians in creative and technical positions.

Our consultations with the American film industry have drawn sympathetic support to the principles and objectives of the proposed legislation. However, we must address their existing presence in Canada with a degree of fairness while allowing Canadians the freedom of choice to see whatever movies they wish to, be they foreign or Canadian. The point of the legislation is to ensure that a significant choice is available in the market of high quality, well-promoted Canadian films to compete with foreign films. I must state that the Canadian film community is very supportive of this move by the Government of Canada.

With this legislation Canada will be treated as a separate country for purposes of the importation and distribution of films. The establishment of Canada as a separate market in North America clearly asserts our foreign identity. The Minister of Communications (Miss MacDonald) has announced her intention to introduce this legislation and the Government is committed to the continuing development of the indigenous Canadian cultural industries in Canada.

TRADE—CANADA-UNITED STATES NEGOTIATIONS—PARLIAMENTARY DEBATE ON POSSIBLE TREATY

Mr. Alan Redway (York East): Mr. Speaker, I do not know when or why you became a member of the Conservative Party. I would like to have a chat with you about that one of these days. However, I became a Member during my university days. Before doing so I went to meetings of all three of our national Parties and I listened very carefully. It was after listening to what was said at those meetings that I decided that my own views and philosophies were best reflected in the pragmatic, socially progressive and fiscally conservative approach of the Progressive Conservative Party.

One of the most appealing corner-stones of the Progressive Conservative Party, in my view, was its Canadian nationalism. It was the Party, as you know, which created Confederation and Canada. It was the Party which established something called national policy, a tariff barrier which stretched from sea to sea and created a Canadian industrial economy.

That, in my mind, was one of the things which clearly distinguished the Progressive Conservative Party from the Liberal Party, as evidenced by the great reciprocity debate of 1911. That tariff barrier policy was established by Sir John A. Macdonald and supported and defended by Prime Ministers Robert Borden, Arthur Meighen and R. B. Bennett. It has been and is, therefore, a corner-stone of Progressive Conservative policy.

I am sure that you, Mr. Speaker, can imagine my feelings and the feelings of many other supporters of the Progressive Conservative Party when, in the summer of 1985, the Government decided to embark upon a course of trade negotiations with the United States. I know that your fears, Mr. Speaker, my fears, and those of many other members of our Party were allayed when we realized what was facing us. We realized, first, the importance of trade to Canada. Twenty-seven per cent of our Gross National Product is derived from trade. One job of every three in this country comes from trade. In fact, two jobs of every five in my native Province of Ontario come from trade.

I came to realize the wealth which trade generated and that it helped to create and maintain our social services and cultural institutions. I realized that tariffs, which had been at 30 per cent 40 years ago, had dropped to approximately 9 per cent and even 5 per cent in the case of the United States. In all that time our national wealth had increased some three times and the number of jobs in this country had doubled. At that same time, there were some 300 separate Bills before the United States Congress that are now consolidated into an omnibus trade Bill which, if passed, would seriously affect and damage Canadian trade with the United States and cause jobs to be lost in this country.

• (1810)

The effect of the countervail tariffs of the United States on our softwood lumber products and the effects of the anti-dumping actions of the United States and the escape clause actions under the GATT escape clause provisions on our shakes and shingles all made me realize that we needed some sort of protective mechanism to protect our jobs in this country. The only way we could do it would be to sit down and negotiate with the United States. To do otherwise would be to invite disaster. Canadians would never forgive us if we allowed that to happen.

At the same time, I realize that four times in the past we have successfully negotiated trade agreements with the United States: One in 1935, one in 1938, the Auto Pact and the Defence Production Sharing Agreement.

While my fears, and I know yours, have been allayed, there are other members of our Party and other people in the country who still have great concerns and fears, which I can certainly understand. One of those people is one of my constituents. She is Mrs. Mary MacMillan, who lives on Barbara Crescent. A few weeks ago she visited me to express her concerns about these trade negotiations with the United States. She expressed her fears, and the fears of many others, about the possibility of U.S. domination, a weakening of our economic and cultural sovereignty, and the possibility that these negotiations were irreversible and her inability to take this on trust and faith. She expressed her feeling that we were negotiating our future and our ability to make our own decisions as a country. Of course, she expressed her strong and deep feelings for this country which I know you and I share, Mr. Speaker.

Those feelings largely stem from the fact that we do not know much about the negotiations that are taking place. There is a lot of secrecy in those negotiations, which is understandable, because there must be secrecy in negotiations of this sort. One cannot lay one's cards on the table in a poker game, and we cannot lay them on the table perhaps the way Canadians would prefer so they would know what is going on in negotiations like this.

At the same time, that is why I believe it is very important that all of the facts and all of the terms be made public and put before Parliament, and that there be an opportunity for Parliament to approve it before that agreement is signed. I am not sure that that will allay the concerns of my constituent, Mrs. Mary MacMillan, but it will allay the concerns of many people.

That is why on September 30, 1985, I directed a question to the Right Hon. Secretary of State for External Affairs (Mr. Clark) and asked him if there would be that opportunity to have that information and have Parliament approve the agreement. That is why I repeated, on March 16, 1987, the same question to the Prime Minister (Mr. Mulroney).

The Right Hon. Secretary of State for External Affairs made it quite clear that we would get that information, that it would be placed before Parliament and there would be an opportunity to approve it. In his remarks, the Prime Minister seemed to modify that somewhat when he said:

> There shall be no treaty signed until such time as Members of the House of Commons have been apprised of it and have been given an opportunity to speak to it.

Tonight I hope the Parliamentary Secretary will clarify that once and for all, and advise us and all Canadians that before an agreement is signed with the United States we will know all the terms, all of the letters of understanding, and all of the side agreements if there are any, and that the House will have an opportunity to approve it before that agreement is signed.

• (1815)

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I agree you are a very understanding and sharing Speaker as remarked upon by my friend, the Hon. Member for York East (Mr. Redway). I must say that this was one of the better speeches I have heard on the trade negotiations and I want to congratulate the Hon. Member.

I understand the concern of the Canadian people in these trade negotiations. It is new territory. It is a large comprehensive trade agreement which is very important to the future of Canada. I might point out that although we are in many ways examining new areas, we are doing what I think is some very imaginative work. I go back to the opposition Parties which keep opposing what we are doing but do not come up with any alternative to the *status quo*, which we feel is just not right.

The question of provincial involvement, I believe, is one which has to be addressed in the approval system. We are bringing the provinces right along on these trade negotiations. The First Ministers meet regularly. They met recently in March and two meetings are scheduled for June and September. We must realize that the federal Government has jurisdiction over international treaties but there may be within the agreement some necessity for provinces to agree in areas of jurisdiction which will affect them directly.

The provinces have agreed with the Prime Minister (Mr. Mulroney) to work right along with the federal Government in deciding on a ratification process a little later on.

[*Translation*]

As to whether Parliament can scrutinize and approve any trade agreement reached with the United States, the Prime Minister (Mr. Mulroney) already stated in this House that no agreement will be signed until Hon. Members have been informed of its contents and had an opportunity to comment.

[*English*]

I can assure the Hon. Member as well that with an agreement will come legislation, obviously, which will have to be brought to the House of Commons. At that time approval will have to be given by this House of Commons.

HARBOURFRONT—MORATORIUM ON CONSTRUCTION PROJECTS AT TORONTO WATERFRONT. (B) TYPES OF PROJECTS INVOLVED

Miss Aideen Nicholson (Trinity): Mr. Speaker, on April 13, I asked a question about the Government's announcement of a moratorium on property development on the Harbourfront site in Toronto. Since the Minister of Public Works (Mr. McInnes) was not in the House that day, his colleague, the Minister of Supply and Services (Mrs. Vézina) took notice of my question. I am raising it again today because I think the issue is an important one.

Hon. Members will recall that both the Secretary of State (Mr. Crombie) and the Minister of Public Works had announced that certain development projects at Harbourfront would be halted pending a review of its development policy. The Secretary of State announced there would be a total freeze on projects without City of Toronto building permits. However, the Minister of Public Works announced that some projects would be permitted to go ahead.

These two statements were made on a Friday. One of the Ministers left that day on business outside the country and the other Minister was absent from the House when I asked my question the following Monday. On April 15, two days later, the Minister of Public Works issued a press release which did not resolve the confusion created by the two statements.

There are a number of projects on the Harbourfront property in various stages of development. Whether or not they are going ahead depended on which statement was the real indication of the Government's intent. Some of the projects are commercial developments, including a proposal for a 40-storey office tower. Some are high-rise residential developments and condominiums.

• (1820)

As well, there is a co-operative housing project and two condominium projects on the Bathurst Quay which are meant for seniors and low-income families. Affordable rent and accommodation is badly needed in downtown Toronto. However, from the two statements issued by the Government it was not possible to tell whether these projects would be going ahead or not. It was not possible to tell which of the other projects would be affected by the moratorium.

I also asked for the Government's reasons in calling a moratorium. There was considerable media speculation. It would have been useful to have had a clear statement from the Minister in the House at the time.

Questions have been raised and concerns expressed about how Harbourfront, which is a Crown corporation, is interpreting its development policy. I realize that as a Crown corporation it is expected to act autonomously, but the situation appears to have developed to the point where Harbourfront was going its own way and everyone else was in the dark—the Government of Canada which owns the site and the City of Toronto which, through its official plan, zoning and building by-laws, is supposed to control its building permits, building height, density and so on.

Public concern grew with the construction of a couple of high-rise condominium towers on a relatively small parcel of Harbourfront land, and as the pace of development in general accelerated.

I assume these are some of the reasons why the Government has undertaken a review at this time. It seems that the Government rushed to get the review under way and to announce it to the media. However, no information was given about the terms of the review or the expected date of completion. It seems that the situation had got so far out of hand that the Government was forced to impose a moratorium to get some control over it.

I assume that the review is proceeding. I am sure that the Government will make some sort of announcement in due course by press release, but Torontonians are vitally interested in knowing when the review is to be completed. I trust that the Parliamentary Secretary this evening will inform the House of the actions that the Government proposes to take.

Harbourfront was intended to be a balanced mix of development, open space and cultural activities for Toronto residents and visitors. It is clear that the desired balance is not there. I trust that the Parliamentary Secretary will take this opportunity to give some information about the action the Government has taken to date, as well as its intentions for the future with regard to Harbourfront.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I trust the Hon. Member for Trinity (Miss Nicholson) as a Torontonian will allow a Bramptonian, a neighbour who uses the facilities of Harbourfront quite often, to reply on behalf of the Minister. I might say, first, that I have a special interest in the Toronto waterfront, having been a former employee of Ontario Place Corporation. I have watched with interest, sometimes with pleasure and sometimes with displeasure, the development of the water-front. It is fair to say that the questions raised by the Hon. Member are those that concern the Government. Thus, a policy review and a suspension of new developments at Harbourfront was announced by the Minister of Public Works (Mr. McInnes) on April 15.

The purpose of the halt is to respect the review of Harbourfront program, which is currently being carried out by the city, as well as to support the federal policy review. In making the announcement, the Minister stated that clarification of the application of the suspension would be issued within 30 days. The clarification is as follows.

First, all projects which have received building permits and are now under construction may proceed. There are no projects currently under construction which have not received their building permits. Second, Harbourfront Corporation will obtain the advice and comments of the City of Toronto on all projects which have yet to receive the requisite Government of Canada approvals.

• (1825)

Third, for those projects which may still require City of Toronto approvals, further Harbourfront and Government of

Canada consideration will also await receipt of the city's advice and comments.

In its review of the Harbourfront program, the City of Toronto established the Harbourfront Review Committee as a mechanism for obtaining input from interested groups and individuals. Advice and comments passed to the Government of Canada by the city will be based in part on this input. In addition, Harbourfront Corporation itself is planning to hold a series of public forums to debate issues surrounding its role and mandate. These public forums will begin in the first week of June at Harbourfront.

I guess it is a matter of opinion as to whether there is a good balance of the various areas which make up our waterfront in Toronto. There are some very exciting cultural activities that go on down there. Within the last few weeks there was a major debate on capital punishment held down there. It is being used by the public. I share the concerns of the Hon. Member, as I think the Government does. We want to ensure that the development that does take place down there is proper, that we have a good mix, and that the public can still go down and participate in the myriad of attractions which take place at Harbourfront.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Wednesday, May 6, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

VETERANS AFFAIRS

COMPENSATION DENIED TO CERTAIN PRISONERS OF WAR

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, there is a shameful incident in the record of Canada's treatment of former prisoners of war that needs to be rectified.

Some 22 former Canadian servicemen, including seven Newfoundlanders, one of whom is now deceased, during the Second World War were held as prisoners in a Vichy France prisoner of war camp in Laghouat, Algeria. One of those prisoners, Mr. Jim Templeton of St. John's, was held for a total 472 days.

• (1405)

In 1976 the Parliament of Canada passed the Compensation for Former Prisoners of War Act. Since 1976 these 22 Canadians have been unable to receive from their Government compensation as Canadian prisoners of war. The reasons given are confusing. The Government argues that in order to receive compensation one had to be held by a country engaged in activities against the Allies.

Since the Government and, for that matter, the Allies never formerly declared war on Vichy France, these 22 Canadians, including six Newfoundlanders, have never received adequate compensation. I bring this matter to the attention of my colleagues. It was well exposed on CBC's *Sunday Morning* this weekend past.

I hope the Prime Minister (Mr. Mulroney) and his Minister of Veterans Affairs (Mr. Hees) will move swiftly to ensure that these gentlemen, some of whom died trying to escape that camp, will finally receive justice and the compensation to which they are entitled as Canadians who served their country in very difficult and extreme circumstances.

[*Translation*]

EMPLOYMENT

GROWTH OF EMPLOYMENT IN ABITIBI—TÉMISCAMINGUE AND SAGUENAY—LAC-SAINT-JEAN AREAS

Mr. Guy St. Julien (Abitibi): Mr. Speaker, the Abitibi—Temiscamingue area was ranked first in Quebec for job creation in 1986. A major economic survey of the progress made by the Quebec labour market in 1986 has brought to light findings which are both unexpected and new. Contrary to what usually happens, the major urban centres such as Montreal and Quebec City did not show as much dynamism last year in the area of employment as such remote regions as Abitibi—Temiscamingue and Saguenay—Lac-Saint-Jean.

In 1986, Montreal and Quebec City lagged far behind outlying regions as far as job creation was concerned: their growth rates were 1.8 per cent and 1.6 per cent respectively, which are far behind those of 9.2 per cent and 7.3 per cent recorded in Abitibi—Temiscamingue and Saguenay—Lac-Saint-Jean respectively.

A positive fact is that the unemployment rate has come down in most regions. In the Abitibi—Temiscamingue and the Saguenay—Lac-Saint-Jean areas, the decrease in unemployment has reached 2.3 per cent and 1.5 per cent respectively.

On the other hand, the full-time employment growths have exceeded the Quebec average of 2 per cent, reaching 10.9 per cent and 7.4 per cent in the Abitibi—Temiscamingue and the Saguenay—Lac-Saint-Jean regions respectively.

Mr. Speaker, I am proud of these accomplishments. Thanks to our businessmen, various groups in the economic sector and the efforts of all federal and provincial elected representatives, the working men and women in the Abitibi—Temiscamingue and Lac-Saint-Jean regions will no longer come last in the Province of Quebec.

* * *

[*English*]

FISHERIES

GEORGES BANK—EFFECT OF PROPOSED OIL DRILLING PROGRAM

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in late 1986 Texaco announced it wished to drill some test sites within the Canadian section of Georges Bank. In

recent weeks this matter has been made more urgent with the announcement by the U.S. Interior Department of a five-year offshore drilling plan for test wells on the American side of Georges Bank.

Georges Bank is a prime fishing area. Atlantic fishermen recognize the potential environmental damage to this sensitive area which can be wrecked by offshore drilling. They are organizing to ensure that this is not allowed to happen. Nova Scotia New Democrats are supporting the fishermen. Bob Levy, our fisheries critic, presented a resolution to the Nova Scotia Legislature on March 31 which reads:

> Therefore, be it resolved that this Government state categorically that it will press immediately through its representatives on the Canada-Nova Scotia Offshore Oil and Gas Board for a permanent moratorium on any drilling for oil and gas on Georges Bank and that it will work to have the Georges Bank declared a National Marine Park by Environment Canada as soon as possible to allow for commercial fishing but no offshore drilling.

I call upon the Government of the Prime Minister (Mr. Mulroney) to proclaim a moratorium on offshore drilling in the Georges Bank area until the feasibility of establishing a National Marine Park is thoroughly studied, and to protest American plans to drill in such a sensitive area. Now is the time for the Canadian Government to act.

* * *

NATIONAL FORESTRY WEEK

VALUE OF EXPORTS—IMPORTANCE OF FORESTRY TO ALBERTA

Mr. William G. Lesick (Edmonton East): Mr. Speaker, from May 3 to May 9 of this year, we are celebrating National Forestry Week in Canada. Forestry is a vital part of our economic and social life and has enormous impact on our lives as Canadians. Canada is the world's leading exporter of forest products, 22 per cent of the world's total, an incredible $16.2 billion worth of products in 1985.

• (1410)

In Alberta, forestry is an important source of employment. There are 1,200 jobs directly generated by the forest industry in Edmonton alone.

This week I am proud to be able to host the Minister of State for Forestry and Mines (Mr. Merrithew) when he visits the Northern Forestry Centre and the Alberta Forestry Centre. This will be a wonderful opportunity for Edmontonians and Albertans to become more aware of the potential of forestry and its impact on their lives. It is one of the keys to economic diversification in Alberta.

Canada and forestry are synonymous. We all have an obligation to ensure that we protect this natural resource, and that we use it wisely.

SCIENCE AND TECHNOLOGY

UNDERGRADUATE STUDENT RESEARCH AWARDS PROGRAM

Mr. David Berger (Laurier): Mr. Speaker, victims of the Government's slashing of research and development spending continue to surface long after the dirty deeds are done. The most recent corpses are over 600 students who will find themselves without jobs this summer because of a 25 per cent cut to the budget of the Undergraduate Student Research Awards Program funded by the Natural Sciences and Engineering Research Council.

These awards provided university and industry labs with funds to hire students to do research, to obtain valuable work experience and, hopefully, to go on to graduate study. Everyone except the Government knows that you cannot have more science and technology without people. If we cannot do anything else, we have at least to get young people interested in science.

I call upon the Minister of State for Science and Technology (Mr. Oberle) to provide funds to NSERC so that it can restore this program to its previous level and provide students with real summer job experience, and get back to providing Canada with the scientific talent that it so desperately needs.

* * *

[*Translation*]

ENVIRONMENT MONTH

GOVERNMENT CONTRIBUTION

Mr. Richard Grisé (Chambly): Mr. Speaker, to mark the beginning of Environment Month our Conservative Government supports the initiatives taken by the *Fondation québécoise en environnement* which is sponsoring a wide information and education campaign on the importance of protecting our environment. Ever since it first came into office our Government has always been leading the way in all matters related to environmental protection.

This is why the Prime Minister (Mr. Mulroney), the Minister of Environment (Mr. McMillan), the Minister of Energy, Mines and Resources (Mr. Masse), the Minister of Regional Industrial Expansion (Mr. Côté) and the Minister of State for Youth (Mr. Charest) have assured foundation members that they would make a generous contribution to a special Broadcast entitled "*Pour l'avenir du monde, je m'implique*", a three-hour environmental presentation to be aired at 6.30 p.m. on May 24 over the Radio-Québec TV network.

Mr. Speaker, once again our Government has unreservedly endorsed the Environment Month campaign theme, "*Pour l'avenir du monde, je m'implique*". I urge all Quebecers, particularly my constituents of Chambly, to pay special

attention to environmental protection during this National Environment Month.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

BRUNDTLAND REPORT—IMPACT OF ECONOMIC DEVELOPMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, as one reads the analyses and the recommendations of the World Commission on Environment and Development headed by Norwegian Prime Minister Gro Brundtland one gets the feeling that much of what we do around here amounts to a form of fiddling while Rome burns, or of having the planet disintegrate around us.

I want to make this point because I think that many who are now concerned about the economy should be concerned about the long-term effects of not paying attention to the environment, both in terms of the intrinsic value of the environment as well as the extent to which our economy is based on a healthy environment. We need to abandon the narrow bookkeeping to which all of us are addicted which pits short-term economic deficits against long-term environmental deficits, which may not be able to be repaid and which, in the end, will be profoundly economic deficits as well as environmental ones.

Might I also suggest, more for the benefit of government back-benchers, that we will not be able to solve a great many of these environmental problems if we are committed to allowing the market-place to be the final arbiter of what is done and not done in the name of economic development.

* * *

[*Translation*]

NATIONAL BUSINESS WEEK

REGIONS' ACHIEVEMENTS

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, since this is National Business Week, I would like to draw the attention of the House to the performance of the regions, and more particularly the region where the riding of Lotbinière is located, with respect to job creation in 1986.

In fact, a major study on labour market developments in Quebec tells us that the Mauricie-Bois-Francs region is one of three that have shown remarkable growth in employment. This area ranks third with an employment growth rate of 6.6 per cent. The in increase in full-time jobs La Mauricie-Bois-Francs was 5.1 per cent, 3 per cent above the provincial average.

This progress is the result of the perseverance, active involvement and know-how of the entrepreneurs in this region, and I think performances like these should be given the attention they deserve.

Mr. Speaker, I would also like to mention more specifically the progress achieved by entrepreneurs in the eastern part of the riding of Lotbinière, with respect to job creation, and I would urge all those who are active in businesses in my riding to help support this upward trend.

* * *

FINANCE

PRIME MINISTER'S COMMITMENTS TO MONTREALERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in the two and a half years that this Government has been in power, it has promised the earth and the moon to the people of Greater Montreal. However, despite the Government's catastrophic failure to help Montreal East in the Gulf refinery question, even after three committees, the de Cotret Committee, the Picard Committee and the CREM Committee for Montreal East were set up and three reports were published, the Government has yet to take any action.

The Government of Quebec is still waiting for this Government to locate the space agency in the Montreal area. Second, it expects a real banking centre, not just a night wicket. I would urge the Minister of Finance (Mr. Wilson) to wake up and follow through on the commitments made by his Prime Minister (Mr. Mulroney) to the people of Montreal.

* * *

• (1415)

[*English*]

PORNOGRAPHY

SUPPORT FOR STRENGTHENING LEGISLATION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on April 26, 1986, I convened a local public conference for residents of my riding of Don Valley East to discuss and learn about the vile types of pornographic material which are so widely distributed and easily available today.

Sergeant Wendy Leaver of Project P of the Metropolitan Toronto Police Force made a thorough presentation depicting violent pornography, much exploiting young children, on video tapes and in magazines.

Almost 100 residents attended this meeting. They were shocked and almost numbed by the devastating, crude and violent scenes depicted. The mood changed to anger when they realized that we have inadequate laws on the books to prevent this type of material from eroding our morals and the very fabric of our society.

The Minister of Justice (Mr. Hnatyshyn) is to be commended for presenting tough new legislation which will make it illegal to import, sell or rent materials defined as pornographic, and illegal to possess child pornography. The basic freedom of expression of Canadians will remain protected by defining a limited class of materials to be prohibited as pornography.

I urge all those who see this Bill as a crude and needless intrusion by public authority into private morals at least to take the time to view and read the sickening material which is available today. If the import and distribution are not curbed through tough legislation, the current material will have a cancerous effect on the future of our society.

* * *

EDUCATION

SUPPORT EXPRESSED FOR B.C. TEACHERS' FEDERATION

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I rise to offer congratulations to the B.C. Teachers' Federation and teachers of British Columbia for their fight to improve education in British Columbia.

The B.C. Teachers' Federation has, for almost 70 years, been a vigorous supporter of students, teachers, and education in B.C. It has carried on this fight in recent years against one of the worst provincial Governments in Canada.

The NDP caucus wishes to congratulate and support the B.C. Teachers' Federation and B.C. teachers for their struggle against Bill 20 and Bill 19, two pieces of legislation which destroy the rights of teachers and working people in the Province of British Columbia.

* * *

HEALTH

SUPPORT URGED FOR MULTIPLE SCLEROSIS RESEARCH CAMPAIGN

Mr. Albert Girard (Restigouche): Mr. Speaker, multiple sclerosis is a disease which primarily strikes young people in the prime of life. We have known for over 100 years what the symptoms are and, even though 50,000 Canadians are afflicted with it, we still do not know what causes MS. Recent discoveries by scientists such as Dr. Kenneth Warren, a Canadian, have put us on the verge of finally determining the cause of MS.

As honorary chairperson of the Restigouche Chapter of the Multiple Sclerosis Society, it was my pleasure to participate earlier today with MS officials in presenting a carnation to every Member of this House. The carnation symbolizes the ongoing fight against MS. Despite the significant strides that have been made, the shortage of funds, particularly at this important stage, has been discouraging to many multiple sclerosis researchers.

I urge the Government and all Canadians to make May, 1987, the best fund raising month on record for MS research so that this insidious and costly disease can be eradicated for all time.

* * *

[*Translation*]

SMALL BUSINESS

NEED TO REDUCE GOVERNMENT RED TAPE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, the Minister of State for Small Businesses and Tourism (Mr. Valcourt) has in hand a report dealing with the fact that Government red tape, especially at the federal level, is causing small businesses very serious problems.

Since September 1984, this Government has been making a lot of studies—study after study—and we are still awaiting the Government's policy on the development of small businesses which generate the majority of jobs in Canada.

I suggest Mr. Speaker, the time has come to get out of school, to show where they stand, to show leadership and to assure our Canadian entrepreneurs that the time is right for eliminating or dramatically reducing Government red tape, that is causing serious problems for our Canadian entrepreneurs.

• (1420)

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT IN WESTERN PROVINCES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question today must be for the Deputy Prime Minister. While the Prime Minister is touring western Canada, he should be reminded that compared with the start of this decade youth unemployment in western Canada has skyrocketed.

The youth unemployment rate is up 50 per cent in Manitoba compared with 1980. It is up 78 per cent in Saskatchewan. It is up 81 per cent in British Columbia. In Alberta, where the Prime Minister visits today, the youth unemployment rate is up 157 per cent from the start of the decade.

Will the Deputy Prime Minister say now when the Government intends to introduce its national youth strategy which the Prime Minister promised the young people of Canada during the election, or does he really think that photo opportunities in

western Canada will be a substitute for finding jobs for young people and the youth of the western Canadian provinces?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is important to point out to the Right Hon. Leader of the Opposition that the national unemployment rate has fallen from 11.7 per cent to 9.6 per cent since we have assumed office. The youth unemployment rate at the same time has fallen from 18.3 per cent to 14.8 per cent.

I must remind the right hon. gentleman that unemployment is down in every region of the country. There still are some pockets where there needs to be some substantial improvement, and western Canada is one of them.

Clearly that is an area we are addressing. It will be addressed under western diversification and indeed under the Atlantic Opportunities Program which we will be announcing shortly.

Mr. Turner (Vancouver Quadra): I am very interested to hear that the Deputy Prime Minister feels that Alberta is a pocket. I might say to him that the unemployment rate for young people in Alberta and British Columbia is something about which he and I ought to be jointly more concerned than the reply of the Deputy Prime Minister.

OPENING OF STUDENT EMPLOYMENT CENTRE IN MOOSE JAW

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I notice that the Prime Minister will have a photo opportunity later this week at the opening of the Student Employment Centre in Moose Jaw. I might say that that takes real nerve, because the Government is cutting $2.3 billion from post-secondary education, spending per student is 18 per cent lower than it was a decade ago, and university student employment centres were cut by 30 per cent last year.

Will the Prime Minister use his visit in Moose Jaw to reverse the Government's short-sighted policy in restricting support for post-secondary education and for youth employment?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, unlike the Right Hon. Leader of the Opposition who flies over Alberta, I visit Alberta on a regular basis.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mazankowski: If he were to look at the statistics, he would know that under the Challenge '85 program some 101,000 jobs were created and that under Challenge '86 some 93,000 will be created, a substantial improvement over the previous Government's record.

Mr. Turner (Vancouver Quadra): I venture to say that I have been in Alberta almost as often as the Deputy Prime Minister.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Check it out. Since the last election I have taken 36 trips to western Canada, including 49 communities outside Vancouver. That is a fact.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I cannot remember when the Prime Minister was last in western Canada.

An Hon. Member: You have a short memory; he is there today.

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, not only are half a million young Canadians unable to find jobs, but close to 200,000 Canadian students will not have summer employment this year.

INQUIRY WHY FUNDS FOR STUDENTS HAVE BEEN REDUCED

Right Hon. John N. Turner (Leader of the Opposition): My question is this, Mr. Speaker: Can the Deputy Prime Minister explain to the House why again this year the Government has reduced student program funding by 15 per cent, particularly with respect to summer employment?

• (1425)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, perhaps the right hon. gentleman might want to define to the House what he means by "almost as often". I think that would be a rather interesting comparison as to the number of times he has been in Alberta. That is not to say there are not serious problems out there. Our Government is addressing them.

The Right Hon. Member's allegation that funding has been reduced is not correct. Challenge '86 was funded at $180 million and so was Challenge '87. Last year $30 million was provided by the census. It was not part of Challenge '86. It was part of a separate initiative by the Government.

Mr. Turner (Vancouver Quadra): You switched the census and put it back.

Mr. Mazankowski: The right hon. gentleman, if he has such a great interest in western Canada—I have not really heard any constructive suggestions coming from that side of the House. Members over there are great at criticizing and knocking programs that we have brought forward. There is a clear recognition and there is a clear response.

Oral Questions

REFUGEES

SCREENING PROCESS—PREPARATION OF LIST OF SAFE THIRD COUNTRIES

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Immigration. The Government has been wimpish in its bilateral dealings with the strong nations of the world. Yesterday it had to show its macho image by beating up on genuine refugees who are nationless. One of the serious flaws with the legislation is the creation of a safe third country list which will determine who can or cannot enter the system.

Why did the Minister establish two pre-screening officers when they do not have discretionary authority to consider claimants coming from a so-called safe third country? In addition, can the Minister inform Canada and this House whether our allies, the United States, which deports both Guatemalans and El Salvadorans, and Great Britain, which deports Tamils, among others, will be on or off such a list?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the first step is not a pre-screening. It is a first step to a claimant's right to demonstrate whether he has a personal fear of persecution. There are objective criteria that a claimant has to meet, but there is also another safeguard where, even if there is a shred of evidence that the individual has a fear of persecution, he or she will be directed immediately to step two which is the oral hearing in front of independent members of the refugee determination board.

REQUEST THAT MINISTER DELETE TWO PROVISIONS FROM PROPOSED LEGISLATION

Mr. Sergio Marchi (York West): Mr. Speaker, the Minister knows that the political and diplomatic pressure on Cabinet will be overwhelming. How can the Minister guarantee, as he did last night, that no genuine refugee will be turned away? It is a guarantee that he simply cannot give.

Given that the safe third country list is a dangerous concept and does not recognize new world uprisings, and that pre-screening is a barrier to the refugee board, would the Minister agree to scrap these two elements from his legislation and, therefore, allow a refugee claimant to go immediately and directly to the new refugee board? What is the use of having a new system if you cannot get to it?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, we must provide a safe haven for those that need one. If the individual already has a legal status in another country, if he has lived there a reasonable length of time and could have sought protection, we will be seeking to ask him to return, assuming that the country has an exemplary record on human rights and assuming the record is excellent in the treatment of refugees of that nationality. As well we will seek advice from credible sources. Our system offers protection to everyone in need.

Let us look at the record of this Government in what we do for the real refugees of the world. We will be bringing 20,000 to Canada this year. That is help to real refugees. If the Hon. Member wants to talk about immigrants, let us boost the immigrant levels, which is what I want to do, and in that component we can have more family members, more independent immigrants, and more refugees.

Some Hon. Members: Hear, hear!

* * *

• (1430)

AGRICULTURE

PRAIRIE POOLS' REQUEST TO MEET PRIME MINISTER

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Deputy Prime Minister. The other day, Prairie Pools Inc. sent a telex to the Prime Minister of Canada requesting a formal meeting with the Prime Minister during his western Canadian tour. I spoke to a representative of the Saskatchewan Wheat Pool at two o'clock this afternoon and as of then there had been no response from the Prime Minister's Office. Representatives of Prairie Pools had offered to meet the Prime Minister anywhere in any of the three Prairie Provinces. As yet, he is only meeting farmers on one farm and the pools do not have any idea of which farmers he is meeting.

Because of the importance of wheat pools in Canada, will the Deputy Prime Minister return to his office after Question Period, pick up the phone, phone the Prime Minister and ask him to meet with the leaders of Prairie Pools? If he does not do that, he will be content to let the Prime Minister snub the farm leaders of western Canada.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, those kinds of comments and allegations certainly do not do honour or justice to the Hon. Member who has been around here for a long period of time. He knows very well that the Prime Minister has met on various occasions with representatives of the pools and representatives of the farm leadership in Saskatchewan, Alberta, and Vancouver. He will be meeting with farmers and with the public at a number of public events.

It is interesting to note that in spite of what NDP Members suggest, the Alberta Wheat Pool, for example, has praised the federal Government and has condemned the Opposition for some of the actions it took last week. A representative of the pool is quoted in the Edmonton *Journal* of May 1 as saying:

> "From agriculture's point of view, the government has been performing rather well in the last six months . . . " "They gave the deficiency payment; they covered the deficit in the 1985-86 wheat pool accounts without complaint; now the $64-million subsidy—I'm not sure we could ask them to do a whole lot more at this stage."

Mr. Nystrom: Who are you quoting, your cousin?

REQUEST FOR MEETING ON DEFICIENCY PAYMENTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, what I want and what Prairie Pools want is an answer from the Deputy Prime Minister. Prairie Pools sent an official telex to the Prime Minister's Office requesting a meeting and offering to make any travel arrangements necessary to meet anywhere across the Prairies. As of yet, the Prime Minister is only going to one farm.

All I want to know is whether or not the Deputy Prime Minister will go to his office to make a simple phone call to the Prime Minister of Canada asking him to meet with the leadership of Prairie Pools about deficiency payments. Is this just another road show on the part of the Conservative Party at the taxpayers' expense? I want answers.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is going into contortions. He wants answers and he will get answers. The Prime Minister has met with representatives of the pools and will meet with them and with other farm leaders on many, many occasions in the future. The Prime Minister has met with more farm leaders on a more frequent basis than any other Prime Minister in the history of Canada.

CTC DECISION ON VARIABLE TRANSPORTATION RATES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, once again the Deputy Prime Minister dodges the question. He is afraid to meet with the leadership of western Canada and I want to know why he will not make that simple phone call. Since the Prime Minister is refusing to meet with the Saskatchewan Wheat Pool, why will the Deputy Prime Minister not take the advice of the Saskatchewan Wheat Pool and ask the Minister of Transport to overturn the ruling of the CTC on variable rates, a ruling which will destroy rural communities? Will the Deputy Prime Minister at least do that since his Leader does not have the guts and the courtesy to meet with the leaders of Prairie Pools?

Some Hon. Members: Oh, oh!

Mr. Speaker: There are obviously strong feelings about the situation on the Prairies and they have been expressed very forcefully in the House over a long emergency debate by Hon. Members of goodwill and concern on all sides of the House. In asking questions on this, I think we should keep that in mind.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can understand the Hon. Member's frustration and the frustration of members of the New Democratic Party. In effect, they are attempting to trivialize what the Government has been doing for western Canadian producers.

They are trying to trivialize the $1 billion deficiency pay-out. They are trying to trivialize the $700 million western grain stabilization pay-out. They are trying to trivialize the Minister of Transport's support for reducing freight rates. They are trying to trivialize the fact that we are guaranteeing Canadian Wheat Board losses. In fact, they are trying to trivialize the fact the Prime Minister indeed has a genuine interest in western Canadian agriculture.

Some Hon. Members: Hear, hear!

REQUEST THAT PRIME MINISTER MEET PRAIRIE POOLS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday the Prime Minister refused to give a commitment to the request of Mr. Bill Strath, President of Prairie Pools Inc. and representative of 130,000 western grain producers, for a deficiency payment. Now we see the Prime Minister's agenda for his tour of the West does not even include a meeting with Prairie Pools, the largest organization of farm producers on the Prairies.

Why does the Prime Minister's schedule not include any provision for a meeting with this most important group? Why is the Deputy Prime Minister stonewalling on the whole question of a deficiency payment when the West is in such a desperate situation?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I thought there was a rule about the repetition of questions. That is the same question that was asked before and I provided an answer.

The fact is that the Prime Minister has met and will meet with representatives of the pools as he will meet with other representatives of farm organizations. A major meeting will be taking place here. The Cairns Group will be meeting and there will be preparatory meetings with the respective farm leaders in regard to that meeting.

The Prime Minister will be meeting with farmers who are active in the business and I think that is a tribute to the Prime Minister who has expressed a genuine desire to talk to the actual farmers who are on the land. The Hon. Member should be complimenting and paying tribute to the Prime Minister rather than condemning him for it.

REQUEST FOR DEFICIENCY PAYMENT COMMITMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, the Deputy Prime Minister knows that the Prime Minister and his office have refused repeated requests from Prairie Pools to meet with him on his tour of western Canada. The farmers want a commitment to a deficiency payment for this fall. Will the Prime Minister give this deficiency payment commitment right now? Does he not know that photo opportunities of the Prime Minister along with his Tory caucus eating breakfast, lunch, and dinner will not put seed in the ground or fuel in the diesel tractors of the farmers of the western Prairies? Does the Deputy Prime Minister not know that?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I do not understand the Hon. Member opposite. There is a deficiency payment being paid out now. Cheques amounting to $700

million will be in the mail. Another $600 million to $700 million will be paid under the Western Grain Stabilization Act. In fact, $1.3 billion is going into the hands of the western Canadian farmers.

The Minister in charge of the Wheat Board, the Minister of Agriculture, and indeed the Prime Minister have said that they are certainly not turning their backs on the farmers. They have not done so in the past, they will not in the future, and they are not at this time either. The Hon. Member should know and accept that fact.

* * *

CANADIAN WHEAT BOARD

SALE OF SUBSIDIZED UNITED STATES WHEAT TO SOVIET UNION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister responsible for the Wheat Board. While the Prime Minister is refusing to meet with western farm leaders in the West, incredibly the Minister responsible for the Wheat Board is telling grain farmers that the recent sale of four million tonnes of subsidized United States wheat to the Soviet Union is welcome news. Will the Minister explain why he thinks this sale is good when senior Wheat Board economists, the former Tory Minister of Agriculture in Saskatchewan, and even Clay Gilson all believe it is a disaster and will further depress the price of grain?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, when this sale was made public, I attempted to point out that, to the extent this would take some pressure off the markets, it had the potential to improve prices. Perhaps the Hon. Member wants to take a look at what has happened in the market since last Thursday. In fact, the market has improved. If the Hon. Member wants to look at soybean prices which have a big impact on Canadian prices of canola, he will see that those prices have improved pretty dramatically over the last two months.

There is some optimism in the market as far as price is concerned. On the sales side, Canada is selling to the Soviet Union under a five-year long-term grain sales agreement and the Soviet Union is buying at a clip that will see it fulfil that commitment under that long-term sales agreement.

• (1440)

PROJECTED INCREASE IN RUSSIAN CROP PRODUCTION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, projections of Russian crops show there will be an increase in production this year. Therefore, they will buy less next year. In fact, the increase is equal to their total imports last year.

Does the Minister realize that the Americans are planning similar sales? Will he take some action to counteract a further lowering of prices?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Opposition has a very interesting attitude in here. They try to trivialize and take advantage for political purposes of a very difficult and unfortunate situation affecting all Canadian grain producers. That is not our attitude. We work with the farm community so that together we can come up with approaches which go a long way towards dealing with the situation. If the Hon. Member wanted to come forward with some solutions we would be more than happy to look at them to see how they could fit in and be of help.

* * *

SCIENCE AND TECHNOLOGY

UNDERGRADUATE STUDENT AWARD PROGRAM

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. I am sure he will agree that we cannot have more science and technology in Canada without scientists. If we do nothing else, we have to get more young people interested in pursuing a career in science. Can the Minister then explain why the Undergraduate Student Award Program administered by the Natural Sciences and Engineering Research Council is being cut by 25 per cent this summer? Why is the Conservative Government cutting back on summer jobs which provide science students with valuable research experience?

Hon. Frank Oberle (Minister of State for Science and Technology): I cannot second-guess what the NSERC may have contemplated when the adjustments were made. However, I point out that there was an increase of $10 million in the operating grants program which made research positions available for hundreds of first-time applicants for research grants in our universities.

Mr. Berger: The Council has no choice when the Government continually cuts its budget, after having frozen it last year.

[*Translation*]

SUMMER JOBS FOR SCIENCE STUDENTS—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, will the Minister make a commitment to restore this program funding to its previous level? Will he offer science students gainful employment this summer so that Canada will ensure the supply of scientists whom we so desperately need?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I will pass the Hon. Member's suggestion on to the Council. Let me point out that there is not a freeze on any of the Council's funding. There is an increase of $1 billion over five years in funding to universities and I

wish the Hon. Member would acknowledge that when he attempts to discredit this important program.

* * *

AGRICULTURE

REQUEST THAT PRIME MINISTER MEET PRAIRIE POOLS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, data on the grain crisis keeps coming in. Just in the last couple of days Unifarm president Ralph Jespersen had a meeting with 10 other farm organizations, including the various Prairie Pools, where they concluded that in addition to the assistance granted in the current crop year an additional $1 billion of special grains assistance, or deficiency payment of about $2 billion, will be required in the coming crop year.

That group, along with the Pools, telexed the Prime Minister's Office seeking to discuss this important issue while he is in western Canada. Therefore, can the Minister responsible for the Wheat Board tell us whether that meeting will take place and what the Government's response will be to the request for an announcement of its intentions on deficiency payments?

Mr. Speaker: In the interests of all Hon. Members, as well as that of the public, there has been reference to repetitious questions and I want to make it very clear that, if it is in the interest of any particular Member or Members to ask a question repeatedly, that is not completely outside the rules. However, I also want to point out that Ministers are not obligated to try continually to answer the same question over and over again.

Mr. Benjamin: They don't try.

Mr. Speaker: I am just pointing out and reminding all Hon. Members that that is the rule. I am also pointing out that there are a lot of Members in the House in Question Period who want to ask questions, and, to the degree repetition takes up time, it is taking up the time of the House.

Mr. Althouse: Mr. Speaker, in light of the meeting of Unifarm and the other organizations I thought it was a new question.

REQUEST THAT GOVERNMENT INTRODUCE FIVE-YEAR PROGRAM FOR GRAIN PRODUCERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I would point out to the Minister that a year and a half ago his Government correctly analysed the situation facing Canada's dairy producers, realized they had to have some security, and announced a five-year program for their industry. Does the Government have similar intentions for grain producers, east, west and centre, so they know where they are at for the next three to five years?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Minister of Agriculture and myself sat down with farm leaders on March 5. The Minister scheduled another meeting for the early part of June with farm leaders from right across the country to discuss this very topic. I think it is very helpful to have farm leaders from the various affected parts of the country get together before the meeting so that when we do meet in Ottawa we can have a very useful meeting.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST THAT REPORT RECOMMENDING ALLEGEDLY INAPPROPRIATE PAYMENT TO FORMER INFORMANT BE MADE PUBLIC

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Solicitor General. When the Government refused to help the CIA brainwashing victims in Montreal it had a report which it made public. My question has to do with the decision to give $56,000 to Warren Hart. Here again the Government has a report, this time from Sydney Letterman of Toronto apparently, and I should like to ask the Solicitor General to release this report to give us the reasons for that payment which we consider inappropriate.

[*English*]

Hon. James Kelleher (Solicitor General of Canada): First, Mr. Speaker, let me make it quite clear that I do not consider the payment to Mr. Hart to be in any way inappropriate as it was paid pursuant to the recommendations contained in that report. However, I am happy to advise the hon. gentleman that I have asked my officials to review the report and, subject to the terms and regulations of the Access to Information Act, the Privacy Act, security reasons, and the necessity of having it in two official languages, I hope to be in a position to release the report within approximately two weeks.

REQUEST THAT COMPILER OF REPORT APPEAR BEFORE PARLIAMENTARY COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, would the Minister then be prepared to permit Mr. Letterman to appear before the Standing Committee on Justice and Solicitor General to defend that decision and explain what is behind it?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as I have already advised the hon. gentleman and this House, I expect to be in a position, subject to the conditions mentioned, to release the report within two weeks. I am sure he will be completely satisfied with the reasons for the payment after he has had an opportunity to read the report.

Oral Questions

CO-OPERATIVES

ESTABLISHMENT OF SECRETARIAT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Minister responsible for co-operatives. At a luncheon yesterday the Minister finally gave the Government's response to the *Co-operative Development Strategy for Canada* published three years ago this month. Would he agree that the elephant of government has laboured long but brought forth only a mouse in the form of his new co-operative secretariat?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): No, I would not agree at all, Mr. Speaker. If the Hon. Member will check with the leaders of the co-operatives presently in town for several meetings with the various co-operative associations, the proposal we announced yesterday was made with the full co-operation of the co-operative people from right across the country. If he is criticizing the Government he is also criticizing the co-op sector which worked very hard with the Government to come forward with that proposal.

• (1450)

EFFORTS TO SEEK CAPITAL FORMATION INCENTIVES

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my supplementary question is directed to the Minister of Finance who might tell us how far the Government is planning to move. The Minister is aware that the credit union sector has been seeking capital formation incentives that would put them on the same footing as the banks and other financial institutions. Is the Minister of Finance now more prepared to take action in this area than he was before yesterday and particularly before the February Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member raises a question that he knows has been under discussion for some time now. This is under review on an ongoing basis. At this point it is obviously not a matter that can be discussed in the House because it is outside Budget time. However, I will take his comments as a representation.

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VETERANS AFFAIRS

DENIAL OF COMPENSATION TO CERTAIN PRISONERS OF WAR

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, in the absence of the Minister of Veterans Affairs my question is directed to the Minister of National Defence. The Minister will know that some 22 Canadians, including seven Newfoundlanders, were held as prisoners of war by the Vichy French at Laghouat, Algeria, during the Second World War. These prisoners of war have consistently been denied payments under the 1976 Compensation for Former Prisoners of War Act.

Can Jim Templeton of St. John's, who was shot down over North Africa and spent 472 days in the Laghouat prisoner of war camp, and his fellow Canadian prisoners at long last expect the Government of Canada to intervene to ensure that they receive the compensation to which they are entitled as Canadian prisoners of war?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, I would be pleased to take notice of that question for my colleague, the Minister of Veterans Affairs. As the Hon. Member knows, the Minister of Veterans Affairs is looking into the issue at the present time. He certainly has established a track record in defence of the veterans of Canada which is exemplary.

Some Hon. Members: Hear, hear!

Mr. Tobin: I want to assure the Government that I seek not to criticize or comment upon Ministers but to seek compensation for veterans. I ask the question in a non-partisan way.

TERMS GOVERNING PAYMENT OF COMPENSATION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Minister will know that the 1976 Act for compensation for prisoners states that compensation should only be paid to those who were held by a power conducting activities against the Allies. Since the Allies never formally declared war on Vichy France or recognized Vichy France as a country with which we were at war, these prisoners, for technical reasons, have been denied compensation. Some were shot trying to escape from that camp. Will the Minister bring that fact to the attention of the Cabinet and seek immediate compensation for those Canadians who have served their country and indeed were held under brutal conditions as prisoners of war?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, the Hon. Member's question is more by way of representation. I would be pleased to ensure that it is brought to the attention of the Minister of Veterans Affairs who, during his tenure as Minister, has fought long and hard for the veterans of Canada.

Mr. Turner (Vancouver Quadra): Just answer the question.

Mr. Beatty: He has been extremely dedicated in terms of fighting for their interests and ensuring—

Mr. Gauthier: Never mind the commercial.

Mr. Turner (Vancouver Quadra): Just answer the question. It is a serious one.

Mr. Beatty: I wonder if the Liberal Members, including the Leader of the Opposition, would give this the seriousness to which it is entitled.

Mr. Turner (Vancouver Quadra): Don't be a smart-ass about it. Come on.

Some Hon. Members: Oh, oh!

Mr. McDermid: Struck a nerve.

Mr. Turner (Vancouver Quadra): You are pompous.

Mr. Tobin: If the Minister of Defence would quit fooling around and give an answer, we would not have that. Snooty boy scout.

Mr. Speaker: I am sure the House would want this exchange to end on a note of hope for the very Canadian veterans about whom we speak. I would ask the Hon. Minister of Defence to finish his answer.

Mr. Beatty: Thank you very much, Mr. Speaker. I would be pleased to do precisely that. As I was saying, the Minister of Veterans Affairs has fought hard for the veterans of Canada. I know that he will do everything that he can for these veterans as well.

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NORTHERN AFFAIRS

IMPACT OF PROPOSED OIL WELL DRILLING ON PORCUPINE CARIBOU HERD

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. I spent the last few days in Yukon and met with Tony Penikett, the Government Leader, and Norma Kassi, MLA for Old Crow. Yukoners in particular from Old Crow are deeply concerned about the United States proposal to drill in the core calving area for the Porcupine Caribou Herd, known as the 1002 lands.

Since American and Canadian scientists now stand by their estimate that drilling in the area will reduce the herd by 20 per cent to 40 per cent, and since fully one-half of the food consumed by the people of Old Crow is caribou from that herd, will the Minister tell the House what substantive steps he is prepared to take to ensure the protection of the coastal plain which is the maternity ward for this herd of close to 180,000?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think the Member may be mistaken about the figure of 180,000, but I understand the seriousness of his question. The Porcupine Caribou Herd is an important source of food for people in Old Crow. As the member knows, the Alaskan Arctic National Wildlife Refuge has recommended drilling. We have not agreed to that.

The Hon. Member knows that the Secretary of State for External Affairs has made representations to the American Government. The signing of the environmental agreement for the protection of that caribou herd will allow Canada to continue to make representations which I know the Hon. Member will support.

However, the American Congress is not and has not made any recommendations or taken any steps. Therefore, it is not a problem we will have to face tomorrow, but a problem in which we are very involved in trying to seek solutions. We will ask the Hon Member to continue to support us.

REQUEST THAT MINISTER PROVIDE RELEVANT INFORMATION TO UNITED STATES CONGRESS

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Minister of the Environment who is responsible for the Canadian Wildlife Service. Is he prepared to use his good offices to provide to members of the United States Congress and the Alaskan State Legislature accurate, verifiable information about the importance and the fragility of this economic and spiritual bank account to the people of Old Crow who expressed their deep concern to me in the past few days?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think the Hon. Member's suggestion or representation is a good one. The Government of Canada and, I believe, the people of Canada, are greatly alarmed about proposals from the U.S. administration to exploit the hydrocarbon wealth in the Arctic National Wildlife Refuge Area. We are especially concerned about the possible and indeed likely effect of such development on the Porcupine Caribou Herd. If it would be helpful to make the relevant data available to the legislators, as the Hon. Member suggests, the Wildlife Service of my Department has the documentation that would support the premise of the Hon. Member's first question and I will pursue every possible way of disseminating that information.

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[*Translation*]

SOCIAL SECURITY

ALLEGED DISCRIMINATION AGAINST YOUTH AND SINGLE PEOPLE IN CERTAIN PROVINCES—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in the absence of the Minister of National Health and Welfare, my question is directed to the Deputy Prime Minister.

Yesterday, a spokesperson for a coalition of a dozen or so agencies, including *La Ligue des droits et libertés du Québec* and the National Association of Women and the Law, accused the federal Government of turning a blind eye to the discriminatory treatment of young people and single persons from certain provinces, including Quebec, British Columbia, Saskatchewan and Alberta, with respect to welfare benefits.

Could the Deputy Prime Minister inform the House what his Government intends to do to reverse this unfair treatment of young people and single persons?

[*English*]

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, the Minister of National Health and Welfare is away on government business today. He is aware of the coalition's concerns but has not yet received the details of their proposals or their concerns. He is waiting for representations to him on their behalf which he will study in detail and make the appropriate decision at the appropriate time.

[*Translation*]

OPPORTUNITY FOR GOVERNMENT TO CONVENE HEALTH AND WELFARE MINISTERS' MEETING TO ASSIST PROVINCES ELIMINATE DISCRIMINATION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my supplementary is directed to the Minister of State for Fitness and Amateur Sport would he have the kindness to inform his colleague, the Minister of National Health and Welfare, of the fact that in Quebec, young people under 30 receive $296 less per month and that in British Columbia, young people under 26 receive $56 less per month?

Would the Minister be so kind as to suggest to his colleague, the Minister of National Health and Welfare, that he call a meeting of all his provincial counterparts to discuss granting assistance to the provinces to eliminate discrimination on the basis of sex or age, since the Coalition has threatened to go to court?

[*English*]

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I will take the question as notice for the Minister of National Health and Welfare who will deal with the matter appropriately at the appropriate time.

* * *

• (1500)

EXTERNAL AFFAIRS

MONTREAL FIRM'S INVOLVEMENT IN SALE OF ARMS TO CONTRA FORCES IN NICARAGUA

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Solicitor General. I have just received a letter from the Secretary of State for External Affairs in which he rejects at this time my calls for a public inquiry into Propair Inc. and Trans World Arms in Montreal, who are involved in the Contragate affair.

The Secretary of State for External Affairs notes there are two RCMP inquiries going on at this time which cannot be quickly resolved. He writes: "It is also dependent on the speed of co-operation available from foreign jurisdictions." That is deliciously ironic considering the events in Washington.

How long will the Canadian public have to wait? Is the Government not a little embarrassed that we have to wait until an American congressional committee exposes all these matters of vital concern to Canadian foreign policy?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker—

Some Hon. Members: Oh, oh!

Miss Carney: —I do not know why the Opposition thinks this is a matter of great merriment and gaiety because we certainly do not. I should point out that this matter has been under investigation for some time by the RCMP. The Secretary of State for External Affairs has repeatedly stated it would be inappropriate to comment on this matter while it is before the RCMP, and there is no point in adding to that answer at this time.

Mr. Speaker: The Hon. Member on a short supplementary.

RCMP INVESTIGATION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, is the Solicitor General aware that on November 6, 1984, $432,000 was sent to a bank account in the Royal Bank in Montreal from Esther Morales, money through the Saudis and through the Grand Cayman Islands? How long do we have to keep bringing this matter out in the House and then through a congressional committee in Washington before the Canadian Government will make this information available to the Canadian public?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I would like to advise the Hon. Member that the Royal Canadian Mounted Police were aware of this long before the Hon. Member and long before it was brought forward in the press. We do not depend for our investigations upon receiving information from the United States. Our police are quite capable of carrying on their own investigations. They are doing a great job and when they have completed the investigation they will report to the appropriate authorities.

Mr. Speaker: I would like to advise Hon. Members that there will be two further questions, one question each from the Hon. Member for Don Valley East and the Hon. Member for Lachine. I am sorry that we have run out of time for other Members. We will try to get off to an earlier start tomorrow.

* * *

WAR CRIMINALS

AMENDMENT OF CRIMINAL CODE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on March 12, 1987, the Minister of Justice responded to the Deschênes Commission report. On March 18 I asked the Minister how soon the Criminal Code would be amended to give Canadian courts jurisdiction to try war crimes or crimes against humanity here in Canada.

Since the Minister assured me in March that he intended to make the amendments a priority issue, could he confirm that the process is on schedule and that the amendments will be in this House before the end of June?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the question. It is refreshing to hear an intelligent question during Question Period. I appreciate the interest during the course of this whole matter by the Hon. Member and I want to reassure him of the fact that the Government does consider this matter to be a priority item.

I have set an objective of having the legislation before the House prior to the summer recess. I am encouraged by the response of the Opposition and I would hope that when we bring the legislation forward they will give this matter their immediate attention, and conceivably we can pass this matter into law at the earliest possible date.

* * *

SPORTS

VIOLENCE IN HOCKEY

Hon. Bob Layton (Lachine): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. Most Canadians love with a passion our national sport, hockey. However, more and more Canadians, including two of my constituents who are members of the Minister's Fitness Council, are expressing concern at the debasement of our national sport by violence. Would the Minister advise the House what steps are being taken to reduce violence in sports?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I share the concern of my hon. friend, particularly in the last few weeks during the NHL play-offs where violence, which has an negative effect on the youth of our country, has increased. As a result of that, I formed the Fair Play Commission last year, the honorary chairman being Wayne Gretzky. It has put into place new rules and regulations within our own jurisdictions and has begun discussions with the National Hockey League to try to improve the violence-related problems within the League, which is not within our jurisdiction.

Shortly after our next meeting which takes place this Friday, we will be proposing some concrete proposals and some concrete steps which will start the educational and informational aspect which will eventually lead to the eradication of excessive violence in sports.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petition Nos. 332-1682, 332-1683 to 332-1685 inclusive, 332-1691 to 332-1694 inclusive, 332-1696 to 332-1700 inclusive, 332-1703 to 332-1708 inclusive, 332-1713 to 332-1721 inclusive, 332-1723, 332-1745 to 332-1752 inclusive, 332-1755 to 332-1757 inclusive, 332-1759, 332-1760, 332-1763, 332-1764, 332-1766 to 332-1784 inclusive, 332-1786 to 332-1788 inclusive, 332-1792, 332-1794 to 332-1803 inclusive, 332-1811 to 332-1813 inclusive and 332-1815 to 332-1828 inclusive.

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[*English*]

PUBLIC SERVICE COMMISSION OF CANADA

TABLING OF ANNUAL REPORT, 1986

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, pursuant to Standing Order 67(2), and in conformance with the provisions of Section 45 of the Public Service Employment Act, I wish to table in both Official Languages, and in Braille, the 1986 Annual Report of the Public Service Commission of Canada.

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TAX REFORM

ANNOUNCEMENT OF DATE OF TABLING OF WHITE PAPER

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to re-inform the House and Canadians that I will be tabling the Government's White Paper on tax reform on Thursday June 18.

Last October in this House I said that tax reform would be based on a number of important guidelines. I set out those guidelines clearly for all Canadians to examine and consider. The White Paper I will be tabling next month has been shaped by those guidelines. It has benefited from the views and insights of the provinces and Canadians across the country.

[*Translation*]

We said we would make the tax system fairer. We will. We will redistribute the tax burden, so that it will be shared more equitably among taxpayers in similar circumstances.

[*English*]

Tax reform will put the Government's revenue sources into better balance, reducing reliance on personal income taxes and increasing the take-home pay of the overwhelming majority of Canadians. It will also provide the Government with a sounder revenue base; not more revenues but more stable and predictable revenues.

Comprehensive tax reform means making improvements in all three parts of the system, personal, corporate and sales tax. Our White Paper will set out specific proposals in each of these areas. To improve the personal income tax system, we will propose lower rates, fewer rates, fewer special preferences and greater use of tax credits rather than exemptions.

Lower rates will benefit the large majority of taxpayers, not just now but well into the future, as their incomes grow and they get to keep more of each additional dollar. Fewer rates will simplify the tax structure. There are now 10 tax brackets. We intend to reduce them to three.

Fewer special breaks for high income earners will reduce opportunities for them to avoid paying their fair share of tax.

Converting personal exemptions and some deductions to tax credits will make the tax system fairer and more progressive. Moving to a system of credits will be a major change, a socially progressive change, a change to the personal income tax system on which future improvements for low income Canadians can be built.

• (1510)

For the corporate income tax system, our proposal is to broaden the tax base by eliminating many special preferences and reducing others. As a result, many more profitable corporations will pay tax, and government revenues from corporate income tax will increase. Broadening the tax base will enable us to lower corporate rates so that they remain competitive with those of our major trading partners and competitors.

Corporate tax reform will support the nation's ability to attract both Canadian and international investment. It will help ensure that business and investment decisions are based primarily on economic merit and growth potential rather than on tax considerations.

The White Paper will also set out proposals to achieve our goal of replacing the federal sales tax system. The current system is flawed and inadequate. We will replace it with a broad-based, multi-stage sales tax.

There are alternative mechanisms to achieving this such as a federal only, multi-stage sales tax, with or without invoices; or a comparable federal-provincial tax with invoices. They vary only in their application and the manner in which they are implemented.

A federal only tax without invoices, which could be called a business transfer tax or a goods and services tax, is relatively simple, both to administer and to comply with, but only if it is applied uniformly on all goods and services. A federal only value added tax with invoices can be more selectively applied, but would create more compliance and administrative problems in the face of existing provincial retail sales taxes.

A national multi-stage sales tax, in co-operation with the provinces, which could be called the national sales tax, would replace both the federal sales tax and provincial retail sales taxes with a national system. Such an approach offers obvious advantages—a harmonized national tax system, lower administration costs, and less paper burden for businesses. Provincial Governments have indicated some interest in a national sales tax. The concept is clearly worth pursuing.

[*Translation*]

Mr. Speaker, the government's proposal for comprehensive tax reform aims to give Canada a fairer, simpler tax system, a system that is more effective in encouraging economic activity, jobs and opportunities for Canadians. This is what we are working toward in developing our proposals—proposals that I will table in this House on June 18.

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Minister has just announced that he will be tabling his tax reform project on June 18.

First I should like to thank him for sending us a copy of his statement a couple of hours before delivery, for this enabled me to study it.

But June 18, well this time I must tell the Minister that I will try to take his word for it. Fifteen months ago as we recall, on February 26, 1986, the Minister had promised to table in the House a White Paper on the business tranfer tax. As he said himself, he was going to do it in the very near future. But this was back in February 1986. It was only on July 18 that we learned he had changed his mind and would not be tabling this business transfer tax white paper, that he was considering a more comprehensive tax reform which he would unveil in the fall of 1986. Fall 1986 came, nothing happened, except that the Minister announced he would table the white paper at the same time as the 1987 Budget. A few days before the 1987 Budget, on January 30, he told us that he would not table it with the Budget, that it would be put off until spring this year.

Mr. Speaker, I wish I could believe the Minister but he has been crying wolf for so long and announcing tax reforms which never did materialize that this time I am taking a chance when I take him at his word.

[*English*]

Let us hope for the best. We will take the word of the Minister and wait to see what will happen on June 18. We Liberals believe that there has to be a meaningful tax reform package in Canada. We hope that the Minister will deliver on June 18.

[*Translation*]

Mr. Speaker, June 18 is a memorable day in Europe's history, because it was on June 18 that General de Gaulle

called on the French to resist and take up arms against the German forces which had invaded France. I hope that on June 18, the Minister will not be calling on Canadians to pay even more taxes to this Conservative Government.

An Hon. Member: A farewell to arms!

Mr. Garneau: But not to taxes!

[*English*]

The Minister said in his statement that Canadians could pay less income tax and have, as he suggested, increased take-home pay. But he did not guarantee that Canadians will have more money in their pockets after having paid his new national multi-stage sales tax. The name is so complicated I wonder how we will be able to pay it.

The Minister suggested that he will lower the personal income tax by abolishing preferences. He is saying that we will have fewer special preferences in our personal income tax. I wonder if those preferences that the Minister talked about eliminating will be the first $1,000 of income from interest and dividends, the investment credit for farmers or the flow-through share deduction for the mining industry. When the Minister says that he will abolish special preferences is he talking about the $1,000 deduction from pension revenue for retired Canadians?

[*Translation*]

What will happen to the child tax credit and the deduction for child care expenses? Will they be eliminated? Is that the kind of preference to which the Minister was referring in his statement today? The Conservative Government was elected in 1984, and Canadian taxpayers, through their income tax, are paying $22 billion more in 1987 than they were paying in 1984, which represents an additional tax burden of over $1,000 per year and per family, a family with an income of $30,000 and two children, which is not excessive.

Ever since this Government came to power, Canadian taxpayers have been paying considerably more taxes, and when the Minister says he wants to put more justice and equity into the system, is he in fact trying to turn the situation back to what it was before his Government came to power?

[*English*]

Is it the objective of the Government to bring taxpayers back to the point where they were before the Tory Party took office in 1984? The action of this Tory Government has been to tax, retax and surtax Canadian workers and Canadian families in a way that the richer one is, the less tax increases one has had to pay. Is the Minister now telling us that he will correct his own mistakes and bring more fairness to the tax system? We will wait to see how the Minister will achieve that goal and reverse the unfairness that he himself brought into the tax system.

[*Translation*]

The Minister is proposing to reduce the number of tax brackets to three, from the present 10. I wonder whether three different tax brackets provide enough room for a progressive personal income tax system. Again, the Minister seems to be indicating that he prefers to protect those on large incomes instead of the average family.

• (1520)

[*English*]

The Minister said he wants to abolish certain tax shelters. He said there will be fewer special breaks for high income earners. Does that mean he will abolish his regressive $500,000 capital gains exemption? Is he going to abolish the flow-through shares which have been so beneficial to our mining regions? I do not know what he will do. We will have to wait and see how the Minister will achieve that goal and reverse some of the decisions he made in the past.

[*Translation*]

In another vein, I must tell the Minister that we endorse the idea or approach to replace exemptions by tax credits. However today's statement is not clear enough and we will have to wait and see what happens in that respect.

I would have more remarks to make on corporate taxes, Mr. Speaker, but you are indicating that my time is running short. I should like to comment briefly on the business transfer tax.

[*English*]

I would like to say a few words about the business transfer tax which will now be called the national multi-stage sales tax, the latest tax grab invented by this Government. The Minister of Finance (Mr. Wilson) is going through the back door rather than the front door, to take billions of dollars from the pockets of all Canadians; the old, the young, and every family. If this multi-stage sales tax is applied as the Minister suggested in his remarks, Canadians may or will have to pay sales tax on food, on haircuts, on everything. I wonder how small businesses will get exemptions. If they do not, it will be a nightmare for them to manage the new taxes.

[*Translation*]

In short, Mr. Speaker, I would remind the Minister that if he implements his tax reform as he suggests it will have a considerable impact on the provinces. Hopefully his proposals will provide enough firm guarantees for the provinces, particularly those which benefit from equalization payments, to be sure that the tax reform will not reduce their revenues.

I should also remind the Minister that he is committed to simplifying the system. Considering the multi-stage tax he is talking about I really wonder whether the services of lawyers and accountants galore might not be needed to meet the requirements of this new invention of the Mulroney Government, a national multi-stage tax.

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I, too, appreciate the action of the Minister in giving us an advance

copy of his statement. It is a model which I hope will be followed by some of his colleagues in the future.

Behind the bland exterior of the Minister of Finance (Mr. Wilson) is the Gypsy Rose Lee of tax reform in Canada. Every few months he gets up in the House of Commons to reveal a little more of his intentions with regard to tax reform. As the Member for Laval-des-Rapides (Mr. Garneau) pointed out, he has been doing this for a long time. He shows the same craft of which his namesake was capable—there is always something more to reveal, but now he says he will reveal all on June 18. The lady in question never got quite that far. We will find out whether the Minister can do better.

Mr. Wilson (Etobicoke Centre): I can.

Mr. Cassidy: The Minister says he can. I welcome his statement that he will table specific proposals on tax reform on June 18. I welcome his renewed commitment to certain principles of tax reform, such as ensuring that profitable corporations pay taxes and eliminating exemptions and deductions in the personal income tax system in favour of tax credits, something which would make the system more progressive. We will have to wait and see whether these words translate into actions.

The Minister himself will acknowledge that he has been far from achieving that standard over the course of the two and half years during which he has been Finance Minister, a period of time during which there has been next to no growth in corporate tax revenues in the exchequer while personal tax revenues have risen by close to 50 per cent. In other words, individual Canadians have been paying for the Minister's deficit reduction strategy and corporations have not had to pay at all. The Minister now says, "Trust me, I am going to make the system fair".

I am particularly concerned, as is my Party, about the latest version of the sales tax which the Minister is announcing. I have been through the various proposals which have been made. We now have the manufacturers' sales tax, the MST. We were going to have a value added tax, a VAT, then it became the business transfer tax, the BTT. The Minister now says that we may have a federal-provincial multi-stage sales tax, an FPMSST. That reminds me of LSMFT. It may be turned into an NST because it will bring in the provincial retail sales tax, the PRST. Anyone who can understand all that understands what the Minister will actually propose.

He is dazzling us with his footwork. I suspect that he may come up with yet another set of proposals in June which will be delegated out for consultation with the provinces, and that it is his intention to back away from changing the sales tax prior to the 1989 election. That may be prudent. It may be caution imposed by his colleagues. However, I have a warning for the Minister with regard to what he is intending to do with this new national sales tax.

The Minister speaks of introducing a broad-based multi-stage sales tax. He is not clear on whether there will be any exemptions, but he makes it quite clear that his chosen instrument, the business transfer tax, would have no exemptions at all, that it would be applied uniformly to all goods and services. Is he now proposing that the national sales tax should be applied in the same way? Does that mean that when parents send their children out for daycare, an essential service, they will be paying the Minister's FPMSST on daycare services? Does it mean that a tenant who pays rent and earns a very low income will be paying some kind of federal-provincial sales tax on the service they get in rent? Or does the Minister mean that he still has up his sleeve the intention to have the most essential commodity for survival in life, food, subject to his tax? It is clear that that was the Minister's intention with the business transfer tax.

The Minister is dipping, diving, weaving and bobbing. We do not know exactly what he has to put forward now. However, I want to warn the Minister that if he and his Government intend to try to impose their new national sales tax on food, they will provoke a tax revolt from one end of Canada to the other. New Democrats will be at the front of that tax revolt and we will use everything we can to fight such a measure.

[*Translation*]

Mr. Speaker, the business transfer tax proposed by the Minister of Finance would have applied to food, the food Canadian families need to survive. Now that the Minister has come up with an alternative, a national sales tax to be imposed in conjunction with the provinces, Mr. Speaker, I ask him: Does the Minister still intend to extend that tax to food as well? If so he is asking for a taxpayers' revolution, a revolution which the New Democratic Party will support, and we will oppose this kind of tax with every means available to us in the House, Mr. Speaker.

[*English*]

The Minister seems to be talking about introducing a duplicate of U.S. tax reform in Canada. There are some good things about that, because there are some elements of the U.S. tax reform which are to be admired, such as the broadening of the corporate tax base, taxing all income equally, and removing wasteful tax preferences. However, there are things we should avoid as well. The Minister should know that Canadians want Canadian tax reform rather than only a clone of what was put into place last year in the United States.

I am particularly concerned that, despite all of the recent evidence which indicates that the Canadian corporate tax system is no more onerous on Canadian companies than are systems in the United States and elsewhere, the Minister talks about a substantial reduction in corporation tax here.

Mr. Wilson (Etobicoke Centre): That is wrong.

Mr. Cassidy: In the last year or so he has had to down scale his estimates of corporate tax revenues by $1.5 billion. He has failed to take a fair share of taxation from corporations. Canadians are looking for fairness in tax reform which

includes ensuring that the corporations pay their fair share, not just individual taxpayers.

Canadians were scrambling to pay their taxes last week. I am proud to say that I got mine in just before April 30. It is timely, therefore, to remind the Minister that when he introduces his tax reform proposals in June the thing which Canadians will be looking for most will be fairness. If he can achieve that by moving from ten brackets to three, more power to him. If, however, he is only trying to copy the American system which failed to achieve the necessary degree of fairness by moving down to three tax brackets, he will have made a very strange error and will have a great deal to contend with in this House. I wish him well. I hope at this time he achieves his goal in terms of making his proposals in time for June 18. It may be a minor miracle if he does so. However, I warn him that when he reveals all, when this Gypsy Rose Lee of tax reforms comes clean, he had better have something good and something fair, or else taxpayers will not go along with him at all.

* * *

• (1530)

COMMITTEES OF THE HOUSE

PRIVATE MEMBERS' BUSINESS—FOURTH REPORT OF STANDING COMMITTEE

Mr. Bill Kempling (Burlington): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Private Members' Business, in both official languages. The report deals with the selection of a votable item pertaining to the fourth draw which took place on April 15, 1987.

May I note that, pursuant to Standing Order 36(1)(b), this fourth report is deemed adopted when laid upon the table.

[*Translation*]

COMMUNICATIONS AND CULTURE—SIXTH REPORT OF STANDING COMMITTEE

Mr. Jim Edwards (Edmonton South): Mr. Speaker, it is my duty to table in both official languages the sixth report of the Standing Committee on Communications and Culture.

The review and recommendations of the committee are consistent with the Orders of Reference dated January 29 and April 27, 1987.

The committee asks the Government to table a comprehensive response to this report, pursuant to Standing Order 99(2).

[*English*]

The committee is unanimous that a new law should be built upon a reaffirmation of the public character of broadcasting. The law should also reassert the needs for Canadian ownership and control and, more important, the need to provide a basis for strengthened Canadian programming, while taking into account the distinctive character of French and English language broadcasting.

The new Act should direct the CBC to cover the whole range of Canadian programming and each licensed broadcaster or network operator to provide predominantly Canadian programming.

For the first time the Broadcasting Act would affirm that the broadcasting system should serve the needs and interests of both sexes. The Act should direct that the programming offered by the system should reflect the composition of Canadian society.

The committee recommends further that the Act treat cable and satellite-to-cable systems and other distribution undertakings as components of the broadcasting system.

[*Translation*]

Finally, Mr. Speaker, the committee recommends also ways and means to reinforce the role of the CRTC, including a substantial increase and growth in its research activities, as well as better accountability to Parliament.

[*Editor's Note: See todays votes and proceedings.*]

* * *

[*English*]

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have the honour to present a whole stack of petitions on this the last day of debate on Bill C-22. They are from Kamloops, Clearbrook, Prince Rupert, New Westminster, Coquitlam, White Rock, Surrey, Abbotsford, Cultus Lake, Mission, Yarrow, Sooke, Sidney, Victoria, Sparwood, Edmonton, Goose Bay, Stoney Creek, Hamilton, Brantford, St. Isidore, Chatham, Bathurst, and many other places as well.

All of them point out their concerns regarding the Government's intention to change the Patent Act relating to prescription drugs. Basically they say that the increase in drug prices for average Canadian consumers will actually severely restrict the ability of Canadians to buy necessary prescription drugs.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a number of petitions to present. They are signed by residents of Manitoba towns including, Boissevain, Morden, Portage la Prairie, Oakbank, Selkirk, Gimli, Arnes, and also the cities of Regina and Edmonton.

The petitions say that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs.

Therefore, they humbly pray and call upon Parliament to reject the proposals which will increase prescription drug prices for Canadians.

I also have a substantial number of petitions signed by residents of Winnipeg on the same subject. They say that the proposed measure—and it is the one with which we are dealing today—will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis.

They also indicate that the proposal of the federal Government will result in higher costs to provincial government drug plans. Therefore, they humbly pray and call upon Parliament to reject the proposals which will increase prescription drug prices for Canadians.

RIGHT TO LIFE OF UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have great pleasure in presenting a petition, together with the required certificate signed by the Clerk of Petitions. It is sponsored by the Calgary Coalition for Life and is being submitted by Diana Gerlitz of Box 67, De Winton, Alberta, TOL OXO, and is signed by some 23 persons, most of whom live in Okotoks, De Winton, Black Diamond, High River, Airdrie, and Calgary in the Province of Alberta.

They avail themselves of their ancient and undoubted right to present a grievance in the certain assurance that this honourable House will provide a remedy. It sheweth that thousands of unborn babies in Canada are killed for reasons of convenience and for the crime of being unwanted. Wherefore your petitioners humbly pray that this Parliament will support Motion No. M-37 and will allow unborn babies to be protected by the Charter of Rights.

And in duty bound your petitioners will ever pray.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Derek Blackburn (Brant): Mr. Speaker, I have nine petitions from the Province of Quebec, the Province of Manitoba, and the Province of British Columbia to present. They relate to Bill C-22.

Very briefly, as stated in the petitions, the proposals of the federal Government will result in higher costs to provincial government drug plans. They object to the fact that they will send the price of new drugs sky-rocketing.

In addition, the proposed changes are another example of Canadian government concessions to the United States, at the expense of average Canadians, in the free trade negotiations.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, pursuant to Standing Order 106, I present to the House a petition from Canadians living in the cities of Medicine Hat, Saskatoon, and Ottawa, who call upon Parliament to reject the proposed amendments to the Patent Act contained in Bill C-22.

Today at 6 p.m. Hon. Members will have their chance to say "no" to higher prices for prescription drugs.

RIGHT TO LIFE OF UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Paul Gagnon (Calgary North): Mr. Speaker, it is not only my duty but my pleasure to present a duly certified petition consisting of 331 names. It is signed by residents of Calgary, representing churches, individuals, and interested groups.

Because of the killing of thousands of unborn Canadian babies each year for reasons of convenience, and for such babies capital punishment exists for the crime of being unwanted, wherefore the undersigned petitioners humbly pray and call upon Parliament to support Motion No. M-37 and allow unborn babies to be protected by the Charter of Rights.

And in duty bound your petitioners will ever pray.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the responsibility and the honour to present several hundred petitions. These petitions are from the communities of Capreol, Hanmer, Val Therese, Val Caron, Coniston, Sudbury, Dowling, Azilda, Skead, Garson, Windsor, Chelmsford, Noelville, Montreal, Chatham, Tilbury, Wallaceburg, Dresden, Blenheim, Toronto, Downsview, Scarborough, Willowdale, Calgary, and Regina, and there are 700 signatures on petitions from Vancouver.

These petitioners point out that the Government's proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs.

They also point out that the proposed measure will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis.

As well, they point out that the proposals will result in higher costs to provincial government drug plans. Furthermore, the proposed changes are another example of the sell-out by the Canadian Government to the United States at the expense of average Canadians as they attempt to reach a free trade agreement.

Therefore, they call upon Members of Parliament, who will vote this evening on the question, to reject these proposals which will only serve to increase prescription drug prices in Canada.

• (1540)

Mr. George Henderson (Egmont): Mr. Speaker, I have a number of petitions, 11 in all, from Ontario, Nova Scotia, New Brunswick, Quebec, British Columbia and Manitoba, from almost every province of Canada.

The petitioners call upon Parliament to reject the proposals in Bill C-22 which will increase prescription drug prices for Canadians. They ask each and every one of us to vote against this Draconian piece of legislation brought in by the Government that will affect prices of drugs for the elderly, the sick and those who can least afford it. I am presenting these petitions to Parliament on their behalf.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I have the privilege at this time to present on behalf of several hundred of my constituents, including people from the Baycrest geriatric centre and other senior citizens their profound concern through a petition which they are addressing to this House of Commons regarding Bill C-22 as we call it. They refer to it as the Bill dealing with proposed changes to the Patent Act.

Along with hundreds of thousands of other petitioners, some of whose petitions I have presented, they call upon this House to reject, in their words, "the proposed legislation regarding the changes to the Patent Act on drugs". I have hundreds of other names from members of the riding.

They humbly pray and call upon Parliament to reject these proposals which will increase prescription drugs and prescription drug prices for Canadians. They say "The petition of the undersigned residents of Canada now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your humble and honourable House will therefore provide a remedy."

[*Translation*]

Mr. Robert Toupin (Terrebonne): Mr. Speaker, I am pleased to present this petition concerning Bill C-22 from residents of several Quebec areas, including Cowansville, Dunham, Rimouski, and especially Baie Comeau. This petition states that the Government's proposed changes to the Patent Act relating to prescription drugs would increase drug prices for Canadian consumers and severely restrict the ability of a great number of them to buy necessary prescription drugs. It mentions other reasons too, Mr. Speaker.

The petitioners humbly pray and call upon Parliament to reject this proposal to increase prescription drug prices for Canadians.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have quite a number of petitions to present today, the closing day of debate on Bill C-22. All oppose the proposed changes to the Patent Act which will increase the price of drugs for Canadian consumers.

This Bill will unfairly hurt Canadians whose health needs require drugs. It will contribute to higher costs to provincial Government drug plans and it reflects concessions to the United States free trade negotiations. The petitioners all call upon this House to reject the proposals which will increase prescription drug prices for all Canadians through Bill C-22.

I have some 20 petitions from the City of Vancouver representing hundreds of citizens that I would like to present. In addition I have petitions from Surrey, White Rock, Richmond, Campbell River, Qualicum, Parksville, Maple Ridge, Savona, Hedley, Chase, Abbotsford, Clearbrook, Burnaby, New Westminster, Bowser and Courtenay, British Columbia.

As well I have a group of 14 petitions with hundreds of names on each from Manitoba opposing Bill C-22. Many of these people are senior citizens who are very concerned about the impact the Bill will have on their lives.

Mr. Neil Young (Beaches): Mr. Speaker, I too have some 14 individual petitions, signed by over 400 residents in Canada, which have been duly certified as correct as to form and content pursuant to Standing Order 106. These Canadians live in Saskatoon, Saskatchewan and Winnipeg, Manitoba, and the petitions have been signed by groups from Sunny Mountain Day Care Centre in Winnipeg and the Community Health Co-operation Federation in Saskatoon.

The petitioners say that the proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. They call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

I know you will be interested to hear, Mr. Speaker, that these 400 odd petitions have joined with literally hundreds of thousands of other Canadians to send the Government a message. If the Government is smart, it should listen to the message which is coming through loud and clear.

CANADA POST—OPPOSITION TO SUPERMAILBOXES

Mr. Anthony Roman (York North): Mr. Speaker, I have the honour and duty to present a petition which I have received from my constituents of Moccasin Trail in Woodbridge, Ontario. These residents, as have many of my other constituents from North York, request that their mail be delivered directly to their homes.

These Canadians, Mr. Speaker, are dissatisfied with the substitution and placement of supermailboxes instead of door to door delivery of their mail. They humbly pray that this House can help them with their concerns.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have a great many petitions here from Canadian residents who are very concerned about the proposed changes to the Patent Act which will increase drug prices for Canadian consumers and for provincial medicare plans. They see these proposed changes as another example of the Canadian Government's concessions to the United States at the expense of average Canadians in the free trade negotiations. They pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Petitions

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have certificates as to the propriety of petitions which, as is my duty and honour, I wish to present on behalf of constituents and other residents of northwestern Ontario, primarily from the City of Thunder Bay.

These residents of northwestern Ontario protest that the federal Government's proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and severely restrict the ability of average Canadians to buy necessary prescription drugs. They say that this Bill will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on a continuing basis and that the proposals of the federal Government will result in higher costs to provincial Government drug plans.

They call upon Members of Parliament to seize the opportunity this evening to defeat the drug patent legislation changes when they come before us on third reading, and so keep down the costs of medicine.

I have the privilege to present petitions from residents of various areas in Manitoba, from the City of Winnipeg and from communities north of Winnipeg, Selkirk, Balmoral, Stonewall, Stony Mountain, through toward the northwest, to Warren and other communities, and all the way to The Pas.

These residents of the Province of Manitoba similarly call upon Members of Parliament to act against this proposed action which is another example of the Canadian Government's concessions to the United States at the expense of average Canadians in the free trade negotiations.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have the honour, responsibility and privilege today to present to this honourable House some seven petitions. They are all duly certified according to the provisions of Standing Order 106.

• (1550)

These petitions are signed by residents of the communities of Winnipeg, Arborg, Laird and Carlton in Saskatchewan, Tourond, Narcisse, Riverton and Dallas in Manitoba as well as Selkirk, Fisher Branch, Hodgson and Koostatak. From that it can be easily determined that the concern over the Government's plans under Bill C-22 to raise the price of prescription drugs is shared right across the country from the largest to the smallest communities.

The petitioners instance these changes in Canada's legislative regime as examples of concessions to the United States in the free trade negotiations. They mention their concern that the cost of prescription drugs to provincial drug plans and the ordinary Canadian consumer will inevitably increase unless the Government turns away from its folly of presenting Bill C-22 to the House.

CANADA POST—OPPOSITION TO COMMUNITY BOXES

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to avail myself of a long-standing right of Members of Parliament to petition Parliament.

I have two petitions, one which deals with the reduction of services provided by Canada Post Corporation. These petitioners humbly pray and call upon Parliament to instruct the Government to make improved services the highest priority of Canada Post Corporation and to instruct the Government to abandon its policy of installing community boxes.

These petitioners are mainly in the Vancouver area, people who have seen a drastic reduction in postal services.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Simon de Jong (Regina East): Mr. Speaker, I also have some petitions regarding changes to the Patent Act.

These petitioners as well ask Parliament not to proceed with Bill C-22 which would result in increased drug costs, particularly for the old and the sick. I know that the final vote on Bill C-22 will take place later this afternoon so this is a last-minute plea by Canadians who are asking Parliament not to proceed with the legislation for the sake of the country and particularly for the sake of the elderly and the sick. I hope that their pleas will not be ignored.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I too have a number of petitions to present. They come from people in Toronto, Vancouver and the Roberval riding in the Province of Quebec. All these people humbly call upon the Hon. Members of Parliament to oppose Bill C-22 in its present form.

They beg Parliament to amend this Bill and make sure that it is fair for Canadian consumers.

[*English*]

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have approximately 45 petitions to table today. The petitioners are from various parts of the country including British Columbia, Ontario, parts of Nova Scotia, parts of Quebec, Saskatchewan, Alberta, Newfoundland and, indeed, other areas.

The petitioners are in opposition to Bill C-22 and say that whereas the proposed changes to the Patent Act will affect directly all Canadians who are not protected by private or government medicare programs, whereas the federal Government's proposal will raise the cost, already high, of provincial health care programs, and whereas the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in increased drug costs and prices and will severely restrict the ability of average Canadians to buy necessary prescription drugs, and whereas the proposed changes to the Patent Act are another example of the Conservative Government's concessions in free trade

negotiations with the United States at the expense of every-day Canadians, the petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

I should say that there are a number of other petitions I would like to introduce but in view of the time, with only an hour or so remaining for debate, I table 45 today.

* * *

ELECTIONS, PRIVILEGES AND PROCEDURE

CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I had discussions previously with members of the opposition Parties with respect to the fifth report of the Committee on Elections, Privileges and Procedure which reported on May 1, 1987. The substance of that report was a request to extend the deadline for the committee's report on the consideration of objections to the report of the Electoral Boundaries Commission of the Province of Saskatchewan from May 6, 1987, to May 29, 1987. As I said, there have been discussions with the Parties and I would move at this time:

That the fifth report of the Standing Committee on Elections, Privileges and Procedure presented to the House on Friday, May 1, be concurred in.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, there were consultations with the Parties on the subject and we agree with the proposal made by the Parliamentary Secretary.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have had no discussions with our House Leader, but I assume the Parliamentary Secretary is telling us that he is moving the motion by agreement with the Official Opposition and the House Leader of the NDP so I do give such consent.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 102 and 103.

[*Text*]

LORAN-C NAVIGATION SYSTEM

Question No. 102—**Mr. Parry:**

1. Has the Department of Transport been conducting a costs/benefits assessment to determine the Department's future plans regarding Loran-C navigation in Canada?

2. Has the Department completed its costs/benefits assessment and (*a*) if so (i) what are the results of the study (ii) what are the Department's future plans concerning Loran-C (*b*) if not, when will the assessment be completed?

Hon. John C. Crosbie (Minister of Transport):

1. Yes.

2. (*a*) No. (*b*) Unable to determine at this time.

REMOVAL OF RURAL ROUTE SERVICE

Question No. 103—**Mr. Parry:**

1. In a letter to Members of Parliament dated March 4, 1987, did the Minister responsible for Canada Post Corporation state that Canada Post will not remove rural route service from any of its customers?

2. Did residents of Pinewood and Rainy River rural routes No. 1 lose their rural route service on June 3, 1986 and, if so, when will this service be reinstated?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): 1. Yes.

2. Changes were made to the Pinewood and Rainy River rural routes effective June 30, 1986. Rural route service in this area is currently under review.

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Notice of Motion No. P-4 for production of papers, in the name of the Hon. Member for Spadina (Mr. Heap), has been judged admissible by the Government and the papers are being tabled immediately.

Mr. Speaker, I suggest that the remaining Notices of Motions for the production of papers be allowed to stand.

Mr. Deputy Speaker: Is it the pleasure of the House that Notice of Motion No. P-4 for the production of papers be deemed to have been adopted?

Some Hon. Members: Agreed.

Notices of Motions for the Production of Papers

[*English*]

IMMIGRATION

Motion No. P-4—**Mr. Heap:**

That an Order of the House do issue for copies of the relevant correspondence, memoranda, agreements and any other documents referred to by the Minister of Employment and Immigration in the House of Commons on February 20, 1987, (p. 3647 of *Hansard*) which outline and give effect to the agreement with the United States in which that country agrees not to deport refugee claimants awaiting an immigration hearing in Canada.

Motion agreed to.

[*Translation*]

Mr. Deputy Speaker: Shall the remaining Notices of Motions stand?

Some Hon. Members: Agreed.

• (1600)

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed from Tuesday, May 5, consideration of the motion of Mr. Andre that Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, be read the third time and passed.

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 23 minutes.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have already put on record the opposition to this Bill expressed by the Bishops of the Roman Catholic Church not much more than a week ago, and similarly, the views of the Keystone Agricultural Producers, an organization which represents all the farm commodity groups in Manitoba. The Government's proposal has had almost unanimous opposition from the major newspapers in this country as well. Let me quote from an editorial which appeared in the Winnipeg *Free Press* on March 12, 1987, a newspaper which does not often agree with the views that I and my colleagues in the NDP have expressed. The editorial says in part:

> Harvey Andre has tried to write a drug-patenting law designed to balance the consumers' interest in competitively-priced drugs, the drug-innovators' interest in preventing competition and the national interest in expanded medical research, but he has not succeeded.
>
> He has tried to explain to Parliament and to the public reasons why Bill C-22 on patent protection for drug innovations should be adopted and there again he has not succeeded.

Then we have an editorial in *The Toronto Star* on April 13, 1987, which said:

> The amendments have a number of worthwhile objectives:

It says in conclusion:

> Once the Bill becomes law, how long will it take before Canada once again has drug prices among the highest in the world?
>
> And who's going to blow the whistle when the multinational drug companies don't live up to their glowing promises but continue to do their research and development in the U.S., Britain and Europe where their head offices are located? A Prices Review Board with no teeth? A federal government with no spine?

Those are very good questions asked by *The Toronto Star*.

Then we have an editorial in the Kingston *Whig-Standard* of January 6, which said in part:

> Not only are the multinationals on the point of winning, but the Mulroney Government is going to give them far more than its own adviser recommends.

It continues:

> —Mr. Andre, who, judging by the way he puts things, appears to care more passionately about the health of Canada's economy.
>
> "As long as people are alive, they're a drain on the health care system," he says—

We certainly do not believe that, Mr. Speaker. The editorial concludes by saying:

> It looks as if the government's action will not only make drugs more expensive, it will do nothing to decrease the pushing of unnecessary drugs. In the end, the consumer pays heavily for this sop to a powerful industry.

Then we have the Saskatoon *Star-Phoenix* of January 10, 1987, which says:

> The Mulroney government's controversial plan to amend the Patent Act to give the pharmaceutical industry a longer period of protection won't go down any easier with doubting consumers with publication this week of handsome profit statements by the major United States drug manufacturers.
>
> As for the government's assertions that drug costs won't go up in Canada after the act is amended, Canadian consumers will be even less convinced after seeing the profit picture in the American industry and hearing how much their American counterparts pay for medications.

Just a week or so ago the major multinational corporations appeared before a U.S. congressional subcommittee dealing with health matters and were confronted with figures showing that their profits had gone up by more than 20 per cent a year in the last few years. It was pointed out that despite those tremendous profits only about one-third of those profits were channelled into research and development. When we see the head offices of the multinational drug companies acting in that way we should know what to expect from their Canadian subsidiaries.

In a January, 1987, issue of *Business Week* there was an article entitled "For drug makers, these will be the good old days". The article said:

> This should be another record year for the $24 billion pharmaceutical industry . . . new products should boost the industry's profits 15 per cent or so beyond last year's 18 per cent increase, to about $5.6 billion. After tax margins could exceed last year's 12.8 per cent.

How much more is the Government prepared to let the multinational corporations rip off the Canadian public? The article then goes into some detail:

> Merck's sales could jump to $4.4 billion in 1987, up more than 25 per cent from this year's $3.6 billion, analysts estimate . . . Bristol-Myers—sales this year should jump 15 per cent, to about $325 million.

> Meanwhile, Eli Lilly & Co. could have a winner in Prozac, an antidepressant already on sale in Belgium. If FDA approval is granted, analysts say, Lilly's 1987 sales could climb by $300 million, to $3.6 billion.

That is what happens. Drugs are developed in the U.S. or Belgium or Switzerland, brought to Canada, and the Canadian consumer pays through the nose. *The Globe and Mail* had a similar story in January.

The Reuter article was headed "Pharmaceutical companies seen buying shares, raising dividends". It said:

> Shareholders could be in line for a bonanza from major pharmaceutical companies which, cash-rich from drug sale profits, are buying back their shares and are considering an increase in dividends, analysts say . . . they are sitting on piles of excess cash from their booming business. Some of those funds amount to more than $1 billion (U.S.), which can be a drag on the balance sheet in the current low growth, low interest rate environment.
>
> Industry leader Merck & Co., for example, will have about $1.5 billion in cash at year-end 1986, Bristol-Myers Co. $1.3 billion, Pfizer Inc. $1.4 billion and Eli Lilly & Co. $810 million. Some analysts predict that such cash reserves will double over the next two years.

We are talking about an industry which has already experienced tremendous profits. They do not need this legislation or the encouragement it will give them to make bigger profits, not to invest more in research. As I pointed out earlier in this debate, and in recent months, in the period before 1969, when the present legislation, which the Government is not just amending but is eliminating, was in force, although there were no restrictions on the companies and they had almost unlimited protection of their right to produce drugs which they had researched and developed, there was virtually no research done.

Given the testimony of these companies before the committee that the cost of developing a major new drug from original research to the point where it can be put on the market is in the neighbourhood of $100 million, it is ridiculous and naive to believe that they are going to permit their Canadian subsidiaries to invest that kind of money and effort in Canada to produce a new drug when the market in Canada is so small.

All the evidence indicates that this Bill will increase prices to consumers, and that means to young families with young children, retired people, indeed everyone who uses prescription drugs very frequently. It will substantially increase the profits of drug companies and cost the Canadian public hundreds of millions of dollars. For those reasons we intend to vote against this Bill.

● (1610)

Mr. White: Mr. Speaker, yesterday and today the Member for Winnipeg North (Mr. Orlikow) mentioned the objections to Bill C-22 of a Manitoba farm group, Keystone Agricultural Producers. Indeed, in the early fall of 1986 the group issued a news-letter to its members stating their concerns about the Bill in light of their battle to lower the price of farm chemicals.

However, in January this year I attended their annual convention in Winnipeg and discussed the issue with several of their members. After a long discussion they came to the conclusion that if they had legislation like Bill C-22 for farm chemicals they would be ecstatic because their problems would be solved. I think the House should know what the real story is as far as Keystone Agricultural Producers is concerned.

Mr. Orlikow: Mr. Speaker, I have put on the record in the House and in committee the views expressed by Keystone Agricultural Producers as they appear in a letter written to the Minister of Consumer and Corporate Affairs (Mr. Andre) on November 25, 1986. It is signed by the president of that organization, Jack Penner.

I have talked to the Secretary of Keystone Agriculture Producers several times. If there had been a substantial change in their views and they had retreated from the position they enunciated very clearly and explicitly in their letter, then I say to the Member for Dauphin—Swan River (Mr. White) that I am sure they would have been in touch with me or the Minister of Consumer and Corporate Affairs or the member, outlining their new position. That has not happened. Therefore, I must assume and I think the member and the Minister have to accept the fact that Keystone Agricultural Producers is still opposed to this, as it was on November 25, 1986.

If the Hon. Member has any real evidence that the official position of Keystone Agricultural Producers has changed, I call on him to put on the record what has happened.

Let me quote from the organization's letter. It is addressed to the Minister of Consumer and Corporate Affairs, and states:

> Dear Mr. Andre:
>
> A recent meeting of the General Council of the Keystone Agricultural Producers Inc., Manitoba's principal general agricultural policy organization, unanimously adopted a resolution calling for our organization to vigorously oppose proposed amendments of the Drug Patents Act, which would allow chemical manufacturing companies patent protection of ten to seventeen years on new pharmaceutical drugs.
>
> The KAP's concerns about the proposed amendments are twofold. Firstly, and most obviously, KAP members share the concerns of those who believe that extended patent protections, will, by limiting the ability of drug manufacturing companies to produce generic copies by means of royalty payments, raise the prices charged to consumers for pharmaceutical drugs to unwarranted levels. Farmers and their families are, of course, part of the general consuming public, and stand to be seriously affected in any such situation.
>
> Secondly, since many of the drug manufacturing companies which produce pharmaceutical drugs are the same companies which produce the chemical formulations used by agricultural producers in the production of primary food commodities, it is our belief that any measures which may be taken with respect to pharmaceutical drugs may have significant implications with respect to the production and pricing of pesticides.

The letter concludes:

> Viewed from the perspective outlined above, it is not difficult to understand why an organization such as the KAP would view the amendments you have proposed for the Drug Patents Act as constituting a step in the wrong direction, and we would strongly urge the Government to re-think this ill-advised legislation.

We had a very lengthy and important debate in which more than 100 Members spoke about the problems of western grain producers. Those producers are caught in a situation where they have low prices for the grain they produce while their input costs are increasing. One of those important input costs

is fertilizer. It is not surprising that Keystone Agricultural Producers are worried and therefore oppose the Bill. They know that it is not just prescription drugs that will be affected, but farm chemicals and pesticides.

Let me repeat that we are opposed to the Bill. We are joined by organizations such as Keystone Agricultural Producers. I wish the Hon. Member for Dauphin—Swan River would listen to his farm constituents rather than the multinational drug companies, which is what he is doing.

Mr. Deputy Speaker: Resuming debate.

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, I am pleased to join the debate on third reading of Bill C-22 today. I listened with great interest to what was said yesterday and today.

Quite frankly, I am puzzled by the comment of the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) that the 1969 amendments to the Patent Act which allowed for compulsory licensing increased economic opportunities in the pharmaceutical industry.

I was a member of the Legislative Committee on Bill C-22, as was the Member for Cape Breton—East Richmond. I sat through all but two hours of the 82 hours the committee spent on the Bill and that is certainly not what I heard.

Let me give some examples of what the experts said in the committee. We heard from the Canadian Society for Clinical Investigation which consists of members from across the country. They stated that the amendments in Bill C-22 would protect the fruits of intellectual labour. They went on to say that since 1969, Canada has done very poorly in research and development. In their opinion, Bill C-22 would create the right environment for research and development. In fact, it was that group which made the committee aware that in the past several years advances in psychiatric therapy due to drugs has saved approximately $1 billion a year in hospital care.

We heard from the National Biotechnology Advisory Committee which called the present law a disincentive in the investment climate.

We heard from Doctor Chretien of the Montreal Clinical Research Institute who said that chemists who work for an innovative drug company do not get the same protection as, for example, a scientist who may work for Dupont Corporation who develops a new polymer. He said that pharmaceutical scientists are discriminated against because of the present legislation.

We heard from Doctor Manson, who represents Biomega, a Canadian biotechnology company. According to him, the system is not providing protection to domestic biological companies. He stated that this is a major growth area in human natural products, immunology and diagnostics and that our present system is not providing protection for that industry.

It is also important to note that amendments brought forward by the Government at committee stage have answered many concerns and questions raised by Doctor Manson and others representing Canadian biotechnology companies.

We heard from Doctor Spiro of the University of Toronto, representing the Coalition of Scientists. In his estimation, Bill C-22 will increase both basic and clinical research. The 1969 Bill had a bad affect on medical research, according to Dr. Spiro.

• (1620)

We heard from Dr. Jacques Gagne, a pharmacist—pharmacologist and Dean of the University of Montreal. He was a little more emphatic. He said the 1969 amendments were the worst thing that ever happened to research in pharmacy in Canada. He calls Bill C-22 a major step in the right direction.

We heard also from a Mr. Ian Thompson. He is not an expert or scientist. He has two children with cystic fibrosis. He said the future of his family depends on research and new and better drugs. Who is doing the research in drug therapy? It is certainly not the generic companies. Dr. Chretien, whom I mentioned earlier, said generic companies do zero per cent in research. Their motive is profit only. As Mr. Thompson said, the future of his family depends on research, and therefore, depends on the innovative drug firms.

The Medical Research Council of Canada did not appear before the committee, but I have its report dated February 1987 from which I would like to quote very briefly:

> After the Patent Act was amended in 1969 to provide for compulsory licensing to import, the growth rate of innovative pharmaceutical companies' R and D investment in Canada is said to have declined.
>
> This decline in growth rate has been more than twice as severe as that for the industry worldwide and also about twice as severe as for other industries in Canada.

The report continues:

> The direction which the patent legislation will take if and when the new Act is passed cannot but be favourable to the expansion of medical research in Canada.

The Hon. Member from Cape Breton—East Richmond read a letter yesterday from the Manitoba Women's Institute saying that we were accusing opposition Parties of promoting fear. In quoting from this letter, the Hon. Member stated that the Women's Institute was certainly not promoting fear. I agree, it is not promoting fear but is the victim of this campaign of misinformation. We have the misfortune in Manitoba, I must say, of having a New Democratic Provincial Government and we have been bombarded with misinformation.

I would just very briefly like to list some of the facets of Bill C-22 which should be remembered because I think it ties in with my following remarks. Under Bill C-22 all generic products sold today will continue to be sold. New generic products may be marketed as early as seven years after a brand product is approved for marketing. Today on average it takes nine and a half years for such a process. Why is that? I

mentioned a few moments ago that the only motive of the generic drug firms is profit. They do zero research according to some of the top minds in the industry in Canada.

Generic companies are now seeking licences for more than 40 products. Under Bill C-22 every single one of these products can be marketed within the next five years. A very important aspect of Bill C-22 as well is the establishment of the Drug Prices Review Board. Under the Drug Prices Review Board, the prices of all patent drugs will be reviewed annually. The prices of all new products will be compared to the prices of the products with which they compete to ensure consistency with the established market prices. The board as well will have the power to roll back prices if the innovative firms are not keeping their commitments to research and development.

The board will measure annually the impact of the activities on drug prices and these reports will be made public. These aspects are quite clear. The fact that Dr. Eastman will head up the committee and, in his own words, he feels the committee will be beneficial and effective, makes me think that the process will work very well.

The innovative firms at the same time have promised to expand R and D from 4.9 per cent to 8 per cent by 1990 and to 10 per cent by 1995. I have a long list of examples of innovative firms which have pledged millions of dollars, over $800 million, in increased R and D and capital spending.

I would also like to mention briefly, before I get into the Opposition tactics, some indisputable facts about the pharmaceutical industry.

I am a licenced pharmacist in the Province of Manitoba. There are over 5,000 drugs on the market in Canada at the present time. I can pick at random 100 of those products off my shelves in my drug store, and 93 at the present time will have no generic competition. Seven per cent is all that have generic competition at this time. What does that tell us? It tells us that only 7 per cent of the drugs on the market in Canada right now are financially attractive to the generic companies. The other 93 per cent, although they are saving lives across the country, are not rich enough to attract the generic companies. The generic companies are not doing the research. They are copying 7 per cent of the drugs for the sake of pure motive and we are losing our scientists because of it.

I attended a press conference in Winnipeg late last fall which was set up and held by several experts in the field. There were scientists from the University of Manitoba and St. Bonifice Hospital Health Sciences Centre. We heard from research scientists from the Children's Hospital in Winnipeg that two new products had been developed by a scientist who packed his bags and moved to Europe to further develop those drugs because of the present compulsory licensing laws in Canada.

I should also note at this time that we expect, upon passage of Bill C-22, $50 million of increased research and development spending in my home Province of Manitoba.

In light of these facts, what has the New Democratic Party been saying, particularly in Manitoba? For purely political reasons it is preying upon the fears of the sick and elderly. In fact that Party is not just preying on those fears; in my opinion it is creating false fears. I believe it is quite understandable that Canadians have questions about new legislation for any federal Government. However, the misinformation being spread by the New Democratic Party of Manitoba and across the country is reprehensible. It is creating totally false fears in the minds of the very people it pretends to protect. I would like to go through a few examples to prove my point.

My home town, Swan River, Manitoba, is a small town. The local Member of the Legislature from that area is a Cabinet Minister in the NDP Government of Manitoba. He sent a letter to the editor late last fall and I would like to read a few lines because it emphasizes the campaign of misinformation being perpetrated in Manitoba. I quote from a Minister of the Crown in Manitoba:

> Dear Sir:
>
> I wanted to express my concern about Ottawa's intention to ban generic drugs. A federal Bill to prohibit the sale of "generic" drugs—is expected to be introduced during the current session of the Canadian House of Commons.

He continues in his letter to urge that Canadians should write to the Prime Minister. For him to say that generic drugs will be prohibited is ridiculous. It is absolute nonsense. That letter was written by a Minister of the Crown in Manitoba who should be believable.

At the same time I have a letter which was sent out to most Manitobans from New Democratic Members of the legislature from across the province. I have several in my possession and they are word for word; the only difference is the signature. Although the letter does not speak in quite as profound terms as the previous letter, the first line talks about the prospect of higher prices, something that is worrying a lot of people these days. My contention is that worry is being spawned by the New Democratic Party. The letter says that drug prices will increase significantly, and for a full page the letter goes on to create fear in the minds of the elderly, which is shameful. Those are the very people that that Party professes to protect.

As recently as this week, the Hon. Member for Yorkton—Melville (Mr. Nystrom), while introducing a petition, bootlegged in some editorial comment on Bill C-22. He said that Bill C-22 would hurt the Saskatchewan Drug Plan and smiled when he said it as though that was quite funny. It is interesting that during the hearings of the Legislative Committee on Bill C-22 we heard from the Deputy Minister of the Saskatchewan Health Department and the Executive Director of the Saskatchewan Prescription Drug Plan. I would like to quote from the testimony of Mr. Walter Podiluk, the deputy Minister of Saskatchewan Health Department:

> We present to you the Saskatchewan position, based on our experiences with a drug plan which is the most comprehensive and the most universal of any in Canada . . . At the present time, after some fairly careful examination of the provisions and the features of Bill C-22, we feel it has the potential to control the inflationary spiral of pharmaceutical costs. We feel it also has the potential to create a more stable investment climate and stimulate employment.

Because Saskatchewan recognizes the potential good that can be derived from the Bill, we are prepared to accept the principles and the thrust behind it.

That was from representatives of the Saskatchewan Prescription Drug Plan.

• (1630)

Finally, I wish to refer to one last letter which is the second in a series of letters. It was sent to thousands of Canadians last week or the week before last. It is from the Leader of the New Democratic Party and is dated April 13, 1987. It is a follow-up to a letter sent out on September 30. The letter reads in part:

Dear Friend,

You and your family could soon be paying a small fortune for prescription drugs, just so that big foreign-owned drug companies can increase their profits.

Further in the letter he states that Bill C-22 would mean that:

—all new drugs coming onto the market will be as expensive as the drug companies wish to make them—for 10 years.

That sentence ignores the Drug Prices Review Board which will control the price of all drugs, not just those 7 per cent from drug companies which are rich enough to attract the generics at this time. Further on in the letter he mentions a monopoly for drug companies. Patent experts who appeared before the committee told us that this situation is not a monopoly situation because these products, if not for the innovative firms, would not be in existence in the first place and there would be nothing to copy.

Further on in the letter the Leader of the NDP states that generic drugs save Canadians more than $211 million per year. He does not mention that under Bill C-22 it has been estimated, using the same criteria as that used by Dr. Eastman, that consumers would save not $211 million but anywhere from $226 million to $366 million. He fails to mention that fact.

The best part of the letter is found in the last couple of paragraphs. Beside a political gain I was wondering what the Leader of the NDP had in mind when he sent this letter. He states:

Make a contribution to the New Democrats' campaign for fair drug prices.

Members of the New Democratic Party are using these false fears not just for political gain but as a fund-raising campaign. That is something which is unheard of and totally shameful, in my opinion.

I feel that my contention that Canadians have been misinformed by the NDP is proven by this letter. That includes the Keystone Agricultural Producers about whom the Hon. Member for Winnipeg North (Mr. Orlikow) was speaking just a short while ago. They were misinformed and have sent out a newsletter advising their members to oppose Bill C-22. In my discussions with members of Keystone Agricultural Producers, as well as the President, I found they have softened that view and are now saying that if they had such a system in effect for farm chemicals they would be far better off.

This nonsense that is being spread—and I think spread is a good word because coming from a farming community in Manitoba we spread much of what is being spread by the NDP here—is creating false fears. It is certainly not helping the debate on Bill C-22.

In the opinion of the Canadian Medical Association which represents almost 44,000 doctors Bill C-22 is good for Canada and good for the health care system. Rather than seeing Bill C-22 as a curse, the generic companies should see it as a chance to become involved themselves in research and development and invest their profits. Their profits are well up there. They should invest those profits in the pharmaceutical industry and in pharmaceutical technology. Let us not forget that if a generic company makes a major discovery in pharmaceutical technology, that discovery would be protected for between seven and ten years just as any discovery of an innovative firm would be protected for the same length of time. As a nation we must protect intellectual property rights.

I was in a conversation last fall with a gentleman who phoned me up at home one evening to talk about Bill C-22 and his opposition to it. It so happens that at the present time this same gentleman is writing a book which he hopes to have published in the next couple of months in hard cover. I said to him: "Well, sir, what if the day after you have this book published in hard cover selling for $20, $30, $40, someone down the street publishes the same book in paperback and sells it for $3.95? Would that not be the same as Bill C-22?" I think that is a very apt analogy. It got him thinking twice about Bill C-22 and his opposition to it.

The Canadian Pharmaceutical Association, of which I am a member, publishes a journal monthly. In the October, 1986, edition there is an editorial on the Patent Act changes that we are debating today. It is entitled "A Needed Reform". The article states that the Canadian Pharmaceutical Association has taken a definite stand on the proposed patent reforms. The association supports them because it believes that the amendments will improve the quality of the Canadian pharmaceutical industry and ultimately benefit consumers. I share this optimism, the optimism of my colleagues across Canada, in the belief that increased research development will occur under Bill C-22 and will result ultimately in a superior health care system for all Canadians. The four-year review that is built into Bill C-22 will ensure that the innovative drug companies are keeping up their end of the bargain.

I would like to close with a short verse that I read many years ago and happened to come across just a few days ago. It reads:

For the want of a prescription, a sale was lost

For the want of a sale, a profit was lost

For the want of a profit, an investment was lost

For the want of an investment, a research project was lost

For the want of a research project, a new drug was lost

For the want of a new drug, a patient was lost

Innovative drugs help support today's research and tomorrow's breakthroughs which are good for Canada. I urge the House to support Bill C-22.

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed, without amendment, Bill S-6, an Act to amend the Food and Drugs Act.

GOVERNMENT ORDERS

[*Translation*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Andre that Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, be read the third time and passed.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I welcome this opportunity to speak on third reading of Bill C-22.

Mr. Speaker, it is both sad and unfortunate that the Conservative Government has failed to consider the recommendations made by the Official Opposition, by my colleague from Saint-Michel—Ahuntsic (Mrs. Killens) and my colleague from Cape Breton, who both worked very hard to ensure that this Bill, whose purpose is . . . I think it is important to recall for the benefit of the people watching us, that before 1969, it was the law of the jungle as far as the price of prescription drugs was concerned.

Because there was no competition at the time, and companies doing research enjoyed considerable protection in the form of patents, when their research was successful, on for instance a new drug to alleviate pain, the companies could arbitrarily set a price of $5, $10, $15 or $20 on their products. For 17 years, they held a monopoly, and people who needed this drug to alleviate pain were at the mercy of those who took advantage of the situation at the time, and thought only in terms of profits.

Faced with this situation and this attitude, in 1969 the Liberal Government decided to protect the Canadian consumer, while the Hon. Member who spoke earlier, the Conservative Member, his only concern was the company and research, never mind the price to be paid by the consumer and by the sick who need prescription drugs to alleviate pain or cure their illnesses. Faced with such abuses on the part of the multinationals the previous Government decided to eliminate this patent protection, with the result that the health product market became more competitive. The same medication, the same pill produced the same effects but it did not have the same appearance. Still the person who needed this medication to relieve suffering or cure such and such disease did not have to pay so much.

• (1640)

The Eastman report pointed out that Canadian consumers saved $211 million in 1983. When we say consumers, we have to keep in mind that we are referring to people whose condition is not normal and who need drugs because they are sick.

Even so, with the passage of time and perhaps rightfully so because of the lesson the multinationals drew from having to compete, the Liberal Government agreed to review the situation and appointed the Eastman Commission to find out whether after a few years we ought to maintain the same process and give no protection to companies which carry out research, or whether it is true that research can indeed be very costly and there ought to be a minimum of protection. Instead of giving up under pressure and yielding to blackmail from the multinationals or anybody else, the Government appointed an inquiry commission. After consultations Commissioner Eastman recommended that consumers who are sick need to be protected, this was the first and most important consideration, but at the same time he advocated a certain degree of intellectual protection for companies doing research so as to protect and maintain employment levels in research in Canada and Quebec. The Eastman Commission recommended a four-year protection.

But here again unfortunately—always in keeping with the Conservative approach so perfectly described by the Conservative Member who spoke before me—the poor company was losing a bit of money, it needed help, no matter what. Sick people will have to pay more, but to him it is a minor consideration, it does not really matter.

This legislation and the attitude show the position and attitude of the three national parties. The legislation shows that clearly. In the legislation you have protection—someone, a Prime Minister who is kneeling before the drug multinational corporations, as he knelt before the banking institutions, as he knelt before the Americans. And the drug multinational corporations told him: "Listen, you give us this, and what we need is 10 years without any market competition. Let consumers pay more, that is of minor interest". They said: "We will put up money", but that is taxpayers' money, federal money, $100 million to compensate the provinces, because they are footing the bill for the drugs used by people on Quebec welfare, by hospital patients and others.

Let us not forget how little this Tory Government shies away from getting money on the backs of patients. We remember the 10 percent tax on drugs—hard-nosed as it is, it will not stop at that. This is the second time it is using sickness in Canada—the first time to reduce the Canadian Government deficit that covers the Prime Minister's luxury travels, and now to enrich the multinational corporations.

But you have at the other end the New Democratic Party, and the Hon. Member who just spoke clearly showed that the NDP's intellectual honesty is not Canada's best. As McEnroe would say, it is no great shakes.

So you have clear, specific proof. The NDP opposes any change. And this shows that the NDP does not understand Quebecers at all. And this is where the NDP clearly shows that in spite the fine promises and the fine faces made by the NDP Leader in Montreal, as soon as he gets back to Ottawa, as soon as he crosses the river, he does not even remember what a Quebecer is and what he is asking for.

He does not even know. Some people. There is nobody in the NDP, not even the turncoat for Terrebonne who left the Progressive Conservatives, who transfered in the meantime—he took a seat anywhere, and he landed beside the NDP, because the Rhinoceros Party and the Liberal would not have him. Even he, who is from Quebec, did not dare rise to represent the interests of Quebecers.

And for once in Quebec, you know that in Quebec, the Liberals and the Pequistes are hard-headed. The Parti Civique and the RCN find it hard to agree on anything. They are often bickering, but on the matter of drug patents, dating back from the time when the PQ was in Government and the Provincial Liberals in Opposition, there was a unanimous vote in the National Assembly to urge the federal Government to grant a minimum of patent protection to keep Quebec brains in the Montreal area, to give a certain credibility, honesty that is due to multinationals, but not to do like the Conservatives who bow to blackmail and give everything to the multinationals.

Again, the NDP is unaware of what took place in Quebec. Personally, last year, I took part in the Montreal economic summit, which drew together people of all political stripes: representatives from the Quebec Government and Opposition, and Members of the Liberal, PQ and Conservative parties. Personally, I was there for the Liberal Party at the federal level. There was no NDP representative. There were people from the RCM and Civic parties. The Civic Party was then in power in Montreal. There were union representatives from the CSN. I suppose the NDP does not know about the CSN, for it operates only in Quebec. It is all Chinese to them. The CSD is another union which operates in Quebec. I can understand that the NDP leader would not know about the CSD; although he pays a lightning visit to Montreal once in a while, he does not know about the CSD.

But there were also representatives from the FTQ, which is a member of the Canada Labour Congress. Personally, I am a paying member in good standing of the FTQ. There was also a guy named "Ti-Louis" Laberge who is not afraid to speak out and who is neither a Liberal, nor a PQ nor a Conservative. He was sitting with the others around the table and all of them were on the same wave-length. They were asking that the federal Government introduce a bill providing a minimum of protection for patents. It is a well known fact that the drug manufacturers are concentrated in the greater Montreal region. There are a few in Quebec City and some more in other regions. We have to protect and keep our scientists.

Again, I should like to remind the House that it was not "Ti-Louis" Laberge who stated, even if at one time he did negotiate with the Premier: Just a minute, the multinationals and you are bedfellows; you are giving them all they want. Now, this is a different matter.

Again, this panel included Golden Agers. These people too were unanimous. Then, all of a sudden, the NDP comes along and says: Let's keep things as they are. Let us maintain the *status quo*. We keep the *status quo*, Quebecers are not so important. We do not care about Quebecers. Such is the attitude and the behaviour of the NDP with respect to the fair and just claims of the Quebec people. The NDP, and the Leader of the NDP when he wants to defend the automobile industry in his constituency, in his province, often tries to get the support of Quebecers, and he would like them to understand the problems of other regions. But when they try to have the NDP understand their specific needs, because in all their speeches they say that they recognize the specificity of Quebec, when they are asked to say in specific terms how we should go about it, the NDP demonstrates that it is not this or that, that it is not the right way.

• (1650)

Let me go back to the attitude of the present Government. It is unfortunate that the suggestions, the amendments put forward by my colleague the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) were not accepted. He was expressing the fair, just and logical views of the majority of the Canadian people who were asking for a basic principle. I believe that all Members of the House of Commons who represent their constituencies, who represent the Canadian people, know very well that the least organized people in Canada are the sick, that there is no association for them to get together and lobby the governements, and tell them: Hold it, you are hurting us! Those people suffer. They do not have time to get organized. The first duty of every Member of the House of Commons should be to defend the interests of those who are least able to defend themselves. And it should have been the role of Conservative Members to tell the Government and the Prime Minister (Mr. Mulroney): Hold it, Canada is not run by multinationals. Let us reject their blackmail when they say: If you do not give us that Bill with 10 years, we will not make as many investments. If the Prime Minister had shown that he had guts, that he could hold his own, he would have said: Hold it, man, you will take what we will give you. We have been elected by our fellow citizens to defend the interests of the Canadian people from sea to sea, not to be blackmailed by multinationals.

He could have said that a commission, an inquiry carried out with public funds, had enabled experts to say that four years would provide adequate protection for consumers in terms of drug prices. With four years, there would be protection for research and academics who want to work in that field, and the multinationals would continue to make a profit, even without a ten-year monopoly. After all, they did not go bankrupt. Now listen, the multinationals are not in business to please you or me. They do research because they think there is money in it, otherwise they would not bother.

Unfortunately, concessions have been the order of the day. As for the NDP Members, initially they had set up their petitions opposing the measure but felt they could not send their petitions to Quebec. Maybe there was a bit of hypocrisy in this, because they knew perfectly well they would be getting into a hornet's nest. However, I felt they might have realized at some point that if they want to get candidates elected in Quebec, they would have to show a minimum of respect. They should go to Quebecers and ask what their position is. They should ask the PQ and the people who defend the interests of Quebecers from the Montreal area in the National Assembly what kind of distinctions they make. They may be right and they may be wrong. But they did not do that. They tried to cover up the problem so that they ended up defending their own ideological interests but not the interests of Canadians, and especially not the interests of Quebecers. Recently, questions were asked in the various regions, both in the National Assembly and elsewhere, and both parties were always asking the federal Government to proceed quickly. However, I repeat that this is not reflected in the Bill we are being asked to adopt today on third reading, Bill C-22, which unfortunately will have the effect of considerably increasing the price of prescription drugs in the future.

Some Conservative Members will say: The provinces will foot the bill. But from whom are the provinces getting the money? From the taxpayers. Consumers will be paying more taxes to cover the cost to provincial plans of higher priced drugs.

Other Convervative Members suggested: "No, there is no serious problem there, they have private insurance". Well, who is paying for private insurance covering the cost of drugs, the Blue Cross or someone else. The consumers again. The fact is that prices will increase, insurance companies will raise their premiums, insurance companies operate on the basis of a 10 per cent profit on cost, well, they too will be looking for extra profits. But who will be footing the bill? Again, consumers.

And Conservative Members once more forgot about senior citizens. Yes, seniors again. It may be in an underhanded way the Minister of Finance (Mr. Wilson) who announced today that on June 18, he will be introducing the tax reform . . . Is he going to mislead senior citizens as he once did concerning the de-indexing of old age security? Will Mrs. Solange Denis have to stay at the door to watch for our national "Charlie Brown"?

But they forgot there are four million people in Canada who will have to dig into their pockets. And they are not rich people, but people working at the minimum wage in convenience stores, people who work week-ends. Four million people who may not transfer the cost of drugs to their Provincial Government because they are not on welfare, because they have an income, they work. That includes equal numbers of young people, older ones and seniors.

There are four million people who have no more protection, who do not have Blue Cross, who do not earn enough to pay for the protection of private insurance. On top of that they have to try, out of their meagre earnings, to put as best they can some money aside in case they have to buy drugs if one of their kids gets sick.

And here, with the 10 year protection, we will come back to that, that during 10 years . . . Ah, at the start, during the first year, the multinationals will be kind, they will report, they will say: We are planning a one cent increase. Look how nice we are. Three, four or five years later, when we are not looking anymore, they will go ahead, they will go all out. Hey? After six years they will say: Just in case they change anything we should do like the Conservative MPs, let us grab everything we can before we get beaten.

Why did the Conservative Government not choose to negotiate just like the Eastman Commission would have done? Eastman recommends four years, the companies are trying for 10, so let us settle the matter and call it five years. You have only five years. After five years—Mr. Speaker, I see I have only one minute left—after five years we will review the legislation to see whether it should be maintained. No, Sir, it is the other way around. This is just another way of speaking, we let them buy us off, not for very much because we are not worth very much these days. So we tell the multinationals: You have 10 years. We give them 10 years and then set up a supercommittee to investigate. Imagine, we are not even sure whether research will be done in Germany . . . Imagine how much we will have to pay for this committee which will go traipsing around the world to make an inquiry into a handful of powder . . . Who studied that? Make an investigation. We will have Sherlock Holmes-type investigators coming out of the woodwork. It will cost a fortune and we will be no better off.

After five years the committee will report: Well, maybe we should make some changes. So the multinationals will say: Just a minute, you passed a law, we have 10 years, it was up to you to think about it. Today's Conservative Members will no longer be here in five years, they will all be out, but the people will be left with the problem created by the Conservative Members.

I see some of the Conservative Members are laughing. It is very funny. I can appreciate that some of them may have an interest in this. Perhaps they are shareholders of the multinationals. Personally I am clean, I have no shares in the multinationals. I can understand that a shareholder would be interested and anxious to see the Bill passed, he will be here day and night, hopefully the shares will go up and he will make a bundle. But that is not my interest nor my intention, Mr. Speaker.

We are talking about our constituents. The Conservative Members who are here ought to keep in mind that maybe tomorrow somebody in the family will be sick. You are laughing now, but maybe one of your relatives will take sick tomorrow and you will say that the high cost of drugs is scandalous. How did it happen? People will tell you that you should have been on your toes when you were there. You should not have given in to blackmail from the multinationals. You should not have let them buy you off. It is your responsibility to think about the welfare of Canadian taxpayers first instead of your own.

To conclude, Mr. Speaker, I do not know if there is still hope, for the Bill has reached third reading. I am under the impression that Conservative Members have cash registers instead of hearts. There is nothing that can be done about that. But I am still hoping, one never knows . . . Since the Bill will be referred to the Senate, maybe it will be returned here with amendments that will enlighten Conservative Members, and I trust that the NDP Members will remember how unfair and offensive to Quebecers they have been in this debate.

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, I wish first of all to congratulate the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) for his eloquent speech in favour of the neediest Canadians. I do not think the House has a better defender of the needy than the Hon. Member from Montreal—Sainte-Marie. Mr. Speaker, the Hon. Member mentioned a category of citizens who will undoubtedly be the most affected by the change proposed by the Government. This category of some 4 million people do not necessarily live on welfare, are not necessarily wage-earners and are not eligible because of their job to medical assistance programs which would provide them with free drugs and they will be faced with prohibitive costs when purchasing medicine.

These Canadian men and women just cannot afford such a burden. But in spite of all this, I think that demonstration of the Hon. Member for Montreal—Sainte-Marie is quite eloquent and shows that there will be cruel and severe consequences for a great many men and women. Still, the Government tries to justify its odious drug legislation by saying that it will create new jobs. I know that the Hon. Member for Montreal—Sainte-Marie represents a riding in the eastern part of Montreal Island, in Quebec, which is severely affected by high unemployment.

Could the Hon. Member for Montreal—Sainte-Marie indicate to the House whether he sees any benefit or positive results for the Island of Montreal as far as job creation is concerned, following the adoption of this Bill which is cruel indeed to Canadian men and women?

Mr. Malépart: Mr. Speaker, I want to thank the Hon. Member for Richmond—Wolfe (Mr. Tardif) for his very important question. The Conservative Government would have us believe that it introduced this legislation, which provides a 10-year protection period, in order to create jobs. The problem is that we cannot be sure that the Bill in its present form will create jobs in Quebec. These jobs are not a sure thing. There may be a couple of jobs in the construction industry since it seems another building is going up. Sure. Suppose they need a carpenter. Today, a carpenter doesn't have that much to do on a construction site. It is mostly iron and steel and concrete. However as far as scientific research and the real brains are concerned, there is absolutely no guarantee.

Knowing the Conservatives, are they going to oblige a company to create jobs in Canada? We saw what happened with Gulf-Ultramar. The Government decided to allow the sale of the Gulf refinery to a foreign company, which then decided to close down the refinery. The jobs were lost. We saw this in the decision regarding Dome Petroleum and Amoco. The Hon. Member is right to be concerned because this Bill means the consumer will have to pay more. According to the Conservatives, this will create more jobs in research, but there is nothing to guarantee and nothing proves that the jobs in research will go to Canada and Quebec. I wouldn't be surprised, in fact, I am sure that the people of Quebec fully expect to be shafted once again, as they were so many times before. They will have to foot the bill but will have nothing to show for it, as we saw in the case of the General Motors plant in Sainte Therese.

Mrs. Bertrand: Mr. Speaker, first I want to make a comment, then I will have a question for my colleague from Montreal—Sainte-Marie who poses as the champion of the elderly. He usually does a very good job, but still there is a limit to wanting to protect the poor, the orphan, and the elderly. Demagogy comes easy in this field, and I think my colleague has earned his spurs in that respect. Mr. Manuel Maître, the director or president of the Quebec Federation of Senior Citizens, had this to say when he appeared before the committee, and I quote: It often happens that the senior citizens or groups of senior citizens—because politicians tell them this—say that they are going to pay more if this legislation is adopted.

Mr. Maître said: This is a total falsehood because in Quebec there are presently 4,100 pharmaceutical products for which they can get a refund. Five years ago there were 1,400 in Ontario and 800 in Saskatchewan. Mr. Maître went on to say: What you have there is a complete arsenal, you can poison the whole planet with it. And one of the recommendations of the Quebec Federation of Senior Citizens is to urge the Government to legislate in an attempt to cut down the use of medicated drugs. Physicians are so handy with their prescription pad that senior citizens become sick.

So the only drugs they need now are covered. Well, how can you justify your position when we know that this group of sick and elderly people are covered by health insurance plans?

Mr. Malépart: Mr. Speaker, I would like to say to the Hon. Member for Brome—Missisquoi (Mrs. Bertrand) that before, on the matter of the de-indexing old age security pensions, she stated clearly and publicly that a Government was under no obligation to honour its promises, its commitments.

And she just showed clearly, and I mentioned earlier in my speech, that indeed the NDP does not understand the Québec Federation of Senior Citizens, who ask for minimum protection. But the aim, what the Hon. Member is asking, is this: Do senior citizens over-use drugs? Physicians and studies suggest they do. But it is not by granting patent protection that the over-use situation will be corrected. Senior citizens will not change on the matter of aspirin if they use too much.

It is therefore my view that the Hon. Member for Brome—Missisquoi took the wrong road to reach her goal. If education is needed to urge people to use less and less drugs, it is not by keeping money with the multinationals that this will be accomplished. The Government could have taken money and put it into education, prevention through the CLSC, the senior citizens' clubs, and I would be highly supportive of such a move.

But what we now have before us is strictly a case of someone kneeling before the multinationals, someone wanting to give extra money to the multinationals. This holds nothing good for consumers as a whole. And above all, it will not protect patients because there are drugs patients have to use to alleviate their pain.

I would therefore urge the Hon. Member, knowing her sense of responsibility, to tell her Prime Minister (Mr. Mulroney) that in order to achieve her goals, in order to prevent people from using drugs unnecessarily, other methods and other steps could be taken. I would be ready to co-operate. But let them reduce the bill, let them provide for a five-year protection and a review of that protection five years down the road. But first, we must protect consumers. And if the Government really wants to save jobs, help our brains, our scientists, our learned people, well, it is not by slashing research funding and so on that this will be accomplished. It is not by simply asking patients to become increasingly ill that jobs will be created for people with brains. Because the Government attitude is getting stupid there.

Mr. Speaker, I think there are three things to consider. If Conservative Members want our scientists and researchers in whatever field to have jobs, well, instead of spending money on the banks and handing out capital gains tax exemptions, instead of letting the Prime Minister transfer a penitentiary to his own riding, instead of all this foolishness, let them take the money and manage it properly, and provide funding for research and create jobs for people and protect the sick. Now, if she wants a program to educate people to be less dependent on prescription drugs, I think that is a very good idea. So let's provide the funding and do whatever is necessary to achieve that goal.

• (1700)

[*English*]

Mr. Bob Horner (Mississauga North): Mr. Speaker, it is a great pleasure for me to rise today in strong support of Bill C-22. As we are quickly coming to a close of this debate, perhaps we should review a little of the history over the past few months. There has been much talk about there not being enough time to debate Bill C-22. Canadians have seen what has happened. We have had days and days when members of the opposition Parties rose and said, "I move that so and so be heard". On one day we voted every half an hour. That is not responsible opposition. It is time members of the Opposition learned that they are here to oppose Bills that are bad but not to oppose every Bill that comes before the House.

• (1710)

This Bill was introduced on November 6, read for the first time on November 7, and debated at second reading stage on November 20, 21, 24, 25 and December 5. From there, the Bill went into committee and that committee sat every day of the week beginning December 8 and going right through until March 5. There was adequate time for members to look into the Bill.

From speaking to some of my colleagues in the Liberal Party, I have learned that they do not believe that there is very much wrong with this Bill. As a matter of fact, looking back in history, this Bill was introduced in the Thirty-second Parliament by the former Minister of Consumer and Corporate Affairs, but it was botched up and the Government did not get it through. Now we will vote on this Bill and I urge all members to support it because it is a good one.

I think we should look at the Bill itself. It talks about the protection of intellectual property. Intellectual property is a very important thing. People talk about generic companies not being able to work alongside innovative companies. Generic companies presently produce 7 per cent to 8 per cent of all the pharmaceuticals in Canada. In the United States where there is 17-year patent protection legislation, generics have grown to 25 per cent of the market. I see in the future a generic industry and an innovative industry working side by side in Canada. We have to remember that the last real breakthrough in medicine made in Canada was made in 1921 with the discovery of insulin.

This debate is winding down. What is left to say? It has all been said. I listened to the Hon. Member of the Liberal Party who just spoke actually twist things. I do not say that he was deliberately misleading the House because I do not think he understands. We need research and development in Canada.

At the present time, the ratio of research and development to sales in the pharmaceutical industry is 4.7 per cent. We have been guaranteed by the Bill that by 1990, that ratio will be 8 per cent and by 1995, it will be 10 per cent. The sales of pharmaceuticals presently amount to $2.5 billion to $3 billion. Perhaps by 1995, those sales will have grown, but that is already a great amount of money.

The scientific community has responded. It has said that we are right, Canada cannot survive without research and development. Nordic Laboratories in Montreal have committed $35 million to research and development. Universities and hospitals in Calgary and Edmonton have committed $132.9 million. Universities and hospitals in British Columbia have committed $81.6 million. Astra Pharmaceuticals in my own riding of Mississauga has pledged to spend on research and development. These companies have pledged that they will spend $850 million in research and development over the next 10 years. This means that 3,000 new jobs will be created for university-trained research people. The brain-drain to the United States will stop.

It is absolutely ludicrous that we should protect intellectual property for only four years. A company in my riding, Smith Kline & French, developed a drug to deal with peptic ulcers. That drug saved $135 million in surgery costs. Imagine the savings that drug made to medical costs in Ontario.

The scientific community has responded. Michel Bergeron, Director of the Department of Physiology at the University of Montreal, and others have said:

> We are in full support of the amendments that are in front of the House to support pharmaceutical discoveries.

A professor in the Faculty of Pharmaceutical Science at the University of British Columbia has said:

> You can't have good quality medical care if you don't have good research in the country. These things are tied together.

The Chairman of the Department of Pharmacology at the University of Toronto has said:

> Many critics overlook the fact that the $3 billion in research to be spent by Canada's pharmaceutical industry will lead to new and improved treatments, eliminating or reducing the need for surgery and hospitalization.

The scientific community supports this Bill. Most members of the Liberal Party who think support it as well.

Now members of the New Democratic Party have decided to launch a fund-raising campaign, the Hon. Member for Oshawa's (Mr. Broadbent) campaign for fair drug prices. I do not know, Mr. Speaker, if you received one of those little cards, but some of the people on my executive in Mississauga received them. They asked me if it could be true that this man wants them to send money so that he could support the downfall of the pharmaceutical industry, and they laughed at him. Believe me, the campaign did not take off the way he thought it would.

I received a copy of a letter that was sent to the Hon. Member for Oshawa by a constituent of mine. I know my constituent would not mind if I quoted from this letter. It was sent to many places including *The Toronto Star*, *The Globe and Mail*, and the Consumers' Association. My constituent had this to say to the Hon. Member for Oshawa:

> How dare you misrepresent the drug prices issue to Canadians? As a pharmacologist who understands how new drugs are researched and developed, I am outraged that you should effectively lie to Canadians by omitting any mention in your recent unsolicited letter of the cost and value of drug research for the health of Canadians.
>
> Although *basic* medical research is also done in universities, it is the "multinational" research-based pharmaceutical companies who spend the money to research, develop and introduce new drug treatments of disease for the sick and needy of all nationalities.
>
> If the costs of new drug development cannot be recovered by the innovative pharmaceutical industry before their profits are siphoned off by copy-cats with no research overheads, then obviously, new drug development becomes uneconomic and will be phased out.
>
> Who will suffer then, Ed Broadbent? Those with cancer, AIDS, muscular dystrophy, multiple sclerosis, Alzheimer's disease, autoimmune diseases, viral and parasitic diseases, severe skin diseases, etc., in fact, those whose conditions *would* have been treatable if research had remained a valued and economically feasible human endeavour. The situation you would have us support denies drug developers the right to expect to recover their investments of $100 million and ten years of research for each new medicine they introduce.
>
> Canadians support the concept of improvements in health care, as demonstrated by their generosity in giving to the Cancer Society, Muscular Dystrophy Association, Heart Foundation, etc. University researchers are beneficiaries of these donations, but only Ed Broadbent stands to benefit from the diversion of discretionary money to the "Fund for Fair Drug Prices". Canadians stand to lose out in the long run, both in a financial and in a humane sense, because the development of new drug treatments promises the most economical (and sometimes the only) means of treating these difficult diseases.
>
> I am tired of "positions" and half-fact/half-fiction masquerading as truth when presented to the Canadian public. The truth is not a matter of opinion, but of established facts. When facts are omitted from discussion in order to make opinions more tenable, then the New Democratic Party perpetrates a dastardly and callous lie upon the public.

I want you to listen to this, Mr. Speaker:

> I have voted NDP in the past. I guarantee it won't happen again,—

Praise the Lord, someone has seen the light. He said that only because any Party that takes the position on the Patent Act adopted by the NDP is fundamentally opposed to research and development in health care and to all that has motivated this man in his 22 years of study of drug treatment of disease.

• (1720)

We have put in place a Drug Prices Review Board chaired by Dr. Harry Eastman. He is a respected gentleman and has guaranteed a lot of safeguards to ensure there will be no increase in drug prices.

Does the board have any teeth? I can tell you it does. It will have the authority to review all prescription drug prices so as to ensure that those prices are fair after taking into account the Consumer Price Index, the price of that drug in other countries, the direct production and marketing cost of the drug, along with any other factor the board considers relevant. If the board finds the price of a particular drug excessive it can set a price ceiling thereby lowering the price. If a company persists in selling above that price ceiling then the board can order its period of patent protection to be revoked, not just on the product in question but on all of its patented drugs. The board has a very strong case to put before the Canadian public.

We must also remember that for the first time there is a federal agency, and I mentioned this before, with provincial participation which can review the 93 per cent of drug prices not subject to generic competition. Up until now they have not been subject to any kind of downward price pressure.

This is a good Bill. It does a lot of things. It will bring in new research and development. Three thousand new jobs will be created in Canada over the next 10 years. About $850 million in new research and plant expansion projects have already been announced. Of the 3,000 new jobs, over half will be for university-trained people. We are going to end the brain drain. We will have increased innovation.

This Bill will improve the quality of Canadian health care, which is very important. More drug research in Canada will result in new and improved treatments for medical problems

and better over-all health care. Some new drugs eliminate the need for hospitalization, and I mentioned the drug produced by Smith Kline French in my riding. Surgery as well as harmful side effects will be reduced and consumers will not only benefit from the earlier introduction of drugs into Canada but there will also be the further saving from reduced hospitalization.

We will also get strengthened generic competition. I honestly believe that the generics are not going to suffer from this situation. We know that when drugs are introduced on the market in Canada the generic companies do not rush to copy every one. As a matter of fact, over the past seven years, of 145 drugs introduced in Canada, one was copied. Application has been made to introduce 41 new drugs on the market. Forty will be brought on in the next four years and one in the next five years. These drugs will assist in fighting disease. We look forward to those generic drugs coming on the market. In the past it has taken 9.9 years for a drug to come on the market. Why should the manufacturer not have 10 years' patent protection?

Aside from strengthened generic competition we will have stronger consumer protection, and that is very important. Bill C-22 does that by ensuring that all drug prices are reviewed. That is all drug prices, not only those for which there is generic competition. If this new policy had been in effect since 1969 it could have saved consumers between $226 million and $366 million by 1983. Those savings would have resulted from both the impact of modified compulsory licensing and the effect of the review board in moderating prices. Those savings compare more than favourably with the $211 million in savings estimated by Dr. Eastman in his report. Moreover, the estimated savings under the existing system do not reflect the addition of $70 million in research funds which would have been invested under Bill C-22.

The opposition Parties are going to have to learn sooner or later that they are here to oppose bad legislation, and rightly so. I respect them for that. If bad legislation is brought in I will assist them in opposing it. However, I will never assist them in opposing good legislation just for the want of opposing something. The NDP and the Liberals have found that their campaign has fizzled. I mean fizzled. People in Canada are ready to give pharmaceutical companies the rights they deserve in order to manufacture drugs and protect Canadian lives. I urge everyone to stand with me half an hour from now and support Bill C-22.

Mr. Deputy Speaker: Questions and comments? Debate.

Mr. Neil Young (Beaches): Mr. Speaker, I was rather interested in the speech by the Hon. Member.

Mr. Nickerson: You should be, he knows what he is talking about.

Mr. Young: I am not sure about that.

Mr. Siddon: I think he does.

Mr. Young: The Canadian people will make that judgment come the next election.

Mr. Siddon: They sure will.

Mr. Young: I can tell all those Tories who want to say a few words while I am speaking that even under the most generous conditions, even under the most optimistic projections, at least 100 of them are not coming back here after the next election.

Mr. Siddon: Do you want to make a small wager on that?

Mr. Young: I am being extremely charitable in making that prediction.

Mr. Siddon: You are going to eat those words, Neil.

Mr. Young: At a very minimum, 100 Tories are not coming back. I want them to think about that when they are leaping up and down supporting measures which are clearly seen by the Canadian public as not being in their best interest.

In the few remarks I want to make about Bill C-22 I think it is worth examining how that Bill came before this House for debate. It came about in a very unusual way. Numerous studies have been done over the past number of years since 1969, and prior thereto, into the pharmaceutical industry in Canada and indeed in other countries around the world. The latest study that was completed by the now famous Dr. Eastman was recognized as the most exhaustive study that has ever been completed not only on the pharmaceutical industry in Canada but elsewhere. Dr. Eastman concluded in his report that Canada's policy that was adopted in 1969 to amend the Patent Act as far as pharmaceutical products are concerned had been a good policy for Canada and certainly for Canadians. He estimated that in 1983 alone Canadian consumers saved $211 million on drug prices as a result of the present policy, which the Government now wants to change.

• (1730)

I think we all must recognize why Professor Eastman was asked to examine Canada's policy and, indeed, why seven commissions prior to Doctor Eastman's inquiry were formed to look into the pharmaceutical industry. Anyone who wants to be open-minded and look at history will discover that Canada has this present policy because prior to 1969 Canadians were paying among the highest drug prices in the world. Governments commissioned these studies to discover why Canada, of all countries, was paying the highest prices in the world for pharmaceutical products.

Those studies came to certain conclusions. The first was that the pharmaceutical industry, which was primarily controlled by multinational corporations, enjoyed a monopoly in price setting on drug products. All of those studies concluded that the only real answer was to remove patent protection and eliminate that monopoly practice from pharmaceutical products, and inject some kind of competition into that industry. Therefore, they recommended to Governments that

patent protection be removed and that some compensation should be paid to the pharmaceutical corporations for their cost of research and development.

The conclusion of all those studies was that the pharmaceutical industries had spent a maximum of 4 per cent of total sales on research and development and therefore, if a generic company wished to copy a brand name product it would be required to compensate the multinational corporation with a 4 per cent royalty for making use of that product.

When government Members describe Canadian generic drug manufacturers as a bunch of thieves, as was suggested by one government Member, they should also be honest and point out that those multinationals are being adequately compensated for the use of their product.

All of those commissions concluded that Canada's present policy is a good one for Canada and Canadians. In fact, the House will be interested to know that nearly every other country in the western world has looked at Canada's present policy and found it to be extremely attractive from the point of view of allowing their consumers to reap an equal benefit to those that Canadians now enjoy. Furthermore, during the U.S. Senate hearings in the last several weeks, I believe, a number of witnesses from the United States appeared before that committee and made the very argument that the United States Government should copy Canada's policy for the benefit of U.S. consumers.

I suspect that Canada is changing this policy not because of any pressure from within but primarily because of external pressures placed upon the Canadian Government. In fact, the Minister of Consumer and Corporate Affairs (Mr. Andre) admitted as much already, and blamed his European counterparts for placing that pressure on Canada to amend the Patent Act. There is, however, increasing evidence that the pressure is primarily coming from the United States Government, through U.S.-based pharmaceutical corporations, in the free trade negotiations that are currently taking place between the United States and Canadian Governments.

There is ample evidence to indicate that the purpose of changing our policy is not to benefit Canadians but to benefit primarily U.S.-based multinational pharmaceutical manufacturers. I also suspect that a similar reason that pressure is being applied in Canada is that the multinationals recognize that Canada's policy is attractive to other countries and have decided to put the fight on in Canada before these other countries attempt to adopt our policy.

The Minister of Consumer and Corporate Affairs has compared a drug product to that of a widget, or the author of a book. He asks: "How would you like to invent or produce a widget and find someone the next day copying that widget, producing it under another name, and reaping the benefits from that invention?" I reject that absolutely. First, we know that it cannot possibly happen because copyright laws are quite different from Canada's patent policy.

Second, I totally reject the argument that we can compare health products to widgets. A person who requires medication does not have a choice of medication because the doctor makes that decision.

I also argue that pharmaceutical products and their affordability are an integral part of our health care system. We cannot compare people's health and their ability to receive affordable medication with that of manufacturing a widget, as the Minister likes to argue.

The Government makes another argument which is not too convincing but helps to confuse the debate. It suggests that the NDP should not be so concerned because if this policy is adopted it will not increase prices. However, when the Government introduced this legislation it also stated that it would compensate provincial Governments by some $100 million a year for the next four years for any increase in drug costs that they may have to carry under the various drug plans they have for senior citizens, those on welfare and those who cannot afford to purchase their own medication. If this legislation will not result in increased costs, why does the Government propose to provide the provinces to the tune of $400 million over the next four years to compensate for additional costs? That defies logic.

The fact is that this legislation will increase costs. Why do the multinationals want that kind of freedom in the marketplace if it is not to increase profits? If it is to increase profits, we can be sure that the cost of pharmaceutical products in this country will increase as well.

• (1740)

The other part of the argument the Minister makes is that drug prices will not increase, but if they do increase, Canadian taxpayers should not be too concerned because seniors are covered under most provincial drug plans and the disabled receive assistance under the drug plans as well as, in many cases, single-parent families. Where does the Minister think those Governments receive the funds from? They receive the money through taxes. Someone pays the provincial and federal Governments. They do not go to the bank and say: "Give me a chunk of money". Taxpayers will pay for these increased costs if, indeed, provincial Governments decide that this is the way to go to cover the additional cost to their Treasuries. A number of Governments have already sharpened their pencils. They have come to the same conclusion as we have that there certainly will be higher drug costs in the future.

Mr. McDermid: Crystal ball gazing.

Mr. Young: No, I do not think it is crystal ball gazing because the Minister himself has said that it will cost $400 million over the next four years to provincial Treasuries, and that is why he is proposing to transfer $400 million in additional compensation to the provinces to cover those increased drug costs. The Government has recognized the possibility of drug price increases, and that is why it proposed this additional compensation to the provinces. The provinces have also

sharpened their pencils because the $400 million will not be nearly sufficient to cover their additional costs.

What are the provincial Governments going to do? They receive their revenues from the same place as the federal Government, and that is, from the taxpayers. They are going to have to take a look at their drug plans, and those provinces which provide free drug coverage, such as Ontario, will have to decide whether they can continue with those programs. If it is decided to continue with the programs, how are they going to be funded? Will the provinces go back to the taxpayers and increase provincial taxes? If they decide that this would not be a politically astute thing to do, they may decide, since it has become too costly, to charge a deductible for that program. In other words seniors or disabled individuals may have to pay the first $100, $200, $300, $400 or $500 of drug costs before the provincial plan kicks in. The provinces may decide, rather than impose a deductible, to cut back on the program in some other way. The provincial Governments will not have any choice. They will have to come up with the funds for those plans which are fully paid for.

If the provinces do not want to go in either of those two directions, they could take a look at other social programs they provide and cut back on those in order to cover the drug plans. One way or another, provincial taxpayers are going to pay through the nose as a result of Bill C-22.

The previous speaker said the New Democratic Party has been distorting the facts during this debate. He said that somehow or other the New Democratic Party is the villain in this piece rather than the Government. I have a great deal of respect for some of my friends opposite and I am sure they recognize, as I do, that in the heat of debate very often some Members—not all of them, certainly not the Members in the House at the present time—become strangers to the truth. However, just to satisfy those people who may be listening to this debate that indeed the New Democratic Party has not been distorting the facts, I thought I would indicate what a whole number of obviously knowledgeable people across the country are saying about the Government's proposed legislation.

Hon. Members will not be surprised to learn that the *Toronto Star* consistently opposes what the Government has been doing primarily based on the arguments we have been presenting. One of the headlines of an article on February 19 of this year reads: "Why the drug patent legislation is all wrong". The article goes on to give a very detailed analysis of the legislation and points out quite clearly why this legislation should not be supported either by Members of this House or by the Canadian public.

The Financial Post, which one could hardly call a socialist newspaper, on December 15, 1986, carried a headline which read: "Catch-22 triples in Tory drug Bill".

I will not quote the whole article but it makes a couple of points in refuting the arguments of the Minister of Consumer and Corporate Affairs. The article reads, and I quote:

> First, the Minister argues that giving firms the exclusive right to market new drugs for 10 years won't raise the prices of such drugs. But the reason you want the patent in the first place is to give the firm a monopoly so it can charge a monopoly price and make what may look like a monopoly profit, but is really (at least in part) a return to its R and D investment. If prices aren't going to rise, the patent has no value. So why give it?

That is the first Catch-22. The article goes on to say, and I quote:

> Then the Minister argues that under the current system of compulsory licensing, generic firms take 10 years on average to bring their copies of new pharmaceuticals on to the market. But if inventors already have 10 years of effective protection, why do we need a system of 10 year patents?

It terms this as "Catch-44". The articles continues:

> Finally, the Government wants to establish a drug prices review board to ensure that abuses do not take place. But if we want monopoly prices in the first 10 years after a drug's invention (so invention will be encouraged), and if competition from the generics will be available after that, why do we need such a board?

And it terms that "Catch-66". My time has almost expired but I could quote *The Globe and Mail* whose headline reads: "Patent change may not mean better drugs". I could quote nearly every editorial from any newspaper across this country which has come out in opposition to what the Government is proposing in this legislation.

In conclusion, may I say that while I have heard speakers from the government side urge Members of the House to support this legislation when it comes to its final vote tonight at six o'clock, I will make the opposite plea. If those 100 Tories about whom I spoke about earlier, who are facing certain defeat in the next election, want to save their hides, they should vote against this legislation.

* * *

BUSINESS OF THE HOUSE

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, with respect to House Business, I would like to indicate to the House that tomorrow will be designated as an allotted Opposition Day, as will Friday.

On Monday we will be debating a resolution having to do with the Constitutional Accord which was agreed to by First Ministers on April 30 which I filed with the Clerk, namely:

> That this House endorses the Meech Lake statement of principles approved by all First Ministers, April 30, 1987 as a basis for Quebec's participation as a full partner in the Canadian Constitution, and as a basis for the establishment, in a spirit of equality and fairness, of a process for considering further constitutional reforms.

• (1750)

The motion will be in the name of the Prime Minister (Mr. Mulroney).

On Monday I will be presenting an appropriate order outlining the hours of sitting and the parameters defining the debate. Hopefully, notwithstanding the present position of the

opposition Parties, which have expressed a desire not to vote on this particular issue, over the course of the weekend they may reflect on this very important issue. During the course of the debate they may be of a disposition to reconsider their positions. I think it is important to do this in order to have a clear reflection of where the House stands on this very important issue. I think it is important to have a clear expression of opinion by Parliament on this very important issue. I say that only in the manner of making a suggestion. We have had some discussions. There has not been agreement reached with respect to voting on this issue. However, hopefully, members of the Opposition will change their minds as the course of the debate proceeds.

Mr. Riis: Mr. Speaker, I rise on the same point of order. Notwithstanding the points made by the Government House Leader, at the moment are we to proceed with the understanding that an order will be brought in on Monday and for the moment that order will state that we will debate this important item during the day and that if there are speakers still interested in speaking at six o'clock the understanding is that the debate will cease at that time, unless there is some further change in the understanding that the House Leaders have between now and then? Is it the understanding, then, that the debate will cease at 6 p.m. on Monday?

Mr. Mazankowski: That is my understanding.

Mr. Gray (Windsor West): Mr. Speaker, I rise on the same point of order. We will, of course, have to look at the order. We have already said to the Government House Leader that there are many people on our side of the House who may want to express their views. I cannot say that all those who want to express their views will be able to do so in the ordinary hours of sitting.

Mr. Mazankowski: Mr. Speaker, I do not want to engage in negotiations on the floor of the House. However, I think that if that is a preoccupation of my friend, as always, we are willing to accommodate and provide opportunity for debate. In the interest of being accommodating, those are matters that we might be able to discuss on Monday either prior to or even after the order is submitted.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Andre that Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, be read the third time and passed.

Mr. McDermid: Mr. Speaker, I would like to ask my hon. friend a couple of questions with respect to the campaign for fair drug prices, a campaign of the New Democratic Party which went out across almost all of the land. First, I want to comment on a three-page letter signed by the Leader of the New Democratic Party which does not mention one word with respect to research and the importance of it or even the lack of research in Canada.

The New Democratic Party is always talking about honesty and openness and how frank it is with the Canadian people. Could the Hon. Member answer these questions? How much money has been raised on this campaign? How much money was spent to promote the campaign? What has the New Democratic Party done with the money that it raised? Has it gone to promote just the New Democratic Party? How is this money to be spent? Even better, will the New Democratic Party table the books with respect to this campaign which will show how well it did in raising this money?

Mr. Young: Mr. Speaker, I find myself in the same difficulty, I suppose, that some cabinet Ministers find themselves in when they are asked questions on how their Party formulates things or how their caucus does things. Quite frankly, I do not have answers to these questions because I was not involved in that part of the campaign. As the Hon. Member knows, my role in our fight against this legislation was to go out into the country to meet with senior citizens' groups, with members of disabled organizations and disabled people. I went to the Atlantic provinces, for example, and had an excellent meeting with all types of service organizations—

Mr. Horner: And misled them!

Mr. Young: I had an excellent reception in Edmonton, Alberta, and in Saskatchewan and Manitoba—all over the place. I realize that the Hon. Member asks me these questions honestly and that he expects frank answers. All I can suggest to him is that I do not have the information about which he asks, but I would be pleased to try to find it out for him and to provide it to him. I am sure he would be quite interested, as I would, with respect to how effective the campaign was.

Mr. Orlikow: Mr. Speaker, I heard the Hon. Member from Mississauga interject the comment that when my friend, the Hon. Member for Beaches (Mr. Young), was travelling across the country and talking to groups he misled them. I note that the Canadian Conference of Catholic Bishops and organizations such as the Consumers' Association of Canada opposed this Bill when it was first introduced and have opposed it since. Will the Hon. Member for Beaches tell us whether he believes that we are so efficient and so effective that we could mislead the Canadian Conference of Catholic Bishops and organizations such as the Consumers' Association of Canada?

Mr. Young: Mr. Speaker, I have absolutely no hesitation in assuring you and the House that, first, it was neither the Official Opposition nor the New Democratic Party which took off in opposition to this legislation. Senior citizens' organizations in the country were way ahead of the political Parties in terms of expressing their opposition to this legislation. It was

they who asked me to sit down with them last July. I will tell Hon. Members that I met with them downstairs in this very same building at their request. As a result of meeting with senior citizens' groups, consumer groups, the National Action Committee on the Status of Women and others the real concern was first raised with us. It was we in our role as an opposition Party who lent assistance to their fight against this legislation.

I have no hesitation in saying that I am quite proud of the role this Party has taken and the lead given to opposing this legislation in the House of Commons. I only wish that we had another six months in which to continue our opposition. Unfortunately, the Government decided to close off debate on this legislation and we are now faced with a vote in about nine more minutes, something which I consider to be quite unfortunate.

[*Translation*]

Mrs. Bertrand: Mr. Speaker, throughout the debate on this legislation, the Hon. Member has accused the Government of taking sides with the multinationals. I want to ask the Hon. Member what he thinks of the comments made in the course of this debate by eminent persons across Canada, and I would like to name a few from Quebec, because they are more familiar to me. For instance, Dr. Michel Chrétien, Director of the Montreal Clinical Research Institute, Dr. Yves Morin, the famous cardiologist, Mr. Jacques Gagné of the University of Montreal, and all the people who appeared before the Committee, begging the Government to expedite the legislation because no more research was being done in Quebec and all the young scientists and academics were going to the United States or elsewhere. How does he reconcile his position with that of the people I just mentioned, whose purpose in life is not to make money but to improve the health of their fellow citizens?

• (1800)

[*English*]

Mr. Young: Mr. Speaker, I am delighted to answer that because I also met with those individuals. I do not mind telling you exactly what I told them. I could understand their desire to accept any money that they could find for research because of the way in which the Government had cut back on the amount of moneys targeted for research across the country. By the way, those people were a minority. A large percentage of the people in research fields and universities recognize exactly what the Government is doing and certainly do not support it.

I told them that if they think the answers to their problems in research and development are to be found in this legislation, they are being extremely naive, even though I understand why they could be attracted to the position which they finally took. On close examination of the press releases put out by drug companies promising all kinds of additional expenditures for research and development, if this legislation is passed, you will find that they were not talking about additional moneys for research and development but for clinical research. Anyone who has even a shallow understanding of the field knows there is a vast difference between clinical research and research and development.

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I see that it is shortly after six o'clock and I do not have much time for debate. This debate has gone on for quite some time. I heard the Member for Beaches (Mr. Young) saying that debate had been closed off. This legislation had 82 hours of consideration in committee before which 46 groups or 120 individuals appeared. One hundred and forty written briefs were received, and by the time I finish speaking there will have been 28 hours of debate in the House. I think that probably all of the salient points will have been touched upon by that time. By this time literally hundreds of points have probably been regurgitated too many times.

I am interested in speaking on this subject because I come from the City of Saskatoon which is unlike the Cities of Montreal and Toronto where the bulk of this research will probably take place. However, Saskatoon has a major university, a major private sector in research and development, and a number of federal and provincial government laboratories. I can assure you, Mr. Speaker, that people in the university community are very interested in, perhaps for the first time in their lives, working somewhere in Canada at least, if not in western Canada, in research after having received a graduate degree from the university in Saskatoon.

I took the time to meet with the faculty and graduate students at the College of Pharmacy of the University of Saskatchewan about six weeks ago. They were elated that there would be a chance to do something right here in Canada with regard to research. Believe it or not, there are already two companies which are potentially interested in locating in little old Saskatoon which has a population of 180,000, if this legislation passes. That is why I am interested in this legislation.

We all remember a lady by the name of Judy Erola who was in this House in the previous administration. She was the Minister of Consumer and Corporate Affairs and commissioned Professor Harry Eastman to do a study on the pharmaceutical industry. I read with interest a letter that Judy Erola wrote to the *Winnipeg Free Press* on April 22. She said: "I believe that many people have fundamentally misinterpreted this Bill".

I appreciate that it is the job of the Opposition to oppose certain pieces of legislation. However, when incorrect or slanted information is going to the public and is picked up by the media, it does not take very long to be misinterpreted right across the country. I believe that is precisely the reason so many people are scared to death of this legislation. They are only looking at the nickels and dimes rather than at the benefits. They are not considering the Drug Prices Review Board which will review 100 per cent of the drugs in the country for the first time in the history of Canada. That is what this legislation is all about. It is not only about research

and development, although I think that is very important. We must think about consumers.

A poll was done by Decima Research for the pharmaceutical industry. Twelve hundred people were polled between February 26 and March 4, 1987. The results show that 65 per cent of the people in Canada thought this legislation was good after hearing the main arguments for and against it. It is also interesting to note that 82 per cent of the people polled would support the Bill if the Government ensured that drug price increases would be no greater than the increase in the rate of inflation.

As you know, Mr. Speaker, the Drug Prices Review Board will report to Parliament annually. There will be a policy review every four years and a parliamentary review after 10 years. I submit, Mr. Speaker, that there is consumer protection built into this legislation.

I would like to conclude by saying that I appreciated having these eight minutes to speak on this very important piece of legislation. As the former Minister of Consumer and Corporate Affairs, Judy Erola, said, if you think about it, Bill C-22 is better protection for all Canadians.

[*Translation*]

Mr. Deputy Speaker: Order! It being 6.08 p.m., pursuant to order made Wednesday, April 15, 1987, in accordance with Standing Order 117, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of this Bill.

[*English*]

Accordingly the question is as follows: Mr. Andre moved that Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, be now read the third time and passed.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

• (1810)

(*Division No. 129*)

YEAS

Members

Andre
Attewell
Beatty
Bertrand
Binns
Blackburn (Jonquière)
Blenkarn
Bourgault
Bradley
Brightwell
Brisco
Browes
Caldwell
Clark (Brandon—Souris)
Clifford
Clinch
Coates
Cochrane
Collins
Comeau
Corbett
Côté (Lac-Saint-Jean)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Desrosiers
Dick
Domm
Dorin
Duplessis
Edwards
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gérin
Girard
Graham
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Holtmann
Horner
Howie
Jepson
Johnson (Bonavista—Trinity—Conception)
Kelleher
Kempling
Kindy
King
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacKay
Mailly
Malone
Marin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKinnon
McKnight
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Pennock
Peterson
Pietz
Plamondon
Plourde
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scowen
Siddon
Stackhouse
Stevens
Stewart
Taylor
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Valcourt
Warner
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer—117

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Blackburn (Brant)
Blaikie
Caccia
Cassidy
de Corneille
de Jong
Dingwall
Epp (Thunder Bay—Nipigon)
Foster
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Hopkins
Hovdebo
Kaplan
Keeper
Langdon
Lapierre
Manly
Mitchell
Murphy
Nicholson (Trinity)
Nystrom
Orlikow
Ouellet
Parry
Penner
Prud'homme
Riis
Robinson
Rodriguez
Rompkey
Skelly
Toupin
Young —40

• (1830)

Mr. Deputy Speaker: I declare the motion carried.

Bill read the third time and passed.

Mr. Deputy Speaker: It being 6.34 p.m., this House stands adjourned until 11 o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.34 p.m.

HOUSE OF COMMONS

Thursday, May 7, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-1534, 332-1540 to 332-1542 inclusive, 332-1560, 332-1561, 332-1563, 332-1567, 332-1569, 332-1570, 332-1572, 332-1624, 332-1654, 332-1670, 332-1695, 332-1702, 332-1709 to 332-1711 inclusive, 332-1724 to 332-1726 inclusive, 332-1730, 332-1732, 332-1754 and 332-1947.

* * *

MANAGEMENT AND MEMBERS' SERVICES

PRESENTATION OF SECOND REPORT

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, it is a pleasure to inform you that the Committee on Management and Members' Services, of which I am chairman, had the privilege of your presence yesterday.

It was indeed a pleasure to have you with us and to be able to ask you a number of questions, and we are happy to say that the Standing Committee on Management and Members' Services adopted your items with very little debate, which reflects most honourably on you, Mr. Speaker, and I said that I would take advantage of every opportunity to express publicly our feelings of cordial friendship.

Mr. Speaker: Thank you very much.

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

[*English*]

PETITIONS

REQUEST FOR APPOINTMENT OF ARBITRATOR—SETTLEMENT WITH FRED TURNER

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, pursuant to Standing Order 106, I have the honour to present a petition signed by Canadian citizens from Almonte, Arnprior, Renfrew, Pakenham, Smiths Falls, Lanark, Woodlawn, Dunrobin and Constance Bay, concerning a grievance by Fred Turner of Yellowknife, Northwest Territories, against the Government of Canada whereby Mr. Turner lost his authority to operate Turnair because of a minor licence violation. Widespread public attention has been drawn to this case of injustice. The petitioners therefore ask for and seek an independent arbitrator to be assigned to this matter to investigate the details of the case, to review and negotiate the offer from the federal Government with Fred Turner in order to establish an equitable settlement which better reflects the true nature of his loss.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the duty and honour to present two petitions, the first signed by Canadians from Nepean, Kanata and the City of Ottawa, and the second signed by citizens of Yellowknife in the Northwest Territories, in which they humbly show that the operating records of an airline known as Turnair were seized by the Canadian Transport Commission as evidence in a prosecution of another unlicensed airline and Mr. Turner was a key witness and that the Government cancelled his operating authority for a minor licence violation and the CTC already had the information it needed.

Therefore the undersigned petitioners humbly pray and call upon the House to seek that an independent arbitrator be assigned to this matter to investigate the details of the case and to review and negotiate the offer from the federal Government with Fred Turner in order to reach an equitable settlement which better reflects the true nature of his loss. The petitioners humbly pray that in the name of natural justice and the equitable treatment of Canadian citizens this matter be dealt with forthwith by the Government.

[*Translation*]

OPPOSITION TO ESTABLISHMENT OF TARGET RANGE—SAGUENAY—LAC-SAINT-JEAN

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour of tabling several petitions signed by more than 1,000 residents of the Saguenay—Lac-Saint-Jean area.

Your petitioners are opposed to the establishment of a target range in their region or anywhere else. They want the money to be invested locally in genuine development programs including job creation, education, health, social services and tourism. Mr. Speaker, they call upon Parliament to oppose the establishment of a target range for CF-18 fighters in the Saguenay—Lac-Saint-Jean area.

• (1110)

[*English*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I also have the honour to present a petition on behalf of residents of my constituency of Burnaby, as well as residents of New Westminster, Coquitlam and Vancouver. These residents call upon the Government even at this late date to recognize that its proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. They hope that even though Bill C-22 has passed third reading the Government might finally come to its senses and withdraw these proposals which will have such a devastating impact on seniors, the poor and taxpayers.

Mr. Lewis: Mr. Speaker, I rise on a point of order. It just struck me that in late March I raised a point of order with respect to the presentation of petitions concerning Bills which were currently before the House. Today, we have had a host of petitions on Bills which have cleared all three stages of the House.

Mr. Benjamin: They are still before Parliament.

Mr. Lewis: I wonder when we might receive Your Honour's decision with respect to my point of order.

Mr. Robinson: Mr. Speaker, I rise on the same point of order. The petition which I am tabling on behalf of these residents, who are so concerned about these proposals, calls upon Parliament to reject these proposals which will increase prescription drug prices. I do not sit in the Senate, and neither does the Hon. Parliamentary Secretary. In fact, I never want to sit in the Senate. The only opportunity I have to present these petitions which call upon Parliament to reject these proposals is here in this Chamber. I hope that the Government will recognize that Parliament is made up of more than just this House, at least until the Senate is abolished. As long as that is the case, it is entirely in order to call upon Parliament to reject these proposals.

Some Hon. Members: Hear, hear!

Mr. Benjamin: Mr. Speaker, I rise on the same point of order. Surely, the right of petition, which goes back to 1066, remains inviolable for citizens of Canada. It is a long-standing practice of this House that even though legislation has been passed citizens may still petition Parliament to change it or to repeal it. That has always been the case. These specious points of order of the Parliamentary Secretary are made in order for him to get up, to cry and to complain about something that is a fundamental right of every citizen of Canada and a duty, honour and responsibility of Members of Parliament to present.

Mr. Riis: Mr. Speaker, I rise on the same point of order. It is not surprising that the Parliamentary Secretary would rise once again to attempt to restrict discussion on this Bill. I say that because the Government introduced closure at second reading. It introduced closure at committee stage and at report stage. It even introduced closure at third reading. It seems to be part of the same process—

Mr. Speaker: Order, please. I regret very much interrupting the Hon. Member for Kamloops—Shuswap (Mr. Riis). His point, of course, is a vigorous one and of much interest to the House, but he is straying from the point of order.

Perhaps I can assist the House by indicating to the Parliamentary Secretary and to all Hon. Members that I will be returning to the Chamber with a ruling on Tuesday.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have a petition dated April 19, 1987—

Mr. Fennell: Why did it take so long to get it here?

Mr. Riis: That is really just a few days ago. The petitioners were anticipating that the Government would not impose closure on the last stage of the debate of Bill C-22. They, too, call upon the Government to recognize that the changes it has made to the Patent Act relating to prescription drugs will increase drug prices severely. They will restrict the ability of average Canadian consumers to buy necessary prescription drugs. Unfortunately, as of last night, it is too late, but the petitioners are asking the Government to reject these proposals in the best interests of Canadian prescription drug purchasers.

IMMIGRATION POLICY

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the duty today to present four petitions on behalf of residents of Canada. I do not necessarily support these petitions personally—

Some Hon. Members: Oh, oh!

Mr. Blenkarn: —but the citizens involved are entitled to have their positions presented to this House.

Some Hon. Members: Hear, hear!

Mr. Blenkarn: The first petition urges Parliament to stop all immigration into the country until unemployment has fallen below 250,000; that refugees from El Salvador, Chile and Guatemala be directed to countries of their political persuasions; and that penalties be implemented to deter illegals from entering Canada.

HUMAN RIGHTS ABUSES IN COMMONWEALTH COUNTRIES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the second petition urges Parliament to demand an end to human rights abuses in Commonwealth countries, especially Tanzania, Zambia, Guyana and Zimbabwe; to press for early elections in those countries that are not democracies; and especially to counsel Zimbabwe that the move to a one-Party state will result in cancellation of all Canadian aid.

CENSORSHIP BY CUSTOMS OFFICERS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the third petition urges Parliament to repeal those sections of the Customs Tariff Act which permit customs officials to act as censors over films, books, magazines or tapes imported by adult Canadians.

PROPOSED ESTABLISHMENT OF ROYAL COMMISSION ON SOVIET ESPIONAGE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the fourth petition urges Parliament to establish a royal commission to investigate the E. Herbert Norman case; to investigate Soviet penetration of Government in Canada; and to report these findings in a full and open manner to the Canadian people.

MAINTENANCE OF POSTAL SERVICES IN WOODLANDS AND LAKE FRANCIS AREA

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, it gives me a great deal of honour this morning to present a petition on behalf of 100 constituents of my riding representing the areas of Woodlands and Lake Francis. They humbly petition the House to protect the postal service in their town. They ask the Government to allow the Post Office to remain open.

RIGHT TO LIFE OF THE UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I too have a petition signed by well over 500 people from Kelowna and the surrounding area. It is a petition which I personally support. The petitioners pray and call upon Parliament to pass Motion M-37 which would allow unborn infants to be protected by the Charter of Rights and Freedoms.

* * *

[*Translation*]

FINANCIAL INSTITUTIONS

MEASURE TO AMEND CERTAIN ACTS

Hon. Tom Hockin (Minister of State (Finance)) moved for leave to introduce Bill C-56, an Act to amend certain Acts relating to financial institutions.

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

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

• (1120)

[*English*]

Mr. Lewis: Mr. Speaker, I rise on a point of order. There have been discussions among the House Leaders and the Bill which has just been introduced and read the first time is really a combination of Bill C-8 and Bill C-9, which are presently on the Order Paper. I think you will find that the House would consent to discharging Bill C-8 and Bill C-9 from the Order Paper, under those circumstances.

[*Translation*]

Mr. Speaker: Does the Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council have the unanimous consent of the House to withdraw Bills C-8 and C-9?

Some Hon. Members: Agreed.

* * *

[*English*]

FOOD AND DRUGS ACT

MEASURE TO AMEND

Hon. Tom Hockin (for the Minister of National Health and Welfare) moved that Bill S-6, (from the Senate) to amend the Food and Drugs Act, be read the first time.

Motion agreed to and Bill read the first time.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 111.

[*Text*]

ASSISTANCE TO NEW BRUNSWICK APPLE PRODUCERS

Question No. 111—**Mr. Howie:**

From January 1, 1986 to date, has any money been paid to apple producers in New Brunswick for crop assistance and, if so, how much?

Hon. John Wise (Minister of Agriculture): Yes, $49,158.

[*Translation*]

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

Mr. Deputy Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—YOUTH—EDUCATION AND EMPLOYMENT

Hon. William Rompkey (Grand Falls—White Bay—Labrador) moved:

That this House condemns the Government for its abandonment of our youth and its failure to provide adequate support for their education and training or meaningful employment and job opportunities, both temporary and permanent.

He said: Mr. Speaker, the motion before us concerns one of the most important, if not the most important, groups in our society today.

Let me begin by reading from the report of the Senate committee chaired by the Hon. Jacques Hébert who is well known in this Parliament and in the country for his concern for young people. The report of the Senate states:

The public hearings proved to be a disturbing experience for the committee members, as we were not only confronted with distressing facts and statistics, but also actually met the young Canadians grappling with complicated problems. It would not be an exaggeration to say that by the time the hearings ended, the attitudes of the Committee members had changed. We had realized that the situation for a great number of young people is intolerable and that we must convince the public of this.

Hence, this motion today. Sometimes we talk blithely about young people, about our children and our grandchildren.

Obviously there is an intrinsic worth for the young people in our society. We love them because they are ours and we want to see them have the best possible world.

However, another point must be made. It is that at this stage of Canada's life they have more than simply an intrinsic value to us as young people because Canada is moving from one kind of society to another. With the exception of parts of Ontario and Quebec, Canada has been a resource-based society. We have been harvesting the sea, harvesting the forests and the minerals from our soils, and transporting them sometimes in a raw state and sometimes in a manufactured state.

However, the day when Canada can depend on shipping out raw resources is fast coming to an end. The easy times are over for us in Canada and the tough times are ahead.

We are moving from a resource-based and manufacturing economy to an information economy and an information age in which we will have to depend more than ever on our young people.

While they have an intrinsic value for us, in the information economy toward which we are moving they will be much more important to us in the future.

Let us consider the statistics arising from the Senate report and other research into the state of young people in this country today. Young people are important to the future of Canada, yet 48 per cent of single people under the age of 25 in Canada today live below the poverty line. There are 100,000 young people with children who are living below the poverty line.

Youth unemployment in my Province of Newfoundland is 32 per cent; in Nova Scotia it is 23 per cent; in British Columbia it is 23 per cent; and the unemployment rate for young people in Alberta is 2.5 times what it was in 1980. Last year in Canada only 170,000 students could find summer jobs.

In order to go beyond those statistics and understand the distress that exists with our young people, one only need look at the enormous jump in suicides and attempted suicides among young people in the past number of years to realize that this problem is serious. In 1961, for example, the suicide rate among males between the ages of 20 and 24 was 9 per 100,000. In 1985, it was 30 per 100,000, which is more than three times the level of 1961.

I do not lay these statistics on the table as scare tactics or for rhetorical purposes, but to illustrate graphically that this problem is serious. It requires serious solutions, but what has been done?

It is true that all of this cannot be blamed on the present Government because no one is naive enough to think that this suddenly began in 1984. Certainly, however, the Government has a responsibility to bring in programs that will address this situation. Let us consider what the Government has done. Student debt loads from Newfoundland to British Columbia range from $14,000 to $24,000 upon graduation. Canadian students who depend upon the Canada Student Loans Program and the various provincial loan programs which complement it have debt loads of between $14,000 and $20,000 when they graduate. These young people have less ability to find jobs. They are growing in numbers and experiencing the kind of despair which I just described. It is completely unacceptable.

• (1130)

I say to the Government that the first thing we need is a complete overhaul of the Canada Student Loans Program. Instead of loading a debt burden upon the present generation, who cannot and should not have to bear the burden, we should

be moving toward a bursary program. We should be investing in young people instead of loading debt upon their shoulders. We should be injecting money into the system so that they can make a contribution.

Student access is being limited in our universities. We are in danger of becoming a society which offers education to an elite group. There are more and more students in low income brackets who cannot afford and therefore do not have access to colleges and universities. There is a great danger in Canada today that we are offering the services of those institutions only to the elite.

What we have seen consistently over the past few years, in particular, has been a retrenchment in the funds offered for the support of universities and colleges. I am talking particularly about the Established Programs Financing which the Government—and we must lay it directly at its door—has deliberately and knowingly cut back.

I should like to refer to the background of this matter. There was to have been an 8 per cent increase in Established Programs Financing to the provinces. It was an agreement between the federal Government and the provincial Governments. The agreement was unilaterally abrogated by the Government of Canada. Instead, the Minister of Finance (Mr. Wilson) announced that there would be an increase of only 6 per cent.

What did it mean? It meant that somehow the provinces had to come up with the shortfall from their own funds. Can one imagine the Province of Newfoundland—and the Premier himself has admitted that it is on the verge of bankruptcy—finding close to an extra $200 million out of its own pocket? Can one imagine it digging down deep into its pocket to find money by 1990 which it does not have in order to make up for the shortfall in Established Programs Financing?

This means that the universities get less money and that post-secondary institutions have less money with which to operate. As a result, what do they do? The only thing available to them is tuition fees. Thus they start raising tuition fees to try to carry on their programs.

What does that mean? It means that only those people who can afford to pay get in. This is what I mean by saying that the policies of the Government are forcing upon the universities and colleges a process whereby we in Canada are becoming a group which offers education only to the elite.

Student access has a second difficulty. The students may try to find some other way of supplementing their income to help put themselves through university. One way of doing it of course is by having a job in the summer-time. However, fewer and fewer students are able to find summer jobs. This is in addition to their Canada student loans, which amount to an unbearable debt load, the tuition they are required to pay and inadequate housing.

We found that all across the country too few students had access to adequate housing, again because the universities and colleges did not have the budgets and no one else was building that housing.

Students, in their attempt to attain their own resources, always depend upon summer jobs. However, what has happened to summer jobs? They have been cut back.

Last year there were adequate funds under the Canadian Jobs Strategy, but this year there has been a 15 per cent decrease. The Government of Canada says that that is mainly because it cut out the census. However, it does not matter from where the money comes or to what the money is applied. A job is a job is a job. If we take away $30 million or 15 per cent from last year's program, it means that many fewer young people in Canada have access to summer jobs. I do not care whether it was for the census or whatever; the fact is that less money is available for young people to find summer jobs this year than there was last year, and the Government must answer for it.

The change in the Canadian Jobs Strategy has also created difficulties for community colleges. The private sector is now given priority in the use of funds under the Canadian Jobs Strategy. Across the country from Newfoundland to British Columbia community colleges and CEGEPs have less funds available to them now than they had in the past. For example, we were told by Algonquin College in Ottawa that it received about 50 per cent of the funds than it received last year. Why is this? It is because funds were offered to the private sector.

What did the private sector do? It said that it did not want to do training because it was not very good at it, and returned the funds. As far as I know, many of them were unused. The story we heard from institutions such as Algonquin and the British Columbia Institute of Technology was that they had available to them a little more than 50 per cent of what they had in the past, because of the emphasis on the private sector under the Canadian Jobs Strategy. This is something which the Government must address if it is to provide proper consideration for the funding of our post-secondary institutions.

The closing of student employment centres is also a backward step. I call upon the Government to reinstate them.

My colleague in the Senate, Senator Fairbairn, recently highlighted for us in a very dramatic and effective way another serious problem, that is, the problem of illiteracy. We must remember that we are talking about a society which is moving from a resource-based economy to an information economy; we must always bear that in mind. We are talking about a fundamental change in society. Yet, when we need people who can think better and think smarter than ever before, what do we have? We have one million adult Canadians who cannot read or write at all and four million more who cannot read or write well enough to function adequately in society. Senator Fairbairn referred to them as "our country's hidden shame", and she was right; she put her finger on it.

I see the Secretary of State (Mr. Crombie) across the way. I know he is working on a program. I count upon him as a

gentleman and a politician with a distinguished record to develop a program which will address the problem. As I said, I know he is working on it, and I wish him well. However, I wanted to highlight the issue today as a serious problem.

For example, my own province has the highest illiteracy rate anywhere in Canada. Over 30 per cent of Newfoundlanders over the age of 15 years have less than grade 9 education, and the national figure is 22 per cent. We need a national program to address this serious national problem.

It is not enough, in any of these things, to say that education is a provincial responsibility. It is true, but it does not solve the problem. As the country moves into a new kind of society, we need a national policy to address a serious national problem. I call upon the Government to take the matter very seriously. The tide must be turned.

We must increase the funding we make available to our universities and colleges for research as well. The irony is that Dr. John Polanyi, after he received the Nobel Prize, advised Canadian students and researchers who wanted to follow a career which could come anywhere close to resembling his to move to the United States. What a shocking indictment of the research capabilities of Canadian institutions!

• (1140)

The first thing we need is an increase in funding to universities and colleges, not simply for core programs but for research capabilities as well. Second, we need a fundamental change in the Canada Student Loans Program that will stress not debt loads but an investment in young Canadians and a move from a loan program to a bursary program. Third, we need the reinstatement of the First Chance Program for young people, a guarantee that when young people finish their training and education, they will have available to them, at least in the beginning, a job.

We cannot guarantee them a job for life and no one should be guaranteed a job for life. Every person is independent and has the right to make his own way in this world. However, in the kind of society into which we are moving, I believe we have to bring education beyond simply grade 13 or a Bachelor's degree. I believe we have to tell people that we will start them off and given them the first chance in the market-place. We have to provide adequate funding for summer jobs and we have to have a national program for attack on what Senator Fairbairn called this country's hidden shame, and that is, the problem of illiteracy in Canada. Those are the things that must be done. We on this side call upon the Government to take this matter seriously and to address these very serious problems.

If I may, I would like to conclude by reading from the Senate report on youth. Its concluding paragraphs read as follows:

> Our society appears only too happy that today's youth seem to have an infinite amount of patience and are less demanding than previous generations. But how long will their patience hold out? In other industrialized countries, it seems to have been stretched to the limit. In fact, in several regions of Europe, patience has given way to exasperation and violence.

What we are seeing on Canadian campuses today is the beginning of the re-enactment of the spirit of the sixties. Bob Dylan, where are you? Perhaps Bruce Springsteen, I do not know, will be the new symbol of the eighties. I believe we are starting to see a regeneration of that kind of spirit on campuses now. The report continues:

> Despite the economic recession from which we have barely recovered, Canada is one of the richest countries in the world. We have at our disposal the means by which to help our young people. The public and political will to remedy the situation must be displayed without further delay. Each Canadian community must assume control of its own affairs and put its imagination to work so that we may improve the present and future lives of our young people. Just as in the event of a major national disaster, we as Canadians must concentrate all our energy to solve this serious problem.

[*Translation*]

Mr. Charest: First, Mr. Speaker, I wish to greet you personally.

From the outset I should like to commend my colleague for a speech whose tone was particularly appropriate to the topic and tell him that I am pleasantly surprised at the approach he took today. Quite frankly I was expecting something else, more like much more partisan remarks on the part of my colleague opposite. I should like to emphasize how grateful I am that he took such a constructive approach.

I should like to say that the issue covers a lot of ground, that in all likelihood we agree with most of what he has brought to our attention today. He pinpoints problems which every one of us has acknowledged as having become ever more significant in recent years. Mr. Speaker, this is why I want to stress the fact that my colleague has raised problems which the Government is likely prepared to view as being identified.

I have two brief questions for him.

First, I should like to ask him what is the position of the Liberal Party of Canada with respect to what they consider to be the most urgent issue now facing young Canadians. He did refer to some of them but I was unable to find in his remarks a clear indication of what the most important problem might be.

Second, perhaps he might tell me who should be included in the eventual quest for solutions to what the Liberal Party of Canada deems to be the most important problem, or again the five points he mentioned in his speech?

[*English*]

Mr. Rompkey: Mr. Speaker, it is very difficult to highlight one particular problem that needs attention because I think that would be over-simplifying what is a complex problem. I would suggest to the Minister what he could do if he wanted to help those who are in the middle of their education and training now. I am not talking about those who are coming into the educational system or those who have gone through it and are still experiencing despair and disillusionment in their difficulty in finding job opportunities because job opportunities are something the Government can and should create for those people. However, if he wanted to help those who are in the

middle of their education now, he could deal with what I think is the top priority for Canadian students.

If members of the Canadian Federation of Students were here in this Chamber today, I think they would tell us to change the Canada Student Loans Program so that students will not have to bear that excessive debt burden of between $14,000 and $20,000 on graduation. Basically, we should change the Canada Student Loans Program from a loan program to a bursary program. I think that is what they would ask and that is what I ask on their behalf today.

Mr. Riis: Mr. Speaker, I would like to ask my hon. friend a question about his very excellent speech which outlined the nature of the problems facing students. One thing I thought was missing from the Hon. Member's speech was any identification of what the Government has done to solve the problems.

I as well as other Hon. Members have looked high and low through all of the brochures and files and the only thing I could come up with was *Hot-100*. I gave this booklet to my teenage son the other day so he could look through it and evaluate it because he is the person for whom it was designed. To summarize my son Nils' comment, he said: "Dad, I looked through this and I couldn't find anything in here that was of direct relevance to me as a 17-year-old boy.

Has the Hon. Member looked through *Hot-100*? What is his view of this initiative which I suppose is the only one the Government has taken in the last two and a half years?

Mr. Rompkey: Mr. Speaker, that is a question that is best addressed and will be addressed to the Minister when he speaks. It will be for him to put on the record what the Government has done or has not done.

Today's motion clearly indicates that this is a serious national problem which requires a serious national response and, in answer to the Hon. Member, so far we have not seen a serious, co-ordinated, comprehensive response from the Government on how it will deal with the problem of youth in Canada in the 1980s. I look forward to the speech of the Minister. Perhaps he can build on the booklet about which we have just been told and tell us exactly what the Government intends to do to address the problems we have identified today.

Mr. Stackhouse: Mr. Speaker, I would like to refer to the reference that was made to members of the Liberal Party preferring a bursary program to the present loan program. That is precisely what the Liberal Party proposed the second to last time it was in opposition under the leadership of Mr. Pearson. He went to the young people of Canada in the early 1960s offering a program of 10,000 scholarships. Once elected, the Government did not deliver the 10,000 scholarships. It delivered the loan program, which it now does not want. The loan program we have was initiated under the federal leadership of the Liberal Party with the co-operation of the various provinces.

• (1150)

The point I would like to make for the record is simply that I take it that the Liberal Opposition is now reverting to the position it held when it was in opposition previously. The fact that it did not deliver on that proposal when it became a Government, may suggest something about the credibility of its policy now.

There was another point made about not providing any job opportunities for young people. Statistics indicate that since 1984 not only has the total of new job opportunities increased dramatically but it has increased for young people. Tragically, the problem of unemployment remains largely a regional problem, and that is really what we should be addressing, not young people across the country, but rather how we can create greater job opportunities for all people in those areas which have not been able to come abreast of other parts of the country.

I would just like to throw one point into the discussion, and I hope some future speaker who has adequate time will take it up, that is, the quality of education and training in Canada should have a priority. If this country is to compete successfully throughout the balance of this century and into the 21st century, it is going to have to compete with a world which is increasingly better educated and equipped. We should be addressing ourselves to the challenge.

How can 25 million people, trying to live and function in the second largest country in the world use its resources, which are always limited however rich they are, to the best advantage? How can they most effectively be used to provide the training, research and development opportunities for young people which will enable them to compete effectively with the rest of the world?

Mr. Rompkey: Mr. Speaker, the emphasis in the Member's speech was on conservative rather than progressive, I would suggest. The Hon. Member is debating the past. He is comparing apples and oranges. If he is comparing the 1960s with the 1980s, I do not know where he has been over the past couple of decades. Policies which worked in the 1960s are not the policies we need for the 1980s. We governed in the 1960s, yes, and far be it for me to downplay in any way the Liberal record of the 1960s.

I happen to be very proud of the record of the Pearson Government and the Governments which followed not only because of their policies toward young people but because of their policies toward the elderly and to other workers in society. But that was in the 1960s. This Government is governing in the 1980s, which is an entirely different decade. New approaches are needed for new times.

I suggest that new men are needed to implement the new approaches in new times. What we need today for our young people in the kind of society we live in are new and original ideas. What I said before is that if the Canadian federation of

students could stand here today in this Chamber and tell the Government what they wanted, that is their position.

Mr. Penner: Mr. Speaker, first, I want to commend my hon. colleague for his motion and for the quality of his speech. As the spokesperson for the Liberal Party on matters relating to post-secondary education, I wonder if the Hon. Member is aware of the numerous studies which have been undertaken in recent years which document very clearly the social, economic and educational disparities between the Indian people of Canada and non-Indian people? Is the Hon. Member aware that more young Indian people today are staying in school or going back to school and are graduating? Yet the Government of the day has decided to cut back on those programs. It has limited the number of places available in these institutions. To compound the problem, it has also restricted the amount of assistance to these institutions, which provide places for young Indian people to get post-secondary education.

What the Government of Canada has done at the present time is to throw out the principles of universal access and opportunity. What I want to know from the spokesperson for the Liberal Party is whether a Liberal Government would in fact restore those principles which were actively in place during the previous administration. Would these principles be restored? At the present time they have been crushed and thousands of young Indian people who are seeking self-determination and independence are losing that opportunity.

Mr. Rompkey: It is always a pleasure to hear from the Hon. Member for Cochrane—Superior (Mr. Penner). Not only has he had the kind of experience that is very useful to us on this side but he is in every sense a Liberal. He knows as a Liberal that the first thing to do is to reach out to those people who need help the most.

The Hon. Member has put his finger on a dimension I neglected to mention, and that is, the disadvantaged people in this country. The Hon. Member mentioned native people. I can only say to him in response that the record of the Liberal Party in the past is clear. I suggest that the record of the Liberal Party in the future will not fall short of what it was in the past.

Let me build on the Hon. Member's intervention, if I may, and point to other disadvantaged groups. Apart from native people, and the disabled, women in Canada are particularly disadvantaged by what is happening in the educational system today as the result of the cut-backs in university and college funding. One of the first things to go is part-time or continuing education. The frills are cut out. The physical education, the music and continuing education are cut out. Seventy per cent of all part-time students in Canada today are women. Many of them are from single-parent families. The problem is that women in Canada today who need that education more than anyone else because of the disadvantaged position they are in, are less able to fund their own education because a woman in Canada today earns 60 per cent of what a man earns. So there is a compounded disadvantage on the part of women in trying to bring some equality to their own status. Apart from native people, women, I suggest to you, Mr. Speaker, particularly young women, are particularly disadvantaged by the situation we find ourselves in today. That is the kind of situation we have to address. It is serious and that is why the Government has to do something about it.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, first, I want to congratulate my hon. friend and colleague, the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), for providing us with this opportunity today to discuss what has to be one of the most critical issues facing the country. That, of course, is the future of our young people.

I am pleased to respond to the motion of the Hon. Member which reads:

> That this House condemns the Government for its abandonment of our youth and its failure to provide adequate support for their education and training or meaningful employment and job opportunities, both temporary and permanent.

I want to begin my remarks by saying that I, like the Hon. Member for Grand Falls—White Bay—Labrador, feel that the Government has in a sense turned its back on young people. I do not understand why it has done that. I want to spend a few moments explaining why I feel the Government has abandoned the young people and why it has failed to provided adequate financial support to develop their educational careers and their family futures.

In the last few weeks I have been touring the high schools in my constituency as well as junior high schools and elementary schools. I have talked to our young people, particularly those in graduating classes. There are hundreds of thousands of young people who are about to leave secondary school to begin their careers in post-secondary education and training. One common theme I have noticed in discussions with individuals and classes of young people is a growing sense of disillusionment and frustration about the fact that their future appears to be very uncertain. There is a fuzziness in terms of where the country is going, what opportunities there are for the future.

• (1200)

When most of us in the House of Commons graduated from high school or post-secondary institutions we had perhaps half a dozen jobs from which to choose. Now there are half a dozen young people competing for the one job available. That becomes woefully obvious when you look at the unemployment figures for young people. Today 500,000 young Canadians fall into the category of the unemployed. This does not include the 20,000 or 30,000 young people who have given up and are not now actively looking for work. They come from communities where the unemployment rate is from 30 per cent to 50 per cent. There is simply no point in going up and down the streets looking for work in an area where the unemployment level is so unbelievably high.

Those figures totally ignore native young people who are not factored into the formal statistics at all. In addition, there are 180,000 young people who have to be described as severely

underemployed. They may work for five hours a week at McDonald's or 15 hours a week in a part-time job with no security and no prospects for permanency.

Therefore, the actual unemployment rate for people between the ages of 15 and 24 is 23 per cent to 25 per cent. In other words, almost one-quarter of the young people of Canada are in an almost hopeless situation at the time of life when they ought to be developing themselves creatively and positively. They should be developing careers and starting families. Twenty-five per cent of young Canadian people are, for all intents and purposes, jobless. That is virtually an immoral situation. We should be spending day after day in the House of Commons searching for solutions to this national catastrophe. I think we would all agree that this is a serious crisis situation.

Yet it is the Opposition which calls for a debate to seek solutions for this. It is not the Government or the Minister of State for Youth (Mr. Charest) but the Opposition which calls for a special debate to address the plight of young people. That does not bode well in terms of how serious the Government is on this issue. If the Government were serious on this issue it would be doing something.

To be fair, I have to admit that the Government has done something. For example, it eliminated the Katimavik program and promised a new youth program in February of last year. That promise has not yet been kept. The budget for the youth Ministry was totally eliminated. The Minister of Finance (Mr. Wilson) slowed the rate of growth of transfer payments, which will result in the loss of $1.5 billion between 1986 and 1991 in post-secondary education. Funds for the International Year of Youth were eliminated and no new funds were allocated to continue this important work.

Yesterday in the House of Commons the Deputy Prime Minister (Mr. Mazankowski) mentioned Challenge '85, '86 and '87. He said that Challenge '85 created 100,000 jobs. One would assume that in 1986 when the unemployment situation was worsening the program would create more jobs. However, the Deputy Prime Minister said that Challenge '86 created only 93,000 jobs. He went on to say that the funding for Challenge '87 will remain the same as last year, which is obviously woefully inadequate. As my friend, the Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), indicated, not only is it inadequate, it is a move to facilitate jobs in the private sector. Although we applaud this, it is at the expense of jobs in the public sector. Non-profit organizations could put young people to work in meaningful ways for the summer.

I have experienced, as I am sure all other Members of Parliament have, the frustration of collecting hundreds and hundreds of Challenge '87 job applications, only to have half of them tossed out because there is no money and to have requests for 10 or 15 young people cut down to three or four young people. It tears my heart out to know that the one program which the federal Government has to assist young people during the summer, which is good as far as it goes, is so woefully inadequate. We could double, triple, or quadruple the funding.

It is important to recognize that we are discussing today the most important natural resource in our country. The Minister of State for Youth laughs when I say that the most important natural resource in this country is our young people. He may think the most important resource is coal, copper, platinum or uranium, but we believe that the most important natural resource is the people of Canada, and particularly the young people. We should invest in the development of that natural resource as we do in no other resource sector.

I know that when the Minister of State for Youth stands up he will say that there is no money to help young people, that all the programs to help young people had to be eliminated. I must remind the Minister that the Government thought it was appropriate to spend $9.5 billion to help the multinational oil companies. The Government thought it was appropriate to spend $1 billion to bail out two banks, which has never before been done on the face of the earth. The Government found it appropriate to spend billions of dollars to provide incentives for corporations to develop in central Canada. However, the Government cannot find the money to provide training, education, and job opportunities for our young people. That is the disgrace of it all.

The most dastardly blow of all was when we all received *Hot-100*, a quick guide to see what the feds are doing for youth. I challenge anyone to find something in this booklet which is available to really help young people. I have gone through it page by page as have my two sons. When I brought it home they got quite excited because they were not aware that the federal Government was doing anything to help young people and wanted to find out what it was doing. Those two young men went through this book page by page and when they finished they were disappointed. They made phone calls and found that a lot of these so-called programs had no money in them at all.

As an example, it talks about pension programs and a lot of university post-graduate degree programs which help some people. However, for 99.9 per cent of the young people needing assistance there is very little, if anything. I will not say there is absolutely nothing in here because there may be something which I have not found, but I look forward to hearing the Minister of State for Youth outline the programs in here which are in use today.

I looked through the report of Parliament which was an examination of the problems and issues facing Canadian youth between the ages of 15 and 24. There are pages and pages of recommendations, but I could not find any which have been implemented. Of all the recommendations that talk about ways to get young people back to work, none have been implemented. I wonder why Parliament bothered to do this if the Government is simply going to ignore the recommendations.

In talking to young people across the country I have sensed their despondency. Records show that alcoholism, drug abuse, suicides and attempted suicides, and drop-out rates in schools and training programs are worsening. I say that with great reluctance but the facts demonstrate that conclusively. It is now only fair to ask what the solutions are.

• (1210)

My hon. friend from Grand Falls—White Bay—Labrador laid out a number of solutions as he saw them. They were good, thoughtful solutions and the Government should take action immediately. I want to propose some other solutions. They flow out of a very extensive task force which the NDP launched in 1985, chaired by the Hon. Member for Windsor—Walkerville (Mr. McCurdy). It travelled across the country from coast to coast. It visited major and minor communities, rural areas, high schools, technical schools, vocational schools and universities. The task force listened to 600 participants and received over 300 briefs. It resulted in a report which laid out all of the recommendations by the NDP in order to assist young people. I want to highlight some of them.

At the top of the list was a program called Youth Prospects which would provide a wide range of opportunities for young people. We felt it was appropriate to set aside ample funding so that young people could receive adequate support in developing their various skills. At a cost of about $6,000 a year they could choose from one of four options. They could undertake two years of job training, which would involve on-the-job training, classroom instruction, or a combination thereof. It would provide them with the necessary skills, expertise and experience to participate directly in the workforce after two years.

We also suggested a two-year entrepreneurialship program. We would provide seed money for young people to go out and develop a new business of one kind or another. This would help develop entrepreneurial skills, expertise and experience to assist them in creating jobs not only for themselves but for other young people as well.

We suggested a two-year program of life skills training. We recognize that a lot of our young people today lack some of the basic skills required to enter the workforce or continue with their education. This would help develop their literacy skills. It would help them to apply for jobs, fill out résumés and a whole host of other valuable life skills which, for a variety of reasons, some young people have not obtained over the years.

A fourth option was to provide, again, around $6,000 a year to assist young people to complete two years of post-secondary education. That could be vocational school, technical school, business school or secretarial school. It could mean one would go on to a college or university. Two years to develop those basic abilities and a sense of confidence which would encourage young people to go on with their training and education.

We suggested that program because at the moment the Government's support for students is in the form of loans more often than not. If you want to complete your post-secondary education you can borrow $6,000, $7,000, or $8,000 year after year. That may be appropriate for a handful of young people, but for those in my constituency, where the unemployment rate is unfortunately in the 20 per cent range, it is simply impossible. They cannot even think about going on to technical school or university where the bill for the year might be $8,000 because they probably will not have even a summer job. We all know that only one out of three students is likely to obtain a summer job and the lion's share will be very low paid.

Mr. Rompkey: In central Canada.

Mr. Riis: Those jobs will also tend to be restricted to central Canada where the economic forecasts are more healthy than in other parts of the country. I think we are all too well aware that of all the jobs created in this country last year, 96 per cent were in central Canada. If you are a young person seeking a summer job in Labrador, British Columbia, or central Alberta, you are going to have a difficult time because economic conditions in those parts of Canada are extremely difficult relative to central Canada.

We asked ourselves, why not provide a youth prospect fund and put dollars in the hands of young people so that if they take two years of job training, two years of entrepreneurial training, two years of life skills training, two years of post-secondary education, they will become a better person, a better citizen, and make Canada a better place? We would be investing this money in the future of our young people and therefore in the future of Canada.

In adding up the cost it would come to an additional $550 million in the first year. Compare that with the billions upon billions of dollars we give large corporations to do all kinds of things with. Compare it with the $1 billion we paid to bail out two banks. Compare it to the other things the Government spends money on. The money would put tens of thousands of young people back into school or in the workplace.

We say that is good. What are all those people going to do when they get their pay cheques? They will spend the money. It will be spent in their communities right across the country. It will help create more jobs. The various Governments will collect sales taxes as this money moves through the system. We calculate that the federal and provincial Governments would get the lion's share of that money back through improved economic conditions and the tax system. We are not talking about spending money, we are talking about investing in the most important natural resource Canada has, its young people.

I suspect that the Minister of State for Youth would really like to help young people. He would like to be doing a lot of things and perhaps implementing the suggestions offered by my friend and myself, steps that could be taken immediately to assist young people. I suspect that he personally would like to do that. However, he has to have the money. When he has no money in his Ministry, when his cabinet colleagues, particularly the Minister of Finance, refuse to give him the necessary

funds to develop those policies I am sure he would like to develop, it must be very frustrating for him.

In closing I want to say that I do not directly criticize the Minister of State for Youth although I must ask: Where is the money to help young people? I levy my criticism primarily at his cabinet colleagues who, for whatever reason, have decided not to provide the financial support to enable the Minister to invest in Canada's most important natural resource, its young people.

[*Translation*]

Mr. Charest: Mr. Speaker, after the opening speech of the spokesman for the Liberal Party of Canada, I did take a few seconds to point out that his remarks had been rather positive, in the sense that they were not partisan, and I was surprised at this approach.

I was as much pleasantly surprised at the speech of my colleague from the Liberal Party as I am very little surprised at the tone of my colleague from the New Democratic Party. You know, we have become used to hearing the kind of remarks he made today in an extremely partisan context, in fact half-truths, hearsay, omissions. As usual, my colleague's comments are notable for what they fail to deal with, but still I would want to offer him an opportunity to enlighten us about two points which, I presume, reflect the position of his Party.

Here is the first question: I wonder whether he might tell us what he or his Party considers to be the most important problem facing young Canadians in 1987, and probably for years to come.

The second question is also relatively simple, Mr. Speaker. I should like to know whether he and especially his Party feel that in our search for solutions and our quest for a nation-wide consensus we, as federal Government, should at least make an attempt to include the provinces in this exercise.

• (1220)

[*English*]

Mr. Riis: Mr. Speaker, I am pleased and encouraged to respond in kind to the question. Whenever I have heard the Minister of State for Youth make his presentations he always prefaces them with the same remarks. He says that I have been very partisan in my delivery—

Mr. Charest: You always make the same speeches.

Mr. Riis: —and I make no apologies for being partisan. After all, this is the House of Commons. This is a House with 282 politicians in it. I thought that what we were actually supposed to do here was to make political speeches. The Minister says that he has heard this speech before. Yes, he has. I have given this speech before because I want to do two things.

First, I want to point out the severity and the crisis nature of the problem. Second, I want to offer a range of solutions to the problem so that the Minister of State for Youth might listen and actually do something about them. The last time I did that he did not act. I did it again today, and he has not acted. I hope that I will never have to give this speech again. I hope that this is the last time I will ever be encouraged to stand in the House of Commons and deliver, in a sense, a repeat of former comments. I hope the Minister will take some action after today.

I wish to thank my colleague from Newfoundland for providing us with an opportunity to discuss the issue of youth. I would like to think that the Minister himself would provide such an opportunity. But, no, he remains mute. He never has a question, a statement or an initiative. He has nothing, which is what makes us so frustrated.

The Minister asks what is the number one issue facing young people today. I think that, unquestionably, it has to be the whole set of issues surrounding employment, the need for young people to feel secure in being able to enter the workforce at the appropriate time and to develop the kind of career and job options which will enable them to make the most meaningful contributions to society. I think that is the concern. When I talk to young people they ask: "Will I have a job? Will there be job opportunities when I finish university? Will there be a career for me when I finish my college course?" I think the main issue is in terms of young people being able to find meaningful employment in Canada.

I did not quite understand the Minister's second question. I think it was: Ought we to try to build a consensus between the provinces and the federal Government to deal with youth issues? Indeed, I think whenever possible that type of consensus building must take place, not only between the provinces and the federal Government, but between the provinces, the federal Government and the various organizations which represent young people, whether they be university students, college students, various youth groups, right down to the municipal level. When we consider that cities such as Montreal, Toronto and Vancouver have populations between one million and three million people and large numbers of young people who are jobless and having difficulties pursuing their post-secondary education plans, I think the municipalities have to be involved. I think that a consensus must be built between the federal Government, the provinces, regional Governments and local Governments.

[*Translation*]

Mr. Deputy Speaker: The Minister of State for Youth (Mr. Charest) on a point of order.

Mr. Charest: A point of order, Mr. Speaker. I simply want to be fair with my colleague, for he did indicate in his response that he is not sure whether he understood the question correctly.

So just to make sure that his answer is relevant, I would seek leave to repeat my question, with the agreement of my colleagues in the House.

[*English*]

What I am interested in knowing is the following. If the federal Government is requested to design a national policy for youth, would it not be reasonable for the federal Government to seek provincial co-operation in that regard, especially in the context of the constitutional balance of Canada?

Mr. Riis: Mr. Speaker, yes.

Mr. Rompkey: Mr. Speaker, I wish to give the Hon. Member for Kamloops—Shuswap (Mr. Riis) a chance to elaborate on the last line of questioning. I think the Minister has put his finger on an important issue that we really have not addressed thus far, that is to say, how we go about solving the problem. The Minister has responsibilities. Education does come under provincial jurisdiction, that is true. However, I think that the Hon. Member for Kamloops—Shuswap in his answer to the Minister said that it really goes beyond the provincial Governments and the federal Government which have some real responsibilities and that there are groups in the country which wish to do something and which must be brought into the process to design not just a federal program. The distinction must be made that what we are talking about here is not just a federal program. What we are saying is that the federal Government has some responsibilities. The provincial Governments obviously have jurisdiction. However, there are groups of young people, university professors, teachers and all sorts of other groups which want to see a national—in quotes and underlined—approach to a serious national problem. I think that is what we are after.

I wish to ask the Hon. Member to elaborate in a minute on that point and to build into his reply one further consideration and to point out the important specific responsibilities of the Government of Canada. For example, I refer to the matter of foreign students in Canada.

There has been a drop of 43 per cent in the number of foreign students coming into Canada over the past five years. That is not the case in any other industrialized democracy with which we compete. Foreign students contribute to our economy between $600 million and $700 million per year, which is a straight injection of money into the Canadian economy, not to mention the public relations value they give us abroad in terms of trade and future consideration, as well as in terms of external affairs in the market-place once they graduate from our universities and go on to serve us in other ways. This can only be solved by the Government of Canada. It has the Department of Immigration—and I see that the Minister of Employment and Immigration (Mr. Bouchard) is here in the House. It is intriguing that the Minister of Employment and Immigration in his one department has the capability that we need to address the issue of foreign students in Canada. From talking to many students in Canada I know that all of them believe that we must have the presence of foreign students in our institutions.

Can the Hon. Member for Kamloops-Shuswap elaborate on this particular issue further, the issue of a need for a national response? In particular will he focus on the problem of foreign students?

Mr. Riis: Mr. Speaker, it is a pleasure to respond to the question of the Hon. Member. I would like to respond in three ways. First, I agree with the Hon. Member that we are not talking about just a federal program. We are talking about a national program, a national initiative to attempt to resolve the concerns and difficulties facing young people. We are talking about removing impediments and hurdles in order to allow them to get on to develop their lives as they ought to do.

Second, in respect of the whole matter of foreign students, one of the highlights of the task force on youth conducted by the New Democratic Party over the last year included a whole range of recommendations as to the role of the foreign student in our universities, colleges and technical schools, their diminishing roles, and steps that can be taken not only in their best interest but in the best interest of Canada in terms of linking up Canada more closely than ever with a whole set of growing and Third World countries.

I wish to end by referring to the point to which the Minister of State for Youth was getting, although I am not certain where his question was leading. As a Member of Parliament from British Columbia I have a great deal of concern when it comes to post-secondary education. When I look at the operating capital for our college and university system, including technical and vocational schools, I notice that when we look at the final budget, the total allocation of funds in the Province of British Columbia for post-secondary education, we see that its source is Ottawa. In other words, the federal Government is funding post-secondary education in the Province of British Columbia by 100 per cent. As a matter of fact, it is funding the province to the tune of 104 per cent. In other words, all of the money that Ottawa sends British Columbia for post-secondary education goes into post-secondary education and some of it is siphoned off for other uses. Yet the Province of British Columbia does not match one penny of the federal government contribution.

• (1230)

If the Province of British Columbia was doing what Parliament expected of it and what it had promised to do at one time, post-secondary educational opportunities in that province would be significantly enhanced. However, the province is not participating at all, and that is a provincial Government disgrace.

[*Translation*]

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, I truly welcome this opportunity today to speak to the House and to address the motion presented by the Hon. Member of the Liberal Party of Canada. I could not agree more with my two hon. colleagues, who gave the impression that we seldom have an opportunity to discuss youth issues in the House.

However, the Government does not decide what kind of questions will be asked during Oral Question Period, and I may say I have spent quite a few hours sitting in my seat and waiting for questions from the Opposition. For reasons they will know better than I do since it is their responsibility and duty to ask the questions, I have waited a long time for questions that never came. From time to time I do get a few, and I relish these moments, and I am particularly pleased today with the opportunity I am given to explain in the House and thus to Canadians what we have been doing for the past few months.

[*English*]

I think it is noteworthy that my two friends speak very strongly about this issue. The Hon. Member from the New Democratic Party says that this is one of the most critical issues facing the country, and he went on to say that youth are the most important natural resource in Canada.

Last night, while returning from consultations in Vancouver, British Columbia, the home province of the Member for Kamloops—Shuswap (Mr. Riis), I learned that there would be a debate on youth today. I cancelled a long-standing commitment to be in my own riding in order to be here because I think this debate is important enough to require my attendance today. I am pleased to be here.

I had planned to thank my official critics for their opening remarks, but I regret I cannot do that because it is not the case.

The tone of the speech by the Member from the NDP is particularly appropriate today. I want to share with him my own experience. When I was named to this portfolio in June, 1986, one of the first things I learned was that the debate about youth in this country was very partisan. I and all Members of the House will agree that the issue is political, but in the aftermath of the hunger strike by our colleague in the other place, the debate was very partisan.

Upon closer examination of the issue, and being a young politician myself, I discovered that if we want to be honest with Canadians, especially those young Canadians who suffer from a certain cynicism, according to the experience of the Hon. Member for Kamloops—Shuswap, I guess we must admit that all political parties at all levels have often used the issue of youth as a political vehicle.

I believe we can go even further and suggest that in some cases many politicians have been very paternalistic toward young people. It is an appropriate coincidence today that my colleague from the New Democratic Party said three times that the youth are the most important natural resource of the country. During my speeches all over the country I tell Canadians from all walks of life that politicians have been very paternalistic toward young people.

I tell them, with a smile, that they will often hear politicians say that youth are the future of Canada, as though there were a choice between youth and something else. I do not know to what politicians are referring when they say youth are the future of Canada because, of course, that is what they are. What else could happen?

There is another phrase that I always cite in my speeches throughout the country. I tell Canadians that the ultimate winner is when a politician says: "Youth are the most important natural resource of Canada". I say that to Canadians laughingly because I find it paternalistic and condescending. While I do not think politicians say that in bad faith, that single partisan characteristic of the debate is a major obstacle in identifying problems, developing a consensus, and designing solutions. It is an obstacle to recognizing the fact that the world has changed.

Let me move on to describe what we have done. One of my first objectives upon assuming this portfolio was to determine what was the most important problem facing young Canadian men and women. That is why I put that question to the two opposition Parties. However, I did not hear a clear answer. While the Government has found an answer, those Parties have much work to do.

In our effort to identify the most important problem facing youth, we examined the major studies and reports that have been published in this country over a number of years. I am referring to the Macdonald Commission Report, the Forget Report on Unemployment Insurance, the International Year of Youth Report, the Senate Youth Report, the report from the Province of Newfoundland, and more recently, the report of Ken Dryden, Youth Commissioner for the Province of Ontario. All of those reports, taken together, essentially converge to the same conclusion. It is that the most important problem facing young Canadian men and women today is the transition from school to work, particularly for young people who do not finish high school. That is the Government's conclusion, for the information of those Members opposite.

Having come to that conclusion, we proceeded to determine where Canada was headed. That is a very important consideration because the policy that is developed for young Canadians will not operate in a vacuum. It will have to work within a Canadian context as well as the larger world context.

According to 1984 statistics, Canada is second only to West Germany in our dependence on trade in terms of GNP. Therefore, if we choose to follow that course, as we have in our trade negotiations with the Americans and our negotiations at GATT, the natural consequence is that Canada will have to acquire, develop, and manage new technologies to support its position in the labour markets.

In order to pursue our course as a trading nation, and develop the new technologies to support that position, the last link in the chain is the development of labour market policies and human resources to acquire and develop the new technologies to support our position in the export markets.

Consequently, we went on to determine how the labour market in Canada is presently operating and found that there is a direct relationship between academic training and job security. More than half of those who were unemployed for six

months or more had not completed high school. The unemployment rate of those who fail to complete high school is three times that of youth with post-secondary training. In the last year of the recession in 1984, 75 per cent of those who were unemployed did not graduate from high school.

In light of these statistics, we moved on to examine how the labour market has changed through the years. Let me explain how the labour market has evolved from the 1950s to 1987.

• (1240)

In the fifties a young person in Canada could attend high school, drop out before graduation, and find a good job in a resource-based economy or, in a manufacturing economy like that of southern Ontario, find a good job in the automotive industry. If we want to draw a comparison between how the world has changed from the fifties to the eighties, the difference is that there are fewer and fewer jobs in Canada for unskilled labourers. Inasmuch as we can predict the future, there will be fewer and fewer jobs for unskilled labourers notwithstanding the fact that the growth in jobs in Canada is in the service sector.

We then came to what was for me and for the Government the most troubling problem we witnessed in that context. In Canada there is a link between training, holding a job, and the changing labour market. Notwithstanding that, 30 per cent to 40 per cent of young Canadian men and women—and it is something which neither Party opposite raised today—drop out of high school before graduation. That is dramatic. It is a great loss to the country now and it will be an even more important loss to the country in years to come.

Over and above that, it means much personal hardship for some young people who just fail to realize that by dropping out of high school they may be dropping out, to a certain extent, of active participation in the Canadian labour market in years to come.

In that context we then looked at how other countries dealt with the transition from school to work. For example, we looked at the United Kingdom, France, Sweden, Finland, and West Germany, and we found that in many cases the mechanisms in those countries for the transition were more developed and more sophisticated. The apprenticeship programs in West Germany, for example, were much more generic. The student or person entering the program had a specific status which he kept with him throughout the system. The same does not apply in Canada.

We are sensitive to the fact that we cannot just take a system from another country and implement it here. There are historical, sociological, and cultural factors which must be taken into account. However, we can borrow on some of the examples all over the world.

There were systems which were closer to ours. For example, co-op programs are familiar to Canadians. It is something with which they are comfortable and for which I found unanimous approval. It is part of the mechanisms into which we can look.

Having done all that, perhaps my colleagues will understand why we would find, according to the constitutional balance in Canada, which does not necessarily apply in other countries, that education is first and foremost a provincial jurisdiction. It is that to a certain extent, and I say that with reservations. I do not want to speak as a lawyer, but I should like to give an opinion. In terms of educating young people from the entry level to the secondary level, it may be unequivocal provincial jurisdiction. Once they reach the post-secondary level, and we are dealing with adults in training, obviously the federal Government plays an important role.

The obvious conclusion is that if we want to develop a national youth policy in that context, having identified a specific problem and the emerging consensus, we would go to the provinces. Being respectful, and in the spirit of national reconciliation about which we spoke, we would first go to the provinces to ask them whether they agreed that it was the most important problem.

Part of the paternalism and the partisanship surrounding the issue is that although everyone says it is our most important problem and that the youth is our future, no one, until we decided to do it, went to the extent of identifying it and asking other Canadians to join in the consensus. If they agree that it is the most important problem, the natural consequences flow from it.

I should like to report to the House at this point in time that I have visited eight Canadian provinces in less than a month. To give an indication of how much I travelled, the airlines have lost my luggage at least four times. We are doing this as rapidly as possible. Half of everything which goes into the Canadian Jobs Strategy goes to young people between the ages of 15 years and 24 years, approximately. It is a ballpark figure, but on average that is what it will be. In fiscal 1986-87 it will have been approximately $720 million. The issue is not whether it will be a new program. The *Hot-100* illustrates that plentifully; there are over 100 programs which apply to young people.

The issue is that we must change the system; that is the real issue.

An Hon. Member: It is about time.

Mr. Charest: Yes, it is about time. It is about time we sat down, if we are sincere and want to go beyond the partisanship of the debate, which is a real impediment to the finding of solutions in society.

Let me reiterate the fact that we have a sincere and real commitment to the issue. It is not enough to say that youth are the future of the country or that they are our most important natural resource.

There could be new programs for specific problems, but a new program with $10 million or $20 million will not change the fundamental problem. What is needed is a change in the system, and it will not happen overnight. However, it is to

what the Government is truly and sincerely committed under the leadership of the Prime Minister (Mr. Mulroney).

Some Hon. Members: Hear, hear!

Mr. Rompkey: Mr. Speaker, I appreciate the analysis of the Minister, but I am not entirely clear on the impediment of partisan debate.

It seems to me that in what I said and what the Hon. Member for Kamloops—Shuswap (Mr. Riis) said we very clearly analysed the problems. As a matter of fact, I think the Minister said that in his reply.

However, I am clear on the problem which he identified. He made the link—and I would like him to make it clearer—between lost luggage and the lost generation. What he said to us is that we must change the system and that he has been going about doing that by consulting.

However, where do we go from here? What we are looking for today, and what Canadian youth will be looking for, are some specific answers to how we address their very specific problems.

The Minister asked those of us in the Opposition to provide specific answers. I think we gave them. One was to make a change in the Canada Student Loans Program. That was very specific. It could be done starting today.

I know that there are wider problems. None of us underestimate the difficulties in coming to grips with them. We all know what the Constitution says. We all know what are the impediments.

I want the Minister to go beyond what he said and to tell us the outcome of losing luggage and visiting so many people in so many days in a struggle to come to grips with the problems of this lost generation. What is the linkage between lost luggage and the lost generation? What was the outcome of his travels? What will be some of the approaches? How do we bring in the provinces? How do we bring the various players to a national consensus?

What we have now, compared with the situation when we were the Government of Canada, is a national Government of one stripe and most provincial Governments of the same stripe. In essence it should perhaps be easier now than it was before, at least one would think, to come to grips with the jurisdictional problem. However, I did not hear today even the broad outlines of what will be the approach—bearing in mind and granting what the Minister said—to coming to grips with the problems in the system.

• (1250)

Mr. Charest: Mr. Speaker, I am not sure I understand the Hon. Member's question about the link between lost luggage and a lost generation. On the lost luggage side, I made that remark because I have been travelling a lot recently in this consultation process with the provinces. Airlines have had the opportunity, though not always through any fault of their own but because of tight schedules, to send my luggage to places other than the ones to which I have been going.

On the lost generation side, I hope my hon. colleague is not among those who say that there is a lost generation. I find that a very unusual thing to say. That people would say there is a lost generation is an indication of failure. Man has been on earth for millions of years, and suddenly we are being asked to determine if one generation is better off than the previous one, a very unusual exercise.

Generations inherit problems from previous generations and civilization has the duty to do better than the preceding generation. Another unusual thing about the notion of a lost generation is that the premise of the assertion is that the previous generation found something. I do not know what it found, but I would be curious to find out.

We must recognize that the world has changed. Those who are consumed by the lost generation debate do not realize that the world and its problems have changed and are new. We have to face up to them.

The Hon. Member asked what we are doing to face up to those new problems. Perhaps he may have found by accident part of the answer for which he was looking. I told the Hon. Member what the most important problem is today and will be for the rest of the mandate, and I do not think I will find any disagreement with that.

Having identified the problem, we are trying to develop a consensus, to get the provinces to join with us in saying that this is the most important problem, and then looking at mechanisms to elaborate on training and education options that will be more viable for the 30 per cent or 40 per cent of young people who drop out. We should encourage young people to stay within the system because their training capability and transferable skills will be of paramount importance to their participation in labour markets in the years to come. The federal Government which already plays a very important role in apprenticeship training programs is willing to play an important and a leadership role in developing systems that will make the education and training systems of Canada more pertinent in the minds of the 30 per cent to 40 per cent of young people who drop out.

Mr. Riis: Mr. Speaker, the Minister makes it particularly difficult to ask hard questions. He is a very decent fellow and he makes a very thoughtful presentation about the problems faced by many young people.

Some Hon. Members: Hear, hear!

Mr. Riis: That is an important first step. We have to know what the problem is and he has now identified the main problem plus a whole set of other problems. The Government has been in place for two and a half years, going on three years. I hope that this consensus-building which could take generations is not simply an excuse for inaction.

The question I want to put to the Minister is not intended to be a tough one. We all recognize that long-term solutions have to be sought and implemented and that that will take time. In the meantime, we cannot turn our backs on young people. There are steps that can be taken. We can amend the Canada Student Loans Program to provide more access to post-secondary education. We can increase the funding for Challenge '87 so that it will provide more than the inadequate amount it provided last year. We can do a whole set of short-term things.

Would the Minister remind us what precise initiatives he has taken since he has been in his position of Minister of State for Youth? Can he name one thing he is proud of having accomplished? Perhaps what is more important, considering what I believe the answer will be, is what is the first concrete piece of evidence we will see of his personal initiative to assist young people?

Mr. Charest: Mr. Speaker, let me tell the Hon. Member of a series of things. If we want to understand the important changes that have taken place in the Ministry for Youth in recent months, we have to go back to 1986 when the Ministry was transferred from the Secretary of State to the Department of Employment and Immigration, acknowledging thus the fact that employment is one of the most important problems facing young Canadians today. This put at the disposal of the Ministry for Youth one of the most important federal government departments with 27,000 people and a great deal of resources. That occurred in the spring of 1986.

Second, there was a designation of a full 25 per cent of the Innovations budget under the Canadian Jobs Strategy for youth-related projects, and we have exceeded that minimum target. The youth council that was requested was granted by the federal Government. The Hon. Member referred to his own Party's task force report on entrepreneurship. A $10 million initiative was provided for that in co-operation with the federal Government, the private sector and the non-profit sector in the form of YMCAs. There are nine centres across Canada, eight of which are exclusively for young people, helping people develop entrepreneurial skills.

Over three years, $10 million will be provided to this very innovative program under which the federal Government allots money on a set price per job basis in each region. Thirty per cent is allotted on the signing up of a young person, another 30 per cent is allotted when the course is terminated, and another 40 per cent is allotted a year after the young person has been in business. That is a very original funding formula of which we are very proud because it is result-driven. This was something that was suggested by a non-profit organization.

Another $2.9 million went to Youth Employment Skills to open four centres in Canada. We announced $180 million for Challenge '87. I know there has been some debate in the House about that because it was $30 million for youth last summer because of the census but there is no census this year.

Approximately 70 per cent of those who benefit from summer student programs under Challenge '87 are post-secondary students. We are happy about that because we know they need the money to go back to school. However, those who suffer the most are those who have dropped out. For that reason, within the Challenge '87 structure, we doubled the budget of the work-orientation workshops component from $4 million to $8 million. That is something of which the Government is very proud. Work-orientation workshops identify potential drop-outs within the school system at the secondary level and offer them training during the summer. We found that 70 per cent of them go back into the school system and that those who choose not to go back at least do so in full knowledge of the consequence of their choice. That is something in which the Government takes a lot of pride.

I know that the Hon. Member's 17-year-old son did not find anything in the *Hot-100*. He mentioned in particular the reference to the Canada Pension Plan. I am surprised that Hon. Members would feel that we are wasting time by informing young people about the Canada Pension Plan. I believe about 100,000 young people benefit from the Canada Pension Plan. By looking through this book, a young person at *le Salon International de la Jeunesse* found information on the Canada Pension Plan and is now receiving benefits.

Perhaps this book is of no use to the Hon. Member's son, but it has been of some use to young Canadian men and women and those who work with them who want to know what programs are available for young people. What does the federal Government have to offer, to where does one write, and to whom does one talk? Those are the questions this booklet attempts to answer, and that is its only pretence.

We have announced a national forum on post-secondary education to be held in Saskatoon, which should answer a great deal of the—

[*Translation*]

Mr. Malépart: What about jobs?

Mr. Charest: —concerns expressed by my . . . As far as jobs are concerned, the unemployment rate—

Mr. Malépart: What is the unemployment rate?

Mr. Charest: For the information of the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart), Mr. Speaker, the unemployment rate among young Canadians has gone down by over 4 per cent since our Government assumed power. That, Mr. Speaker, is our greatest accomplishment.

Mr. Deputy Speaker: Order, please! It being 1 o'clock, I do now leave the chair until 2 p.m.

At 1 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

TAX REFORM

IMPORTANCE OF SMALL BUSINESS IN JOB CREATION—ALLEGED FORGETFULNESS OF GOVERNMENT

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Yesterday, in his statement to the House concerning the tax reform, the Minister of Finance (Mr. Wilson) failed completely to address the issue of small businesses, in spite of the fact that Hon. Members have repeatedly emphasized in the House that small businesses are responsible for over 70 per cent of all jobs created in Canada. Yet, in such an important speech, not once did he refer to them. Not a word, Mr. Speaker.

While carrying out its proposed reform of the corporate income tax system, will the Government make sure that small businesses continue to benefit from the present reduced income tax rate structure?

In its reform of the federal sales tax system, is it planning to exempt small businesses from value added taxes, national multi-stage sales taxes and business transfer taxes?

How could an industry which creates so many jobs in Canada . . . If the Government helped each and every small business to create one job, we would end up with 750,000 more new jobs in Canada. The Minister of Finance just does not understand that this industry plays a vital and significant role in the Canadian economy, and he does not even mention it in making such an important speech. That is unbelievable!

* * *

[*English*]

FORESTRY

IMPORTANCE OF FOREST RESOURCES TO ATLANTIC PROVINCES

Mr. Albert Girard (Restigouche): Mr. Speaker, from the time of the first settlement of this country until today forests have played a key role in the survival and growth of the Atlantic provinces. Forests occupy some two-thirds of our total land area. They provide over 50,000 direct and indirect jobs and account for $1.7 billion in exports throughout the region.

[*Translation*]

Several of our communities depend entirely on our forest resources for their survival.

S. O. 21

Our Government recognized the important role our forest industry plays in this area. Through its Canadian Forestry Service, it contributes $135 million, thereby assuming 60 per cent of the whole forest renewal and improvement costs under federal and provincial agreements. A significant amount is spent improving private woodlots, including those producing Christmas and maple trees.

[*English*]

We are committed to working with provincial Governments, industry, and small private landowners to improve our knowledge of forest dynamics and management through ongoing programs of research.

* * *

AIR TRANSPORT

CANCELLATION OF AIRLINE LICENCE—SUGGESTED APPOINTMENT OF ARBITRATOR

Mr. Les Benjamin (Regina West): Mr. Speaker, the Fred Turner case exemplifies the best and worst in human behaviour. Mr. Turner displays the patience of Job in his two-month vigil here on Parliament Hill. The understanding and charity he shows towards his adversaries who put him out of business disguise an inner strength and sense of purpose which has kept him going from office to office in search of justice. He seeks only to have an independent arbitrator assigned to evaluate his claim and mediate with the Government—simple natural justice and nothing more.

For over a year my colleagues and I have worked on this issue and allowed Mr. Turner to call upon our resources to put his case forward because we believe it is just. I also wish to commend members of the other two Parties who have taken up his cause, including those who were part of the Government at the time this wrong occurred. They have the courage to admit some responsibility.

Specific mention is due to the former Parliamentary Secretary to the Minister of Transport, the Hon. Member for Edmonton—Strathcona (Mr. Kilgour), who had the intestinal fortitude to stand up for Mr. Turner and has offered the resources of his office as well. This is the best in human behaviour. The worst can be seen in the Government that took his business and is now allowing Mr. Turner and his family to suffer.

The Government has released misinformation about the Turner case in the hope of diffusing his arguments and has refused independent examination of the facts so that the true extent of the wrongs will never be known. Cabinet Members have disgraced themselves in the eyes of fair-minded Canadians. Shame on them.

S. O. 21

TAX REFORM

PROPOSED WHITE PAPER—SUPPORT FOR EXPECTED CONTENTS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, many Canadians welcomed the announcement made yesterday by the Minister of Finance (Mr. Wilson) that a White Paper on a comprehensive tax reform package will be tabled in the House on June 18 of this year. The theme will be greater fairness and equity for individual Canadians.

• (1405)

Most Canadians will have more take-home pay after the changes. The personal income tax rates will decrease, there will be three brackets rather than 10, and less total tax dollars will come from individuals. The tax credit option will be more widely used since it is a fairer method. A tax deduction, on the other hand, is of more value the higher the income. Tax credits will be of direct help to senior citizens and lower-income families.

While corporate tax rates are expected to decrease, there will be a significant increase in the tax dollars from the business sector by shutting down certain preferences. Some business groups are not paying their fair share of taxes. A business transfer tax is also likely, we are told, and I urge the Minister to permit very few exceptions in order to minimize the paperwork and the complexity of the system.

Finally, I hope the provincial sales tax systems can be harmonized with the federal system to increase simplicity and fairness.

* * *

[*Translation*]

THE FAMILY

NEED FOR GOVERNMENT TO RECOGNIZE WORK OF ALL MOTHERS AND TO HELP THEM

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I am pleased to remind Hon. Members that across Canada next Sunday, May 10, will be Mothers' Day, a special day dedicated to all mothers, whether they are 20 or 80.

I would like to take this opportunity to ask the Government to move rapidly in helping many Canadian families, recognizing the work of all mothers, whether they work in or outside the home. It would be important that the Government help women who do full-time work at home, by offering them credits or access to a pension fund.

Many other mothers work outside the home, often because of economic necessity. For the latter, it would be important that the Government have quality care services, together with parent holidays and access to part-time, well-paid jobs.

This certainly would help many families worry less, both financially and in terms of their children's welfare.

I want to wish every mother a bright Mothers' Day, on which everyone recognizes their importance in Canadian society.

* * *

[*English*]

PORNOGRAPHY

SUPPORT FOR LEGISLATION TO CURB ABUSES

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I would like to congratulate the Minister of Justice (Mr. Hnatyshyn) for tabling legislation this week which tackles the problem of pornography head on. For too long women and children have been exploited through violence and degrading pornography. This piece of legislation sends a clear message to those who profit through the exploitation of others. At the same time it continues to respect our freedom of expression.

I reject the comments of those who disagree with this Bill. I suggest that they produce a better definition of pornography. We would be glad to consider all suggestions that might improve the Bill.

Pornography touches all of us and I call upon all those who would like to see this blight removed to speak up now and support the Minister of Justice.

* * *

TELECOMMUNICATIONS

USE OF ALBERTA TELEPHONE LINES TO TRANSMIT ALLEGED RACIST MESSAGE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, racism is being offered to the people of Alberta on telephone lines owned by the province. Every Sunday night the so-called Church of Jesus Christ Christian-Aryan Nations offers a new message to tempt listeners into racist views of the world.

The authorities have allowed this abomination to continue without interruption. The Alberta Government has refused to act and wants to maintain silence on the matter. Complaints by the League for Human Rights of B'nai Brith to the Canadian Human Rights Commission and the Commissioner himself have produced no apparent action.

Is the Government of Canada ignorant of this abuse of our telecommunications system? Has the Minister of Justice (Mr. Hnatyshyn) considered action and decided to do nothing? Does the Conservative Party of Canada as well as the Conservative Party of Alberta condone the racism of the Aryan Nations in western Canada? Surely the Prime Minister (Mr. Mulroney) would expect speedy action if he were informed of these activities.

TAX REFORM

CRITICISM OF NEW DEMOCRATIC PARTY'S TAX PROBE REPORT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, cashing in on the general dissatisfaction with an overly complex and burdensome tax system would seem to be a sure way for opposition Parties to score points. This was evidently the idea behind the NDP tax probe exercise, but it has obviously backfired on them.

Let us hear what tax expert and editor of the *Canadian Taxpayer*, Arthur Drache, has to say about the latest NDP tax probe report. He says:

> It is a pity that the numerous technical errors leave significant questions as to whether those who drafted the document have the expertise to formulate tax policy.

• (1410)

He goes on to say: "This document is troubling for the shoddiness of its technical input". In short, Mr. Speaker, shoddy work from an incompetent Party.

* * *

[*Translation*]

SOCIAL SECURITY

TAX REFORM—PROTECTION OF PRESENT BENEFITS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, after the statement made yesterday by the Minister of Finance (Mr. Wilson) on the matter of tax reform, I would urge Canadian families and senior citizens to look out and be prepared to fight. Hon. Members will remember that this Government—and I would like to recall the consultation it made in January 1985 with the Blue Paper, when senior citizens and families were misled by the same Minister of Finance who promised to fully reindex Old Age Security pensions, after he had cut them—promised at that point that family allowance cuts would not be used to reduce the deficit, misleading Canadian families once more.

I am warning the Minister of Finance there will be an all-out war if this Government changed senior citizens' tax exemptions, if that is not completely transferred in respect of senior citizens. And also if the exemption for dependent children, if it is transferred for families with children, there will be an all-out war and the Minister will have to recognize his error once again, as he did on the matter of deindexing Old Age Security pensions.

[*English*]

CRIMINAL CODE

VICTIMS OF VIOLENT CRIMES—CALL FOR EXPANSION OF RESTITUTION PROVISIONS

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, Canada's criminal justice system is ignoring the rights of victims of violent crimes. While perpetrators of brutal attacks are freed after serving brief or part of brief sentences, their victims, who are often left physically and mentally scarred for life, are all but forgotten.

I urge the Minister to act quickly in drafting the appropriate legislation which would amend the Criminal Code by expanding the now meagre restitution provisions therein. I also ask the Minister to consider in his amendment the use of victim impact statements in the sentencing of violent criminals. An amendment of this nature could only serve to ensure that penalties for violent crimes are appropriate for the crimes committed and as precedence for due restitution for victims of violent crimes.

In addition, the Government should take steps to increase the power of the justice system in meeting the immediate needs and concerns of crime victims by increasing and enriching available government services for all victims of crime.

* * *

ENERGY

GREATER USE OF GRAIN URGED FOR PRODUCTION OF ETHANOL

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, a year and five days ago the Standing Committee on Energy, Mines and Resources put forward its report, which was unanimous, to this House. It concerned a market for surplus Canadian grains which would provide an unparalleled economic opportunity for our farmers and reduce dependence on imports and fossil fuels.

This week the Western Canadian Wheat Growers Association is again urging federal and provincial Governments to take a serious look at ethanol production as a means of providing an alternative domestic market for western grains, diversifying the western economy, and developing value-added industries for western agricultural products.

The use of ethanol, an alcohol which can be produced from grain, as a replacement for lead in gasoline, could provide a domestic market for over eight million tonnes of Canadian cereal grain if 10 per cent ethanol were used to provide the octane requirements of Canadian gasoline. A three per cent ethanol and five per cent methanol blend, as currently used in Saskatchewan, Alberta and Manitoba, would consume almost six per cent of Canada's total cereal production.

A window of opportunity is opening up. Allowable lead levels in Canada disgracefully still stand at 10 times the level allowed in the United States.

The Western Canadian Wheat Growers Association has recommended that the federal Government implement a program to provide the economic climate needed to kick-start the Canadian ethanol industry and provide a better environment for Canadians, including an accelerating lead phase-down program which would effectively eliminate lead in gasolines by 1990, and an environmental ban on the heavy metal octane enhancer, MMT, which has been banned in the United States since 1978.

The operations of the Western Accord and the supposed free market in refined petroleum products are being used to suppress a domestic Canadian industry which could serve the objectives of fairness for the farm economy rather than the objectives of the multinational oil industry.

The Government should not fund the MBTE plants. Instead, we must diversify, distribute jobs, and provide a market for Canadian farm production.

* * *

VOLUNTARY WORKERS

TRIBUTE TO FUND RAISERS FOR WOODSTOCK PROJECT TO AID MENTALLY RETARDED

Mr. Bruce Halliday (Oxford): Mr. Speaker, Governments should take note that voluntary community efforts can still raise funds for good causes without the help of tax dollars. Last Sunday afternoon I had the pleasure of opening the new headquarters building for the Woodstock and District Association for the Mentally Retarded. This new building, known as ARC Industries, provides employment facilities for 84 mentally-handicapped people and has a staff of 45. It complements a residence and school which were built some years ago.

• (1415)

The recent project began two years ago. Since then plans have been developed, and funds in the amount of over $750,000 were raised within the community. The single largest donation of $100,000 came from the Rotary Club of Woodstock. The balance was raised with smaller donations from groups and individuals in the area. At the time of the official opening there was only a minuscule $13,000 still owing on the project.

This amazing achievement is testimony to the fact that volunteerism is still alive and that, given a good project and imaginative and dedicated leadership, Canadians will respond to the needs of a community without financial help from Governments.

NATIONAL TOURISM WEEK

IMPORTANCE OF TOURISM INDUSTRY TO ECONOMY

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, "Canada grows with tourism" is the theme of this year's National Tourism Week which will take place May 11 to May 17. I believe the theme is entirely appropriate considering that tourism generates over $22 billion in domestic revenues and provides over 600,000 direct jobs to Canadians. If properly nurtured it could employ over one million Canadians by the year 2000.

[*Translation*]

Mr. Speaker, tourism is one of Canada's major assets. Not only does the industry create hundreds of thousands of jobs, but tourism helps promote harmony and goodwill among the various regions of Canada. It is an asset for national unity.

Tourism also plays a leading role in promoting world peace, an objective which all Canadians have at heart.

I would be remiss if I failed to congratulate the Tourism Industry Association of Canada for supporting National Tourism Week, and I urge all Canadian men and women to participate actively in National Tourism Week.

ORAL QUESTION PERIOD

[*English*]

TAX REFORM

FORTHCOMING WHITE PAPER—PREVIOUS GOVERNMENT MEASURES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. After two and a half years middle and low-income Canadians know that they have been the target of more than $22 billion worth of Conservative Government tax grabs. They are paying more sales tax, more excise tax and more income tax.

Yesterday the Minister announced that he would table his tax reform proposals in a White Paper in June. Can the Minister assure the House today that his reform will undo all, not just some, of his own huge tax grabs?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, one of the reasons personal income taxes are up is because we have 750,000 more people working and paying taxes, which contributes to personal tax revenues.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): We have made a number of adjustments to the tax system. A number of those changes have resulted in greater fairness in the tax system. We have a

minimum tax. We have removed a number of the tax gimmicks that have been used, such as the Scientific Research Tax Credit, carve-outs, and the rules on limited partnerships, all of which have made personal income tax fair play. So, yes, we will address some further problems in tax reform. My friend will be very much aware of these on June 18.

Miss Nicholson (Trinity): Canadians are paying more taxes because the Minister increased the rates. I do not know how he can call a 33 per cent hike in sales tax fair.

POSSIBLE INTRODUCTION OF CONSUMPTION TAX

Miss Aideen Nicholson (Trinity): Mr. Speaker, yesterday the Minister said that he may introduce a new consumption tax which he now calls a national multi-stage sales tax. The Minister knows that when New Zealand brought in its consumption tax the cost of living went up immediately by some 5 per cent. How much does the Minister expect the cost of living for Canadians to increase as a result of his new tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is jumping ahead of herself. We will have a White Paper on June 18. This type of question will be addressed very clearly in the White Paper.

• (1420)

FEDERAL-PROVINCIAL SALES TAX INQUIRY

Miss Aideen Nicholson (Trinity): Mr. Speaker, last summer the Minister backed away from the idea of a value added tax in favour of a business transfer tax. We understand that in response to pressure from his cabinet colleagues, yesterday he backed away from the business transfer tax in favour of a national multi-stage sales tax, and said that some of the provinces were interested in it. Which provinces are interested in replacing provincial and federal sales taxes with a regressive new tax on every conceivable consumer item and service?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again, I think the Hon. Member is jumping ahead of herself. We will be publishing a White Paper which will have a core proposal on a comprehensive multi-stage sales tax, as I indicated yesterday. At the last meeting of federal and provincial Ministers of Finance, a number of the provinces encouraged me to keep the option open of having either a federal and provincial tax of that nature, plus two federal only options of a business transfer tax or federal value added tax. These options are available to us, but they all centre around that core proposal of a comprehensive multi-stage tax.

LEVEL OF TAXATION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, my question is directed to the Minister of Finance. A couple of months ago, in response to a charge that he was the taxingest finance minister in Canadian history, he said:

> What we have been doing here, John—

That is, John Ferguson of Southam News:

> —is to bring the level of taxation back to where it had been in the middle 70s. Previous Ministers of Finance had let go of the tax reins and the level of taxation as a per cent of income had gone down and down—

In bringing the level of taxation up and up, is it necessary to increase the worries of ordinary Canadians that perhaps even their food will be taxed? Will the Government tax even our daily bread? Canadians will never forgive the Government for that trespass.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have made it very clear that tax reform is not designed to increase the amount of revenues that the Government of Canada would take as a per cent of the national income of the country. That still stands.

Mr. Baker: It is obvious that the Minister is unwilling to say whether there will be a general tax on food.

TAX ON SNACK FOODS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, we know that beginning on July 1, the Minister will bring in a tax on snack food. He will put a new tax on popcorn, nuts, ice-cream bars, granola bars, pretzels, cheezies, potato chips, and even popsicles.

Some Hon. Members: Oh, oh!

Mr. Baker: Does the Minister of Finance not realize that Canadian children only have so much money for an allowance, only so much for recess time, and can only take in so many empty pop bottles to get a bit of change in their pockets? Will he cancel this sneaky summer snack attack?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I can see that the Hon. Member will take off weight this summer.

I ask the Hon. Member to cast his attention back to my statement yesterday. I said that the result of tax reform will be that an overwhelming majority of Canadians will discover that they have more money in their pockets. They will be paying less tax. That is the objective of tax reform and the objective that I have set out very clearly. I think the Hon. Member will find that he will be very pleased with the results of tax reform come June 18.

SALES TAX OPTIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Finance. He has committed himself to let Canadians know on June 18 his plans for tax reform. However, he now seems to be trying to fudge that by saying he will put forth three or four options, the value added tax, the business transfer tax, and a new national sales tax imposed in co-operation with the provinces if they agree.

• (1425)

Will the Minister assure the House that the Government will state which of the sales tax options it favours when it issues its June 18 paper? Will he also assure the House that necessities like food will continue to be exempt?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again the Hon. Member is pre-empting the whole process. We will have a White Paper. In the White Paper there will be a core proposal on how we will move to a comprehensive multi-stage sales tax.

There are three means by which we can operate that tax, three ways by which we can facilitate it, three mechanisms that we can use. I have said that those are open for consultation.

The provinces have indicated that they are interested in discussing one. We will be consulting with the private sector on the other two, as well as on the national sales tax.

There are options open to us on how we proceed, and that is what will flow from the White Paper in June.

[*Translation*]

INQUIRY WHETHER FOOD PRODUCTS WILL BE TAXED

Mr. Mike Cassidy (Ottawa Centre): A supplementary question, Mr. Speaker. After four of five answers the Minister has yet to indicate clearly whether food products will be taxed, even though a tax on food will cost the average Canadian family $300 in additional taxes on a basic life necessity. Can the Minister assure us and the House that such a basic necessity as food will not be taxable? Does the Minister quite simply intend to reduce income taxes while at the same time extending the sales tax to something as basic as food and daily bread?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have told the Hon. Member and the other questioner that we are not going to pre-empt the process.

There are options, which I have set out, on the mechanisms we are going to use to implement that tax, some of which have the flexibility for exemptions. I think we must let the process run its course.

When the Hon. Member talks about the regressive nature of sales tax, I ask him to consider whether the current approach to sales tax without a refundable sales tax credit is the right way, or whether one with a refundable sales credit, which helps those with lower incomes finance the cost of sale tax, is a more progressive way of doing things. I think that is something we will be exploring again during the process of consultation.

Mr. Cassidy: Mr. Speaker, I always understood that a White Paper was a statement of policy and that if the Government wanted to put forward options, which it has had the chance to do over the last two and a half years, it could come up with a Green Paper or possibly a Yellow Paper if it were scared of the reaction of Canadians to a tax on food.

PERSONAL AND CORPORATE TAXES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Minister now intending to implement the proposals for personal and corporate taxes for 1988? Is it his real intention to hide behind these options and save the bad news on sales tax until after the 1989 campaign?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is a White Paper. I have made it clear yesterday, and I have said it again three times. I will say it once again for the Hon. Member—there will be one proposal on a comprehensive multi-stage sales tax. There are three mechanisms which we can use to implement that proposal. That is what we will be discussing with the interested parties following the release of the paper.

As far as the time is concerned, I think the Hon. Member will have to wait. The whole process of timing, consultation, legislation, and implementation will be set out at the time of the White Paper.

* * *

[*Translation*]

TAX REFORM

REQUEST THAT GOVERNMENT GIVE COMMITMENT TO RETAIN REDUCED TAX RATES FOR SMALL BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday he completely forgot about small business. In his remarks on the tax reform he did not say a word about it. Some 70 per cent of new jobs in Canada are created by small and medium-sized businesses, and if each such company is encouraged to create one more job, unemployment in this country will be drastically reduced. With respect to his tax system proposition as it applies to corporations, is the Minister committed to retain reduced tax rates for small businesses to encourage them to expand and create yet more jobs?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Government has never forgotten small business, unlike the Party of which he is a Member. We have never forgotten small business. In every Budget I have introduced in the House there has been something which has helped small business create jobs.

• (1430)

Perhaps the Hon. Member would care to reflect on the 750,000 jobs that have been created, an outstanding job-creation record. One of the reasons for that is that the

Government has supported the small business community, and that support will continue.

MINISTER'S POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, small businessmen are fed up with rhetoric from the Minister of Finance. They want action. Whether there will be a business transfer tax, a value added tax or a national multi-stage sales tax, small businesses will pay more. Will the Minister announce today that under the new tax reform, small businesses will be exempted from federal sales taxes so they can create new jobs? Stop kidding and tell people how it is.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would be happy to invite the Hon. Member to meetings I have had with members of the small business community—

Mr. Gagliano: I had them too.

Mr. Wilson (Etobicoke Centre): He says he did. Once in a while he does. If he would care to join me, he will see that what I am saying is not rhetoric.

My colleague just reminded me that John Bulloch, the President of the Canadian Federation of Independent Business, has referred either to my last Budget or the one before that as being a block-buster Budget, a Budget that would help the small business community create more jobs. That is what the Government stands for.

EFFECT OF TAX REFORM

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also directed to the Minister of Finance. The Minister of Finance knows only too well that since he has been Minister of Finance we have seen personal income tax rates increase. According to the comment he made yesterday, they will now decrease.

My question is very straightforward. Is the Minister of Finance prepared to say that after his tax reform package has been introduced, Canadians who pay personal taxes, federal taxes and excise taxes will actually be paying less federal tax, or will they be paying more?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not quite sure I understand what the Hon. Member means when he says less federal tax. Could he explain that to me? He has made a very general statement.

TAX PAID BY AVERAGE CANADIAN

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I hope that this is not a supplementary question but I suspect that it is. After the tax reform the Minister has in mind, if an average Canadian were to add up the federal tax, the personal tax, the federal excise tax and the federal sales tax he or she pays, will the amount of money he or she will be paying be more or less than today?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if I got everything the Hon. Member said, after tax reform the average Canadian—I think I will expand on what he said—a good majority of Canadians will be paying less tax.

* * *

AGRICULTURE

PRIME MINISTER'S TOUR OF PRAIRIE PROVINCES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Deputy Prime Minister. Last night the Conservative Party filled only half the hall in Lethbridge, Alberta, and gave the Prime Minister a very cool reception. Since Tories are not willing to come out to meet the Prime Minister and are giving him a cool reception, will the Deputy Prime Minister change the tour so that ordinary farmers and representatives of farm organizations will have an opportunity to meet with the Prime Minister to tell him of their concerns? Not only will they fill the hall but they will give him a warmer reception.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, given the record of the Hon. Member, one would think he would rely upon better research than the news media for the background of his question. I just spoke to the Hon. Member for Lethbridge—Foothills who advised me that there were over 600 people at the function. It was an incredibly warm audience. There were eight or nine standing ovations. It was very typical of a southern Alberta warm welcome and the Prime Minister was very warmly received.

Mr. Foster: Mr. Speaker, it was probably the outdoor temperature, not the warmth of the group.

REQUEST THAT PRIME MINISTER MEET FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, we are told that the only farm meeting the Prime Minister is having during the entire four-day tour is with the President of the local PC Association and 15 hand-picked farmers in Saskatoon. Can the Deputy Prime Minister say why the President of the Saskatchewan Wheat Pool and representatives of other farm organizations like the NFU were not invited to this meeting? On a tour of this length, why is the Prime Minister not meeting with general farm organizations and with farmers, thousands of whom are wondering what his policy will be?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, this Prime Minister has met more often and more frequently with farm leaders then any other Prime Minister in the history of Canada. Day after day, this Hon. Member rises to pose questions and I really do not know where he gets his information.

The Hon. Member should know that the Prime Minister will be meeting again with farm leaders either in the last week of

May or in the first week of June before he leaves to take the message to the summit meeting on behalf of Canadian agriculture.

This time the Prime Minister wants to do something I like to do, and I am sure all Members in the House like to do and that is not only to meet with farm leaders on a regular and frequent basis but to have the opportunity once in a while to talk to farmers who cannot come to Ottawa on a regular basis. That is exactly what he is doing.

DEFICIENCY PAYMENTS—FARM CREDIT CORPORATION FORECLOSURES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Deputy Prime Minister. As the Deputy Prime Minister knows, the Prime Minister took his travelling road show to Lethbridge last night and was met with less than enthusiasm by staunch Conservative supporters.

Why did the Prime Minister not make two announcements last night, announcements western farmers want to hear now? Why did he not announce that there would be a sufficient deficiency payment for the 1987-88 crop year and why did he not announce the reversal of the lifting of the moratorium on FCC loans? Why did he not do that rather than give western Canadians another Trudeau-style lecture about Canada?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it is very obvious why the Prime Minister did not make those announcements when he was in western Canada. The Prime Minister is simply keeping the commitment my colleague, the Minister responsible for the Canadian Wheat Board, and I made when we met with farm leaders on March 5. A very strong warning was sent out at that time that indeed we do not need to send out messages that would encourage farmers to do certain things other than to plan their 1987 cropping patterns based on market signals. That was the message that was sent, and I have said that over and over again. If the Hon. Member does not have a copy of that press release, I would be happy to have the one in front of me copied and sent across to him for his information.

WESTERN DIVERSIFICATION PLAN

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, since the Minister is obviously ignoring the wheat pools' recent call for a commitment on a deficiency payment now, perhaps the Deputy Prime Minister can tell the House why, when the Prime Minister made one of his very rare appearances in western Canada, he did not announce the Government's long-awaited western diversification plan? Why is the Government taking so long to announce its plans? Why is it so slow?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, very simply, if we had announced a plan without consulting with westerners, farmers, the energy sector and other groups as the Prime Minister is now doing, the Hon. Member would have condemned our action. This Government consults. It works with the provinces and the industries.

Mr. Nystrom: With the wheat pools?

Mr. Mazankowski: It works with the wheat pools, and I must take exception, as I am sure the wheat pools will, to the cheap political opportunism in which the Hon. Member is engaged. The members of the pools indicated that, if it was convenient, they would be prepared to meet with the Prime Minister but that they have met with him on various occasions and will be meeting with him again. I wish the Hon. Member would stop using the wheat pools as a cheap political trick. It does him no good and it does the wheat pools no good.

* * *

REGIONAL INDUSTRIAL EXPANSION

FORD'S PURCHASE OF VERSATILE FARM IMPLEMENT COMPANY—PROTECTION OF WORKERS' JOBS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I had a question for the Minister of Regional Industrial Expansion, but in his absence I will direct it to the Deputy Prime Minister. The Deputy Prime Minister will recall that in February the Government announced a $45 million loan to Ford in order to help it purchase the Versatile Farm Implement Company in Winnipeg, based upon the condition that Ford would seek to preserve and guarantee the jobs of the workers.

• (1440)

Can the Minister explain why, as of May 2 when the deal was to be finalized, many of the management and clerical staff of Versatile had yet to be given any form of job guarantee? Ford refuses to provide any kind of assurance to those workers. Does the Government intend, as a condition of its loan, to require Ford to live up to the commitments it made at that time?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there were some specific commitments and undertakings that Ford Motor Co. agreed to. I am not aware of any failure on their part but I will certainly undertake to make inquiries and get back to the Hon. Member as soon as I can.

PLANNED CLOSURE OF VERSATILE DEALERSHIPS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, can the Minister say whether the Minister responsible or the Cabinet has authorized Ford's proposed plan to close down a minimum of 65 Versatile dealerships in western Canada even though that again runs contrary to the commitments made at the time of the loan to preserve the dealer

network? As the Minister knows, that network is extraordinarily important and valuable to the farmers of western Canada. Can we get the assurance that the Government will hold Ford to its commitment to maintain those dealerships?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): I am not aware of the allegations that the Hon. Member has made. However, clearly one of the conditions taken into account during consideration of this transaction was that there should remain a strong dealer organization. I think there was a fairly clear understanding on that part, but again I will make inquiries and get back to the Hon. Member.

* * *

EMERGENCY MEASURES

POTENTIAL FOR CIVIL RIGHTS VIOLATIONS

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, my question is directed to the Minister of National Defence. One item of the Government's mandate was to deal with the Emergency Planning Order which the previous Government left with us and which had a potential for serious civil rights violations. I would like the assurance of the Minister that that item will be taken care of so that the Canadian people do not have to fear any kind of civil rights violations in the future.

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, I have also had long-standing concerns about the Emergency Planning Order issued under the authority of the Royal Prerogative. I do not want to scoop the White Paper but I think my hon. friend will be receiving good news on that very shortly.

* * *

VETERANS AFFAIRS

DENIAL OF COMPENSATION TO CERTAIN PRISONERS OF WAR

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. It concerns those Canadians, mainly from Newfoundland, who were held in a concentration camp in Algeria during World War II. Those veterans are being denied benefits as prisoners of war due to a technicality, as the Minister knows. The Minister has a reputation for giving veterans the benefit of the doubt if there is any dispute between them and the Department.

Some Hon. Members: Hear, hear!

Mr. Young: Given that reputation, and since there is absolutely no doubt at all that those Canadians were indeed prisoners of war, will the Minister assure the House and those veterans that they will have their claims approved by his Department?

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, I would like to compliment the Hon. Member for Beaches for, as usual, putting his question very simply and accurately. The present legislation does not permit us to pay prisoner of war compensation to veterans interned in a neutral country. However, I am very sympathetic to the idea of doing everything possible to deal with deserving cases. With that in mind my officials have been working on a solution to this problem which will be brought forward just as soon as possible.

Some Hon. Members: Hear, hear!

REQUEST FOR AMENDMENT OF LEGISLATION

Mr. Neil Young (Beaches): Mr. Speaker, just before Question Period I spoke to Mr. Jim Templeton, one of those prisoners, and he tells me they have been waiting since 1976 for the amendments to be brought before the House. I ask the Minister to bring them in not "as soon as possible" but within the next couple of weeks. I can assure him that if he does he will have the full support of this Party in seeing that they are passed speedily by this House.

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, the Hon. Member is well aware of what the Department of Veterans Affairs has been able to do to speed up the pension process greatly. I agree with him that this matter has been hanging fire far too long. I must also tell him it is one of those matters that was not brought to my attention earlier. Now that it has been I can assure him that I abhor delay just as much as he does and this matter will be brought forward and dealt with just as soon as it is possible to do so. I cannot do it any quicker than that.

TERMS OF ACT PASSED IN 1976

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is also directed to the Minister of Veterans Affairs. He can take another bow or two and the House will not mind. We are pleased with the tone of his answers today. It is much better than yesterday's answers by the individual sitting in for him.

The 1976 Compensation for Former Prisoners of War Act says that compensation can be paid to those Canadian servicemen who were held by a power engaged in activities against the Allies. Would the Minister not agree that Vichy France, which held those 22 Canadians at Laghouat, Algeria, was a power engaged in activities against the allied forces? Therefore, even under the terminology of the 1976 Act, these 22 Canadians ought to qualify for a pension under the Act.

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, the country concerned has always been considered by this Government as a neutral country during World War II. For that reason it is impossible, I am advised, to pay this compensation. However, as I said to the Hon. Member for

Beaches, now that the matter has come to my attention I am very sympathetic.

I cannot say why this matter was not looked after by the previous Government, why it went on as long as it did. I am sorry it did. I quite sympathize with the veterans concerned. I can assure them that this matter will be cleaned up just as soon as I can have it cleaned up.

INTERPRETATION OF ACT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the House should note that General Charles de Gaulle did not consider Vichy France to be a neutral power. It did not stop him from arresting and prosecuting the President of Vichy France and putting to death many of the collaborators in that administration.

I want to join with my friend in the NDP in saying that this Party is prepared to see immediate passage of whatever amendments are required to ensure that these 22 Canadian servicemen, including seven from my province, are compensated. I believe the Government would be correct in interpreting the Act as presently written as saying those servicemen were held by a power engaged in activities against the Allies. I ask him to move as expeditiously as possible.

Hon. George Hees (Minister of Veterans Affairs): All I can say once again is that the particular Government concerned was always considered by the Canadian Government to be a power not engaged in warfare with the Canadian Government. That is that. Having said that, I can assure him that I will do everything possible to see what I consider to have been a wrong done to these veterans over a long period of time is righted as quickly as possible.

* * *

• (1450)

LITERACY

FUNCTIONALLY ILLITERATE ADULTS—NEED FOR FEDERAL-PROVINCIAL PROGRAM

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the absence of the Secretary of State I would like to direct my question to the Deputy Prime Minister. A discussion document which the Secretary of State has tells him and Canadians that there are many more functionally illiterate adults in Canada than the estimate we had of 5 million.

The paper says:

> —competitiveness of the Canadian economy in the world market is threatened when a large body of workers do not meet minimal requirements of literacy.

Is it not time that the federal Government got together with the provinces with a real program to attack this very serious situation which will have such adverse effects on all Canadians?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, speaking on behalf of the Secretary of State, I would like to point out that the question put by the Hon. Member for Winnipeg North is a relevant one, and that the Secretary of State is working very hard on this matter. In fact, tomorrow a meeting will be held in Toronto with agencies that are directly concerned with these issues, to try and identify various avenues that could be explored to find a solution to this very serious problem.

[*English*]

REQUEST THAT GOVERNMENT SET DEADLINE FOR ENDING ILLITERACY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister knows that there are small programs in his Department and in those of the Solicitor General and the Secretary of State. He knows that those are only small programs and that the provincial programs are very small as well.

Is it not time that Canada does what some of the underdeveloped countries have done, that is, to set a target of solving the problem in 10 years? That will require a major joint effort by the federal and provincial Governments and funds to do the job. Is it not time to stop talking and start doing something?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I am merely repeating what I said earlier. Obviously, all Canadians are aware of the urgency of the matter you are raising and realize that co-operation is essential, not only with the provinces but with all parties concerned. That is the purpose of tomorrow's meeting, and it is a matter the Secretary of State, in co-operation with the Minister of State for Youth, is giving very serious attention, and we expect to be able to provide some answers in the near future.

* * *

[*English*]

REFUGEES

FIRST STEP IN DETERMINATION PROCEDURE—MINISTER'S POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Immigration and is with regard to the new refugee legislation which Rabbi Gunther Plaut, author of a government commissioned study on refugees, described as paramount to "building a Berlin Wall around Canada".

In answer to my question in the House yesterday the Minister said: "the first step is not a pre-screening. It is a first step to a claimant's right to demonstrate whether he has a personal fear of persecution".

Will the Minister now come clean and acknowledge that this answer was completely false, that a claimant from a safe third country has no right to present his claim, has no opportunity to prove and be judged on his personal fear of persecution, and will be refused entry to the refugee board and sent packing? Will he, for once, give Canadians the straight goods?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I do not think the Member has read the Bill. In fact, he may not have even bought the newspaper which had a graph which clearly illustrated the steps. I would be happy to send it to him.

It is clear that in the first step the claimant is met by the adjudicator and a member of the independent Refugee Determination Board. They have two tests, the first of which is objective criteria. Does he have refugee status established elsewhere? Is he returnable to a safe third country?

Notwithstanding that, they listen thoughtfully because there is another low threshold discretion which allows them, if they believe there is even a slim chance that the life, limb or liberty of that person is at risk, to refer him to step two within 10 days to begin a hearing before the independent Refugee Determination Board.

Mr. Marchi: Mr. Speaker, the Minister should stop right now manipulating and misleading public opinion. He knows that he cannot have it both ways.

Some Hon. Members: Oh, oh!

EFFECT OF NEW LEGISLATION ON OTHER COUNTRIES

Mr. Sergio Marchi (York West): Mr. Speaker, how does the Minister respond to the growing legitimate concerns and criticisms that since Canada is one of the first countries in the world to legislate a safe third country concept it will trigger other nations to do likewise, thereby jeopardizing an international solution to an international problem? What will he tell Canadians when the world's 15 million refugees, facing closed doors and no options, not only seek the back doors of countries but, in the process of their human desperation, tear the doors off the hinges?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I hear Canadians saying that we are finally cleaning up the mess which was left to us.

Some Hon. Members: Hear, hear!

Mr. Weiner: Genuine refugees will benefit. We will curb the abusers. The frauds are out.

The Member talks of safe countries. The Cabinet will put forward a list at the appropriate time. We will have stringent criteria.

Mr. Marchi: That's nonsense and you know it.

Mr. Weiner: We understand that it is a matter of life and death. We will seek the widest consultation and advice possible from all groups to ensure that we are informed of the human rights records of the country, its record of protecting all refugees and nationals of that kind.

I can assure the Hon. Member that we will be very careful with every individual and will have an agreement in place before we do anything.

* * *

DISASTERS

SINKING OF FISHING VESSEL *SCOTIA CAPE*—REQUEST FOR JUDICIAL INQUIRY

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Will the Government launch a judicial inquiry into the sinking of the fishing vessel *Scotia Cape* and the tragic loss of seven lives last January?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the *Scotia Cape* left the Port of Steveston, B.C., on January 28 and did not make radio contact as expected on February 5. As a result of that, the Minister of Transport has initiated a preliminary investigation as is his normal practice. That report has now been received by the Minister of Transport. It will be released and subsequent action will be taken when the Minister has had a chance to consider it carefully.

EFFECT OF FISHING QUOTAS ON VESSEL SAFETY

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, will the Minister have his department launch an inquiry into how the quota system imposed by DFO and the openings and closings of fishing seasons possibly contributed to the loss of 14 lives on the coast of British Columbia last year and the loss of seven lives this year?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, at my request last autumn my department established a fishing vessels safety working group which is looking into the relationship between fishing practices and carrying practices, with regard to both gear and catch, in terms of any influence those practices might have on vessel safety.

I must point out that in the case of the disappearance of the *Scotia Cape* there was evidence of very extreme weather conditions in the area. Absolutely no evidence has been found to give us any indication of what might have led to that disappearance.

Oral Questions

PORNOGRAPHY

REQUEST THAT BILL BE DIVIDED

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Government House Leader. The Government has seen the negative reaction to Bill C-54, the pornography Bill, not only from the Opposition but from all groups in the country which are deeply concerned about the serious issue of pornography. It is obvious that it will take a long time for the Bill to go through the House of Commons and the Senate.

Therefore, would the Government be prepared to divide the Bill so that we can move forward quickly with the tougher measures on which there is agreement; child pornography, violent pornography, and degradation pornography, and put aside for more consideration the portions of the Bill which are so controversial and unacceptable?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am somewhat surprised at the Hon. Member's assertion that this Bill is not a popular piece of legislation. I believe this is the first question about it which has been raised by the Opposition since it was tabled.

In response to his question about dividing the Bill, he may want to discuss that with the Minister, if he has not already done so. I think that would be more appropriate than engaging in negotiations with respect to House business on the floor during Question Period.

[*Translation*]

INQUIRY WHETHER GOVERNMENT PREPARED TO RECONSIDER BILL'S DEFINITION OF PORNOGRAPHY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my supplementary is directed to the same Minister. Would the Government be prepared to reconsider its definition in the Bill of the term "pornography", which really identifies all sexuality as being pornography?

• (1500)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): If the Hon. Member has some definite opinions about the contents of the Bill, he will certainly have an adequate opportunity to express those during the course of the debate or during the hearings. In the meantime, if the Hon. Member has any suggestions, positive or otherwise, he may want to consider discussing them with the Hon. Minister of Justice.

Mr. Speaker: I should advise Hon. Members that there will be a question and a supplementary from the Hon. Member for Nickel Belt followed by a single question from the Hon. Member for Don Valley East, and that will conclude Question Period.

REGIONAL DEVELOPMENT

NORTHERN ONTARIO ECONOMIC RECOVERY PROGRAM

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Deputy Prime Minister. Last November in 1986 the Deputy Prime Minister outlined the bare bones of a seven point economic recovery program for northern Ontario. On March 31, 1987, the Deputy Prime Minister said that the development of this policy "was in its final stages", and it would be announced "very soon".

Six months after announcing a seven point program, we still have no action. There are over 800,000 people in northern Ontario. One out of every six is unemployed. I want to know when are we going to see a real effort to strengthen and diversify the economy of this long neglected region of the country.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is quite right. It has been a long neglected region of the country and this Government is intending to react in a very positive way. That process is ongoing and my answer is the same, it will be very soon.

Mr. Rodriguez: Mr. Speaker, the people of northern Ontario are not prepared to think in terms of eons and eons for some action. God knows, we waited long enough for action from the Liberal Government, the predecessor to this Government, and we are not prepared to wait that long again.

Some Hon. Members: Right on, John!

STUDY ON SINGLE-INDUSTRY TOWNS

Mr. John R. Rodriguez (Nickel Belt): There are over 100 single-industry towns scattered across northern Ontario. The advisory council to the Department of Employment and Immigration has recently done a study on single-industry towns. It has made some very valuable recommendations with respect to single-industry towns and how to diversify them. Has the Deputy Prime Minister seen this report? And has he integrated the report into the proposed economic packet for northern Ontario for which he says we are going to have to wait until "soon" to get a response?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I genuinely appreciate the enthusiasm of the Hon. Member and I hope that when the package is unveiled he will be just as enthusiastic in his support.

Mr. Rodriguez: When?

Mr. Mazankowski: Yes, all of these matters are being considered. This issue is under the aegis of the Department of Regional Industrial Expansion, with a great deal of input from the Hon. Solicitor General, who knows and understands the area very well, I might add.

TAX REFORM

PROPOSED COMMITTEE HEARINGS ON WHITE PAPER

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Chairman of the Standing Committee on Finance and Economic Affairs. Some members of the Opposition who have been asking questions today about tax reform are members of that committee. I think they are trying to instill fear and anxiety in the minds of Canadians.

Some Hon. Members: Order!

Mr. Attewell: I understand that the committee will be holding meetings across Canada after June 18 to hear the views of Canadians on the White Paper and ensure that the Minister's objectives of fairness, equity and simplicity are met. Could the Chairman confirm that this process is going to take place?

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have instructed the clerk of the Standing Committee on Finance and Economic Affairs to call an *in camera* meeting to go over the process of having public hearings on tax reform after June 18 and through the late summer and fall. There is a great deal of work which has to be organized and co-ordinated for those hearings to be effective and I will be reporting on that matter to Members as we go along.

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) could perhaps advise the Speaker if there is going to be the usual Thursday question.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to ask the question which it is customary for the Opposition to ask on Thursday with respect to the program for the days and weeks to come. I hope the Government has something put together so that we can be busier.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased to advise the House that Friday will be an allotted day. On Monday the House will debate the motion of the Prime Minister (Mr. Mulroney) respecting the Constitutional Accord. Tuesday will be an allotted day. On Wednesday, May 13, we will do the report stage of Bill C-37, the softwood lumber Bill and, if possible, we would like to complete third reading on the same day.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, further to the Parliamentary Secretary's statement, I would like to ask him when Bill C-50 will be tabled in the House of Commons for second reading. Will it be next week?

[*English*]

Mr. Lewis: At the present time, Mr. Speaker, I am not able to answer that question. I am sure that if my colleague wished to discuss it with his House Leader and give us some indication of whether they will need more than one speaker and how much time we would need, we can put that into the hopper in consideration with the other Bills.

* * *

PRIVILEGE

ALLEGED INACCURACY IN MINISTER'S ANSWER

Mr. David Berger (Laurier): Mr. Speaker, my question of privilege, for which I gave you notice, relates to inaccurate or improper information which impairs the ability of the House to come to a judgment about matters put before it.

In answering a question in the House yesterday about the Government's proposed refugee determination system, at page 5796 of *Hansard*, the Minister of State for Immigration (Mr. Weiner) intentionally or unintentionally misled the House when he said: "the first step is not a pre-screening. It is a first step to a claimant's right to demonstrate whether he has a personal fear of persecution".

The Minister said that the claimant had the right to demonstrate whether he has a personal fear of persecution, that the first step is not a bar to his right.

I would ask you to note, Mr. Speaker, the use of the word "right", which in common parlance and in law means a power that a person possesses by law that he can assert. I would ask you, Sir, to note also the use of the words "personal fear", which indicate subjective criteria. It indicates that the claimant's personal feelings will prevail or be considered.

I would suggest to you, Mr. Speaker, that anyone reading this reply would assume that the claimant in all instances can present his case and have it judged on the merits. This is just not so. It is clear from the legislation that many claimants will be barred from presenting their personal cases if they fall into a certain category of claimants, namely, if they came to Canada from a safe third country. This will be an absolute bar to their claim. No discretion will be given to the adjudicator and the refugee board member who presides at the initial hearing. There will be no opportunity to present a case, and the Minister, I would suggest, is wrong to say that the claimant has a right to demonstrate a personal fear—

Mr. Lewis: Point of order.

Mr. Berger: —or that there is an additional safeguard where a shred of evidence exists.

Mr. Lewis: Point of order.

Mr. Speaker: The Hon. Parliamentary Secretary on a point of order.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I listened for quite a length of time to a claim by the Hon. Member that someone has intentionally or unintentionally misled the House. I am not sure whether it is a point of order or question of privilege, but I do know one thing. It is definitely debate. If we are going to have a point of order, please get to the point. This is like saying that if we rule out innuendo in questions, that would be one thing, but we are getting more innuendo in points of order.

Mr. Guilbault (Saint-Jacques): That's baloney. Just sit down.

• (1510)

Mr. Lewis: It is definitely debate. If we are going to have a point, then please get to it. If we are to rule out innuendo in questions, then it would be one thing. We are now getting more innuendo on points of order. This is obviously debate arising out of Question Period, which always take place in this House. I respectfully request that the Hon. Member come to his point and let us get rid of the debate.

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, for the benefit of the Hon. Member who raises the question of privilege, may I read Clause 48.1 of Bill C-55 to him since he probably has not read it. It would qualify the question of privilege—

Mr. Speaker: The Parliamentary Secretary having listened, as I have been doing, to the comments is suggesting that this is more in the line of debate as to what the law is or is not, or what the Minister may or may not have said. I have seen the notice which comes in the form of a question of privilege. The Hon. Member suggests in his notice that something false has been put forward by the Minister in a statement that the Minister made in Question Period yesterday. It may or may not have been so, and it may or may not have been intentional. However, I would ask the Hon. Member to conclude his remarks as soon as he properly can, keeping in mind that the question that the Chair has to decide is whether something was put forth, intentionally, in an incorrect way, or whether there is merely an ambiguity or a disagreement between Members as to what the particular proposal might or might not mean. I would ask the Hon. Member for Laurier (Mr. Berger) to keep that in mind and to complete his remarks.

I will hear the Minister as soon as the Hon. Member for Laurier has concluded his remarks. I will invite the Hon. Minister at that time to make any statement that may clarify the situation or may meet any of the comments made by the Hon. Member.

Mr. Berger: Mr. Speaker, thank you. I will conclude briefly. I was saying at the time that I was prevented from continuing my remarks that there will be no opportunity to present a case in the event that a claimant comes from a safe third country. The Minister has been either intentionally or unintentionally inaccurate in saying that the claimant has a right to demonstrate a personal fear, or that there is an additional safeguard where a shred of evidence exists. I respectfully suggest, Mr. Speaker, that there will be no right and that no evidence will be relevant if the person comes from a safe third country.

In addition, the Minister has compounded his misleading statements by improperly changing *Hansard* by materially altering part of the answer that he gave in his answer to my colleague from York West yesterday. I have checked the "blues" and in the House yesterday the Minister clearly said: "... the first step is not a pre-screening". I have also viewed the video that is available to Members of the House of Commons. The Minister very clearly uses the word "not" in his remarks. However, if Your Honour will look at *Hansard* for yesterday you will find at page 5796 the word "not" has been deleted from *Hansard*.

I would suggest that what the Minister has clearly set out to do is to confuse the House to prevent it from coming to a reasoned judgment. This is a clear contempt of the House and its procedures. If you find, Mr. Speaker, that I have a prima facie question of privilege, then I am prepared to move the appropriate motion.

Mr. Speaker: The Hon. Member for Laurier (Mr. Berger) is getting very close to making a charge, for which there is, of course, an appropriate way of proceeding. It is not under the present procedure. However, the Chair is certainly prepared to consider this matter on the basis that there is, for whatever reason, something misleading in the response that the Minister made yesterday.

The second question related to it is the suggestion that *Hansard* has been altered in such a way that that is adding to the confusion. I think we will just leave it at that.

Mr. Weiner: Mr. Speaker, I have no knowledge of what the Hon. Member is referring to in *Hansard*. My response today is the same as yesterday. Step one is not a pre-screening process. I had nothing to do with the word "not" being in or out. I repeat today: It is not a screening process. It is step one.

Mr. Speaker: I think I can help all Hon. Members. The Minister's comment is accepted by the Chair, which disposes of part of the discussion. Perhaps the Minister could address the other part of the problem.

Mr. Weiner: Mr. Speaker, I based my answer on Clause 48.1 of the proposed Bill C-55. It states:

> 48.1 (1) A person who claims to be a Convention refugee is not eligible to have the claim determined by the Refugee Division if
>
> (a) the claimant has been recognized by any country, other than Canada, as a Convention refugee and has been issued a valid and subsisting travel document by that country pursuant to Article 28 of the Convention;
>
> (b) the claimant came to Canada from a country that has been prescribed as a safe third country for all persons or for persons of a specified class of persons of which the claimant is a member and would be allowed to return to that country, if removed from Canada, or has a right to have the claim determined therein;

Subclause (2) of Clause 48.1 states:

(2) Notwithstanding paragraph (1)(a), a person is eligible to have a claim determined by the Refugee Division if, in the opinion of the adjudicator or the member of the Refugee Division considering the claim, the person has a credible basis for a well-founded fear of persecution for reasons of race, religion, nationality, membership in a particular social group or political opinion in the country that recognized the person as a Convention refugee.

I think that clearly indicates that there is discretion on the part of the two officers who must agree. If one of them felt that there was a shred of doubt, a shred of fear on the part of that individual, then he or she is referred to a full hearing in front of the two-member independent refugee board in a non-adversarial fashion.

Mr. Berger: Mr. Speaker, I thank the Minister for his answer. However, I respectfully submit that it confirms the point that I have tried to make. Subclause (2) quoted by the Minister—

Mr. Speaker: Order, please. We are now getting into a debate as to what the provisions of a proposed Bill mean. I do not think that that is something I can entertain on a question of privilege.

As I understand it, the Minister has clearly stated that if there was a change in *Hansard* or if there was a change between what was said by the Minister and what appeared in *Hansard* then the Minister had nothing to do with it. As far as the Chair is concerned, that is the end of that question.

The second question the Chair has to decide is whether or not what the Minister did say was—and I am using the word brought to me by the notice of privilege—false. That is the point I will have to decide, and I will consider that as carefully as I can.

What I ask Hon. Members to realize is that when an issue comes down to one Member's interpretation or view of what a piece of legislation means as opposed to another Member's, then that is a matter of disagreement, something which happens constantly in this place and would not ordinarily be, in the absence of some intent to mislead, a matter of privilege. I assure the Hon. Member for Laurier (Mr. Berger) that I have his point. I will consider it extremely carefully and report back to the Chamber.

If there are other Members who wish to give any assistance to the Chair, then I will certainly hear them.

• (1520)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—YOUTH—EDUCATION AND EMPLOYMENT

The House resumed consideration of the motion of Mr. Rompkey:

That this House condemns the Government for its abandonment of our youth and its failure to provide adequate support for their education and training or meaningful employment and job opportunities, both temporary and permanent.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I welcome this opportunity to speak to the motion on Canadian youth presented by my colleague, and I would like to read the motion now:

That this House condemns the Government for its abandonment of our youth and its failure to provide adequate support for their education and training or meaningful employment and job opportunities, both temporary and permanent.

Mr. Speaker, I think I share the opinion of the three previous speakers, including the Member who spoke for the Liberal Party, the Member who spoke for the NDP and the Minister from the Conservative front bench. It is unfortunately true that the subject of youth is not discussed often enough in the House of Commons.

The Minister mentioned that he had expected some questions, but I would like to say to the Minister that if no questions are being asked about the particular portfolio for which he is responsible, and I may remind him that the Prime Minister (Mr. Mulroney) appointed him to defend the interests of youth, it is up to him to raise the issue.

When a Minister says in the House that he is not getting any questions, instead of blaming the Opposition . . . I mean, Opposition Members don't blame others for the fact that they don't ask any questions! Perhaps the Minister should look closer to home and ask himself whether enough is being done for people to sit up and take notice and show an interest in the issues.

Since 1984, I have had a chance to get more involved in issues concerning senior citizens. I would like to remind the Minister, and this is not meant as criticism, of the title, position, salary, and all the benefits involved. He was not appointed to defend free trade. He was not appointed to organize the conference on the Constitution. He was appointed to deal with youth issues on a daily basis. I think that is important, and I speak from my experience with senior citizens. Since the de-indexation of Old Age Security pensions, there has been considerable organizing among this group, and they have managed, in various ways, to force the House of Commons and the various legislatures to address the needs and

concerns of the elderly, an approach that has been taken very effectively by our farmers, chambers of commerce, business, small businesses, multinationals and the trade unions.

We simply must—and I deplore that it is the case in this Parliament or the previous Parliament, under the Conservatives, the Liberals, the New Democrats, it does not matter—admit that in the provincial Parliaments as well, regardless of the fact that the NDP, the PQ or the Liberals may have been in office, the sad fact is that the House of Commons or the legislative assemblies devote precious little time to youths and do not show enough concern for them.

Perhaps the explanation lies in the fact that everyone is young, but at one time or another all of us are in transition from youth to middle age and beyond. This may be why I never fail to recall that when the Hon. Member for Shefford (Mr. Lapierre) was appointed he was then the youngest Minister ever, and the same thing can be said about the new Member for Sherbrooke (Mr. Charest) when he was appointed Minister of State for Youth. Next year it will be someone still younger, a never-ending process which makes us suspect that in every Parliament it is always more of the same. Someone will point out that, because it is expected of him or her, an opposition Member is going to rise and move a motion blaming the Government for failing to show concern for young people. The benches are still in the same place, only individual Members have switched sides, and history repeats itself.

I suggest that Hon. Members deserve a word of praise for keeping the debate on a non-partisan basis so far. I would like to tell the Minister that on the basis of statistical data, we could certainly congratulate one another and brag about all the young Canadians who have jobs and all our promising young executives, lawyers and professionals generally. In life, no matter the colour of the Government of the day, there are always young people who function well and progress in their careers; the fact that Parliament is filled with people who were young once and that businesses are managed by administrators who were young once is proof of that.

I suggest there have always been young people who succeed, others who experience difficulties, and still others who fail miserably.

I would like to tell the Minister that it is not a matter of paternalistic attitude. I must admit that there are people who helped me when I was young and I am most grateful to them. I realize now that they might have been somewhat paternalistic in their attitude, but with hindsight, I realize that what they were doing for me was vital. I suggest that the Minister of State for Youth (Mr. Charest), our colleagues in the House of Common and all responsible people should play a vigilant and active role in this regard.

The Minister has listed and identified a series of problems. I think that, since September 4, 1984, the Government can be held partly to blame. We have had two Ministers, including one who was a complete failure and who was demoted. The new Minister took over this portfolio under difficult circumstances. The Ministry was moved from under the jurisdiction of the Secretary of State (Mr. Crombie) to that of the Minister of Employment and Immigration (Mr. Bouchard). All these structural changes clearly show again that, while the Government might claim that young people are a great asset, it does not know what to do with them.

The Government does not know under whom the Minister of State should come. Within two and a half years, he has been moved from one Department to another.

What matters is not under whose jurisdiction the Minister of State (Youth) should be, or which seat he should occupy in the House, but to have a person who has at heart the interests of young people and who is aware that his or her task is not going to be easy. The same applies to the Minister of National Health and Welfare (Mr. Epp) and the Minister of State for the Status of Women. These portfolios are not easy, so that the individuals who accept these responsibilities must work very hard every day, to increase the awareness of their colleagues who are responsible for promoting the interests of other groups in our society. You have the Minister of Agriculture (Mr. Wise), whose first responsibility at the Cabinet table is to make representations that are genuine representations made by farmers, that are meeting real needs. And the Minister of State (Youth) must ensure that in the course of each discussion, each budget preparation, each Throne Speech, each move, each legislation, youth priorities are included. He cannot rely on his other colleagues. Not because of a lack of competence or whatever, but simply because each one of them has his own responsibilities and youth must be defended, they must be defended more strenuously because of a tendency to forget them.

And when I refer to a tendency to forget, it is true that as the Minister suggests there may be a tendency to refer to them in the course of speeches, but in reality, in actual moves, they become less apparent in terms of action.

The Minister mentioned he identified the problem following studies that were commissioned. They have come to identify that the problem is caused by young people leaving school, the lack of education—the so-called school drop-outs.

I have a feeling they could have recognized that problem during their first year, because it is not new. Everyone knew about it. What people and I would like to hear—and I hope, I even am convinced the Minister will rise to tell us—is what concrete actions are taken. Not free trade that can create more jobs for more people and more people will have jobs, like Hygrade sausages. The more people eat them, the fresher they are, and the fresher they are, the more people eat them. What we want is specific concerns for that age group, the young in need.

Right now, when you look at newspaper reports, after those studies, half of the young transients attempted to commit suicide. This is serious. Even if they can boast of figures, 1,000 more jobs than last year were created, when we look at those headlines, the wording, the situations, there is no reason to be proud and it is dishonest to rejoice over achievements when there are still people in difficult situations.

• (1530)

According to an article on a study being carried out by the department of lowertown community health, thousands of young people, to survive, are involved in drug testing. In order to earn additional income, they agree to serve as guinea pigs for drug manufacturing companies. Confronted with such evidence, Mr. Speaker, in spite of the statistical data with which the Minister tried to impress me, this being the International Year of Migrants, there being 10 thousand migrants in the Greater Montreal area, most of them under 30 years of age, and a great many young people quitting school a few years before getting their diploma, I can understand why, today, instead of speaking to us, the Minister would rather travel around Canada. Yet, so that we may repeat it to the young people of our ridings, I would like the Minister to say: Have hope, for the Government is going to take such and such action. When I raise this issue, the Minister could reply: Challenge '87 or Challenge '86 were a continuation of what Liberals have done. They take a program, leave out the word "Summer", replace it with another, add three of four commas, and change the means of implementation, but the problem remains the same: It is the same scenario, only the package is different.

I think the time has come for the Minister to stop making speeches, recognize at last the need to help young Canadians and explain how the budgetary envelope which was earmarked for them will be spent. It is a fact that . . . I, for one, would fight the federal Government if it wanted to go over the heads of Quebec and the other provinces to impose an education or labour training program; I would stand up in the House to fight a Government which would attempt that, whatever its political stripe. But in order to convince the provinces to invest more to help these young people continue their education instead of giving up and joining the labour force, the federal Government, rather than making cuts in the equalization payments, should make money available to the provinces, to Quebec, to Alberta, to Vancouver, and say: Here is the situation. Now, we have a possible solution to remedy this situation and give an even chance to all young Canadians. We are going to put up the money and work together to try to help not only our young people of today, but those of tomorrow. It is possible that seven or more years ago, the Minister benefited from government-sponsored Summer Employment Programs. Which means, therefore, that what we do for our young people of today maybe useful again tomorrow, or five or 10 years down the line.

There is another aspect which I would like the Minister to ponder. Why do young people quit school so early? In my own working-class riding which includes a poor neighbourhood, it is often because their families are short of money. With respect to certain programs, I know that young people attending school cannot help but notice that some of their classmates come from families which are fairly well-to-do and whose parents can afford to spend a few extra dollars on clothes for their children, or others who are more on the ball and happen to know somebody who will give them part-time jobs so they can afford to go out now and then. These young people know that their parents cannot even give them pocket money. A family on social welfare is a good example. When somebody at school decides to organize a summer camp and proposes to charge $25 or $50 per child, well the two- or three-child family on social welfare finds itself in a rather ackward situation. Think in terms of a young boy or girl aged 16 or 17 who has to tell the teacher: I cannot go because my mother said we have no money.

So instead of telling the truth—indeed truth is hard to tell sometimes—they will come up with every kind of excuses and say: Well, I am not interested, it is not worthwhile. After a while you realize that you cannot keep up with the others, so you just stay away from them. Any secondary school student having a hard time keeping up with his schoolmates because his parents do not have enough money to help him will certainly not be very enthusiastic about enrolling in a junior college. He knows that his parents can barely afford to help him pay for a summer camp or a ski excursion in winter, so he does not expect them to pay his tuition fees and send him to university.

These young people too want to enjoy life a little, so they look around and simply decide to find a job. They hear about a place where help is needed, $4 an hour, minimum wages of course, but $4 an hour or a minimum wage of $200 a week is better than nothing at all. This is how some young people join the labour force, and after a while they lose any ambition to go back to school. Unfortunately we see that every day.

There is another problem which I would like the Minister to monitor very closely. The day before yesterday there was a coalition against discrimination concerning the provincial age limits with respect to social assistance. I think the Minister of State for Youth has a role to play. He knows that in Quebec, although a Liberal administration is now in office, this system was set up under the PQ Government. Young people in Quebec who are on social welfare get $200 less than a 31-years old. The reason why in Quebec right now, and in other provinces for that matter—and I hope the Minister will take upon himself at the next Cabinet meeting the mandate to ask the Minister of National Health and Welfare (Mr. Epp) to convene his provincial Governments and ask them to eliminate discrimination against the young. Let us look at the impact on a young man or girl who now gets $196 a month—$196 a month! Is there someone here or who is following this debate who can pay rent, buy clothing, buy food with $196 a month? No. But this is what we force them to do. This is what we are telling them, to do.

What is there for them to do?

Prostitution, and it is not for nothing that the Lafontaine Park area is full of young boy and girl prostitutes. Then there is theft. And drugs. And from there, in order to correct all those errors we are making or letting commit now, to solve them they will suggest: Good, let us impose capital punishment

because that cannot go on, we will try and scare them. Not so! That is not the solution to help them, and we must start right now. I dare hope the Minister will say whether he intends to speak to his colleague, the Minister of National Health and Welfare, and ask him to convene the provincial Ministers in charge, including the Quebec Minister, and say: The Canadian Government is paying for 50 per cent of social assistance. But we would like or wish that discrimination to stop. Could you, within a short period of time, amend that so that there is no discrimination against the young, both in Quebec and other provinces that behave the same way.

I would also like the Minister to tell us what are the specific means of action. And I was somewhat expecting today, in view of the debate, that he would take this opportunity to say: Here, the Government would have liked to do something, but in view of the weakness of the previous Minister of State for Youth, and in view of the fact that I am just getting involved with my new responsibilities, which has taken some time, the problems have now been identified. This we know, that we know. Here is what a Government can do, in co-operation with provinces and with municipalities, and I invite opposition Parties to help us, to support us as fast as possible. First, in the short term this measure would be implemented as a way of saying that the No. 1 problem for the vast majority of young people is not employment creation, but training. The solution is in training, and that is where I would put the money . . . Training does not necessarily mean going back to school, because in many cases, young people who dropped out of ninth or tenth grade, even if you gave them the money—Mr. Chairman, I still have two minutes to go—even if you gave them the money, they would not want to go back to school, they dropped out for some good reason. There is a percentage of drop-outs, and I do not think that there is just one solution to bring about a fair and true answer to that problem. Those solutions include providing the necessary funds not only for those who want to go back to school, but also for those who would like to get on-the-job training, especially young people, and to provide funds that would help businesses provide them with that kind of training not just for six months, but for a longer period. The federal or provincial Government, or the federal Governement in co-operation with provincial Governments, would assume a 50 per cent share of the training expenses, but the company would make a commitment to keep that young man or young woman for a year, a year and a half or two years.

• (1540)

These are four or five solutions. What I would like the Minister to tell us now, however, is how we should deal with the problem of our young people. When I talk about the problem of young people, I am not talking about all the young people of Canada. It may be that three-quarters of them do not have any problem. They do not need us, and that is good for them. But our role is not to make legislations that will complicate matters for them. We should in fact make sure that every young man and every young woman in Canada can have the same opportunities as we had, the same opportunities to succeed in life, not in the way that we think is better, but in the way that they would like to choose.

In this respect, we all know that in this time and age, and in former times, many young people managed just by themselves, and get along without any problem. Some of them could rely on their father, and they had no need of anyone else, because their daddy could give them everything they needed. For others, things were different. Governments must provide alternatives and some form of incentive or encouragement to those who need it most; if someone does not need any help, so much the better.

Mr. Speaker, my time is running out. I would like to conclude by congratulating my colleague for bringing up that subject. However, I cannot extend such congratulations to the Minister because I would have liked him to say: "Well! We are going to announce such and such a solution by such a date." I can tell the Minister that, even if Opposition Members don't ask him any questions, he can initiate a debate if he has anything interesting to say, he can introduce programs, he can table corrective Bills. He does not have to wait to be prodded by us. I hope that in his comments or questions we will have precise answers for the good of our young people.

Mr. Charest: Mr. Speaker, first of all, my compliments to the Hon. Member from Montreal—Sainte-Marie (Mr. Malépart). He tends to be quite forthright in his comments here in the House, but from the tone of today's debate you would think there must be something in the air, since Members have been so moderate in their comments compared with what we have come to expect. I must say I am very pleased.

I would first like to say a few words about the Ministry of State for Youth to put the creation of this ministry into perspective.

The ministry was created on very short notice in January 1984, at a time when youth unemployment was particularly high following the recession.

The Minister's mandate was two fold. It included speaking for youth in Cabinet, although I don't think the Minister was alone in addressing this particular subject.

The second part of the Minister's mandate consisted in co-ordinating the federal Government's activities directed toward youth. A ministry of state tends to represent a particular sector of the economy or a particular group within our society. We have, for instance, the Ministry of State (Forestry) and the Ministry of State for Mining. There is the Ministry of State for Status of Women and the Ministry of State for Youth. A Ministry of State is by definition attached to a senior department, and in this case, it was, I believe, the Department of the Secretary of State, or at least initially. During International Youth Year, a special fund containing $20 million was created and the money distributed over a period of 18 months across Canada, and that was as it should be. After International Youth Year, this temporary program was terminated, as expected, and people were left with the impression, and some wanted to give that impression deliberately, that the ministry

had become an empty shell. The fact is, Mr. Speaker, that the Ministry of State for Youth still has the same function. It has always been a ministry of state and it always will, and I have never heard the NDP or the federal Liberals say that we intended to make the Ministry of State (Youth) into something else. If I am mistaken, I wish they would say so today, and I think Canadians should know.

That being said, in the spring of 1986, the Ministry of State for Youth was transferred to the Department of Employment and Immigration, making available all the resources we find within this major department with more than 27,000 employees. My responsibilities include, for instance, the Student Summer Employment Program. I am also responsible for reviewing occupational training programs with the provinces, all of which involves a budget of $145 million annually. So the Ministry of State for Youth has specific responsibilities.

On another subject, Mr. Speaker, I may recall the basic principles that apply to youth employment, and I am referring to labour market conditions and how these affect young workers. The first principle is, that when conditions on the labour market are good and the economy is in good shape, young people have jobs. When the economy declines or is in bad shape, young people are the first to be out of a job, and when the economy recovers, they are the last to be called back. The answer is therefore that if we want young people to be able to enter the labour market, the economy must be in good shape. And I think all Canadians will agree that this Government has been able to deliver the goods in this respect. More than any other group in society, youth is particularly sensitive to the state of the economy, and it is therefore extremely important to allow for this factor.

Second, in 1985 the Government introduced its job strategy which is a tremendous step forward in the way we tend to treat young people, in fact all Canadians, on the labour market.

The job strategy has three fundamental objectives, at least I consider them to be fundamental. First, the emphasis is on training, which has not always been the case in previous programs.

Second, we feel that job creation should be the result of a partnership approach. We must seek other partners if we want to create permanent jobs in our society, and that is why we have also involved the private sector in some of our programs, since after all, most jobs are created in the private sector. However, if we want to go further than that, we have to explain to the private sector that it should include a training element within the job environment, if we want Canada to remain competitive in the years to come.

Third, the job strategy focuses on the long-term unemployed, in recognition of the fact that the problems are greater in this group.

What we must understand today... When we were planning our strategies, as I mentioned earlier, we looked at what was happening in Canada. The Hon. Member from Montreal—Sainte-Marie said: Job creation is another problem. He is right, in that job creation was foremost in our minds when we decided to go ahead with our trade policy. Our reasoning was as follows: Canada is a country that exports and will create its wealth on the basis of the opportunities it has to do business on international markets. That is why we have embarked on negotiations with the Americans, and we are pursuing our initiative within the GATT system. That is how we see the situation. And having made that choice, we have to develop technologies to maintain our position on international markets. Third, we must develop labour market policies.

• (1550)

In 1987, the difference is that in Canada today, despite the present unemployment rate, we have jobs that cannot be filled because there are no qualified workers to fill them. All young people who will join the labour market in the coming years will need at least such analytic abilities and training as will enable them to remain in the labour force and change jobs—for indeed they will be expected to change jobs—and unless they do have such abilities the labour market will be closed to them, or they will simply have to accept unchallenging work.

The ultimate outcome of all this could very well be that many young people will be facing this kind of situation: employment opportunities might open up for them, but even then they would not be qualified simply because they lack the necessary basic training.

You referred to your generation or our generation and you say: We want the same opportunities. Indeed it is important to keep that in mind and make people understand that anyone belonging to the preceeding generations of the 1950s could quit school without a diploma and, in most cases, land a job in a country where, as a result of World War II, the economic growth was practically limitless until the 1970s. But the situation has changed drastically since then and today we have to come to grips with the new reality.

All such issues being considered, Mr. Speaker, we have to seek new approaches. The initial step has been taken: first identify the youth problem, which is the transition from school benches to labour market. That is the most urgent problem for this Government. Hopefully you will join us within the consensus we now see emerging in Canada. If that is the case, I would like him to say so clearly. This being said, we then turn back to the provinces and tell them: The education system should be enlarged, should be developped to provide more options.

Thirdly, young people should be encouraged to remain within the system, and in that respect, it might prove necessary to harmonize social policies which make it too tempting in some cases for young people to quit, to drop out. If it is too easy for young people to drop out of school and find themselves in a situation where they will somehow manage to survive, we may sometimes be doing them a disservice. However, we should not create a situation— I know I am taking too much time.

Here again, we should not create a situation whereby when they drop out of school, we may not have done everything we could to keep them within the system.

Mr. Malépart: Mr. Speaker, I wish to reply to the Minister. I would have liked him to stop to talk about the social situation. The PQ has indeed attempted, as the Minister just said, to create a social situation that would no longer encourage young people to drop out of school. So they decided to make cuts and to increase poverty. I feel the Minister should instead try to improve the situation and to make things better, while the socialist system system cuts off the heads, starts at the top and brings everything down to the bottom. I feel that we should have positive measures instead to keep young people at school rather than making cuts and hurting people who drop out.

In any case, the Minister has not provided us with the concrete answers I was expecting, as I think that we all agree that in terms of manpower training, we should allow young people to spend as much time as possible getting an education and a specialized training. However, the whole process depends entirely on the amounts that the federal Government is willing to give to the provinces. Suppose you give me a three million dollar budget for my constituency—and this morning, you were boasting about publishing your guide for youth, but I have brought mine which I published four years ago, the *Guide des services aux jeunes*, the *Guide de recherche en emploi*, *Comment faire le Bureau d'action-jeunesse*. So if you give me a three million dollar budget for my constituency, and if there are funds in every constituency to make sure that young people get more education, get more money, more specialized training, more training, we are going to solve part of the problems. However, we should also be concerned with employment creation, because it is not good enough to train those young people. We get young people with plenty of diplomas. So what we may have is just the opposite: Do we take him? He has a degree, but no experience. So he goes back to school, graduates in another field, and files another application. Sorry, you have no experience. So he sits for another degree! So now he is full of degrees up to here, and he is still unemployed, and so he comes to apply for a job. "My dear Sir, you have too many degrees, you know, you deserve more than this". But the guy has nothing, he is on welfare. There are lawyers on welfare, engineers, architects. And there are people in between. Because now, if you go full speed, they are being trained and trained, everyone wants to be over-trained. But the guy will say: I don't hire you, you are much too over-trained, you would steal my job away from me, you would become the boss. You are more qualified than I am. This way everyone will displace Members in this House.

But again, all that is intentions. We know what the problems are. But my view is that what is needed to solve those problems is money.

Unfortunately, this is what I would have liked the Minister to say. I would have liked him to tell us that his Government, apart from speeches, starting from next week, will double education funding, will give provinces, especially for manpower training, a special envelope for high-school dropouts. Well, if we injected the $20 million, and it is my feeling that that would not be too much, $20 million across the land for each province that wants to have a special program for youth to go back, either to school or the work place, specialisation, manpower training, well, I think we would all say hear, hear! We would pass that the same day, in half an hour. It would be a giant step, and we would bring the Senators here so that everything happened right away and everyone would be happy and would go and announce the good news in the constituencies. We would go and check, and we would go and shake the Minister's hand.

But what we have is more speeches, Mr. Speaker, and I would have liked and I dare hope that the Minister will not wait until an opposition Member blames the Government. It is my hope there will be a debate on youth for the reason that the Minister will bring in a policy that we will all be proud to announce and to hail.

Mr. Deputy Speaker: I see the Hon. Minister would like to answer. Is there unanimous consent to allow the Minister to do so, and then recognize the Hon. Member for Montreal—Sainte-Marie in conclusion?

Some Hon. Members: Agreed.

Mr. Charest: Mr. Speaker, I would simply like to give my colleague for Montreal—Sainte-Marie an opportunity to make a real contribution to the debate today, a contribution that could allow him today, that will allow me, as a Minister, and the whole Government to advance the matter and the debate—to tell us clearly today—whether he agrees with us that the most important problem that must be addressed by young Canadians is the transition between school and the labour market, especially for those who drop out of high school, and whether his party is ready to support that—

Mr. Malépart: Mr. Speaker, in terms of co-operation, identifying the problem, my party will support someone who says there is a problem. Certainly it is transition. There are those who, because they are over-trained, have difficulty being hired for other jobs. In the case of other people, it is because they left too young, and still others because of lack of work experience. We agree, and my Party will be ready to support the Minister if he tables a Bill providing for $20 million funding. I said so and I repeat it, my party will support you within that same day, and if ever there is a Member who opposes, we will arrange it so it moves through. Don't worry about that. But the important thing is not identifying the problems, everyone knows the problems in Canada, this is what the people are fed up with. Everyone says: Agreed, there is such and such a problem. People say: "Is there anyone who is a "doer" and will propose solutions?" When voters put an X

beside your name or mine, it is because they think: "He is the one who will solve the problems." However, I have a feeling that some of them might not put an X beside your name next time, because you are not solving the problems. They will select someone else.

You are a lawyer. If a client comes to you and then you go back to him and say: "Do you think I should do this or that," I suspect the client will say: "If you don't know what to do, I'll get myself another lawyer."

The Minister has the job. He gets $40,000 more than I do plus a limousine to do that job. If he needs help, I can provide some, I know how to drive. Senior citizens know he is responsible, and so do those who take early retirement.

Speaking of early retirement, if he wants to help young people he should encourage that, because when a company agrees to retire some employees earlier it does not fire younger people.

So, he should try to influence his senior Minister. He should tell him: "Take it easy, don't go after early retirement too much, because it is my young people you are hurting."

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Royal Canadian Mounted Police—Tests for admission and selection of personnel—Government position. b) Official languages—Request that Solicitor General present report; the Hon. Member for Don Valley East (Mr. Attewell)—Canada Post Corporation—Delays in mail delivery; the Hon. Member for Capilano (Mrs. Collins)—Children—Program to combat sexual abuse.

• (1600)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—YOUTH—EDUCATION AND EMPLOYMENT

The House resumed consideration of the motion of Mr. Rompkey:

That this House condemns the Government for its abandonment of our youth and its failure to provide adequate support for their education and training or meaningful employment and job opportunities, both temporary and permanent.

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, it is a pleasure to rise today to speak on this motion and to put forward the very impressive gains which the Government has made in addressing the needs of young Canadians. I must congratulate the Minister of State for Youth (Mr. Charest) for the job he is doing with this portfolio. Not only by virtue of his age does he have an acute understanding of the problems faced by young Canadians, but also by his own experience.

When speaking of the problems of young Canadians we too frequently tend to isolate them as specific to that group. In doing so we do a disservice to young Canadians because we proceed on a false assumption to adjust their problems. Are the problems faced by a 21-year old unemployed single Canadian that much different than those of a 31-year old single unemployed Canadian or a 41-year old single unemployed Canadian? I think that in some ways the situation of the 21-year old may be far more advantageous because with the passage of time an older worker's ability to gain a job is impaired. My point is simply that, as the Minister has stated, the problems of youth must be addressed within the total economic context of the management of the country.

When we speak of the need for responsible management of Canada's resources, full development of opportunities, and exploitation of our resources we are talking about increasing the wealth and Gross Domestic Product of the country. When we speak of the need for increased and enhanced trade with other countries we are talking about the need to contribute to this country's wealth and the need to create employment for older and younger Canadians. We are talking about increased employment opportunities generally.

Those who refuse to acknowledge that economic policies of general application do not have specific rewards for this sector of our society are incorrect. When a young person grows up in a family in which one or both parents are unemployed, the lack of stable employment, a good income, and opportunity for the parents results in less advantageous social and economic circumstances. That affects the ability of a young Canadian, upon reaching the age of 18 or 20, to make decisions to take full advantage of the opportunities presented to him.

The confidence of such a young Canadian is adversely affected. There can be no doubt about that. Psychologists have done a number of studies which clearly confirm that the socio-economic circumstances in which young people grow up affect their level of ambition, the level of education ultimately achieved, and their aspirations.

When we speak of the national deficit we are not talking of something which is of no particular relevance to young Canadians. As the deficit grows the Government's ability to respond to the special needs of young Canadians decreases. Of that there can be no question. In order to implement specific programs for any group within our society we must have the resources to do so.

With one-quarter of the national Budget going to pay interest on the national debt, we do not have the ability to make the type of response which I am sure all Members want. The Government is making progress in the reduction of the deficit, which is not of recent origin. Nevertheless, in our efforts to address the problems of young Canadians we are moving aggressively to free up resources in order to be able to increase opportunities for young Canadians.

Similarly, when we speak of interest rates we are talking about improving the general economic performance in the country. It is with a stronger and more vibrant economy that young Canadians will find their niche, their opportunities, and the chance to make their own opportunities.

The general economic performance in the country is far better today than it was several years ago. There is no argument about the problem and the need to respond to it. The Government is doing something about it. There can be no serious argument on that either.

Some will say that statistics can be used in a thousand ways. Perhaps that is true, but today I will cite some statistics which clearly measure the success of our initiatives. Since the recession the average unemployment rate for young Canadians has dropped from 19.9 per cent in 1983 to 14.8 per cent in March, 1987. That is an improved situation for thousands and thousands of young Canadians. The decrease in the unemployment rate was possible because of the improved economic and management policies of the Government.

The Government has given young Canadians the opportunity to finance their educations, to put some money in the bank, and perhaps to initiate a business enterprise. We are contributing to their personal development and their level of self-confidence. Youth participation is increasing rapidly as a result.

There are three more young people per 100 in the labour market now than there were in 1982. The situation for students has also improved. In the summer of 1986, 906,000 students were employed compared to 840,000 in 1985 and 715,000 in 1982. The unemployment rate has dropped accordingly. The situation for in-school youth is particularly good. Since January 1985, the employment of in-school youth has increased by 107,000 which indicates that more students both desire employment while in school and successfully obtain it.

A wide range of programs has been implemented under the very able direction of the Minister of State for Youth. Challenge '87 is a sensible program which gives young Canadians the opportunity to gain training while they work during the summer. Not only do they get money in their pocket, they get experience. If anything has been made clear as a result of the changing labour market it is that people who wish to continue to work must be prepared to upgrade and change their skills in order to respond to the changing market needs.

The Government has placed Canada employment centres for students on campuses. On May 15 I had the pleasure of opening two such centres, one in Antigonish and one in Port Hawkesbury in my riding. Through discussions with counsellors in previous years I have learned that these centres are an invaluable contribution to assisting young Canadians find employment. We also have a co-op educational program, which combines theory with practical training aimed at the initiation of students into the world of work. That is a total commitment of close to $5 million.

• (1610)

To address the particular situation of native students, let me say that we have the Native Internship Program at the secondary and post-secondary levels with a total financial commitment in the area of $2.3 million. These are but some of the programs in place responding to the specific needs of young Canadians. There is also the Job Entry program which was brought in as part of the Canadian Job-Strategy program. I can tell you, Mr. Speaker, from personal experience that that has resulted in considerable human benefit to my riding.

Many of my constituents have been out of work for a number of years after completion of their formal education. They are now at the point where for a number of reasons they cannot gain employment. The longer they are out of the workforce, the more difficult it is to gain employment. Our Government responded by implementing the Job Entry Program.

As part of that program, people who fall within this group are given training and counselling which included life skills. We take a person who may be demoralized and suffering from a lack of confidence, who knows very little about searching for employment, and we ask that person to participate in a program, for which he or she receives funding, whereby these weaknesses can be addressed for a period of months. As a result of this program there are people in my riding who have found employment. But for this program they would not have had that opportunity.

There are some very sensible and specialized programs to address the needs of young Canadians. The funding for the Challenge '87 program, which is a student employment program, approaches $200 million in 1987 despite the fact that our Government is suffering from rather severe financial pressure. I might add with some satisfaction that the resources under this program have been managed this year to reflect the needs of the regions of this country, the higher unemployment regions, where there is a greater need for this kind of funding. In some parts of southern Ontario, students can gain summer employment without the assistance of a program like this. In a riding such as mine, the incentives provided under the Challenge '87 program are a critically important part of the summer employment program. I congratulate the Minister for ensuring that the program is sensitive to the regional economies.

That is, of course, in keeping with the total Government commitment to enhance opportunities in Canada's regions. Some people say that the Government is totally committed to private sector funding on some theological, philosophical or ideological basis. Nothing could be further from the truth. We look at our partnership with the private sector very pragmatically. It is viewed as the means to achieve the most impressive results for young Canadians. We look at the private sector, and the partnership with it, as an opportunity to create two jobs instead of one. There is nothing ideological about it. It is our experience and our conclusion that the private sector must be involved if we are to maximize the benefits which can accrue to young Canadians.

All of this is taking place within the context of a national reconciliation and ongoing consultation with the responsible provincial Ministers. As all Hon. Members know, we have a situation in this country today where federal-provincial co-operation is far more positive than it has been in recent years. Of course, the recent Constitutional Accord of April 30 is clear evidence of what is possible within a confederation when we have a positive relationship among the Governments which make up that partnership. This kind of co-operation extends to all facets of governing and the winners are all Canadians.

When it comes to designing training programs that co-operation is essential. The federal Government wants and requires the assistance and advice of the provincial Governments. Often they know the labour market situation in their own province better than the federal Government. We want to bring together that expertise. We want the provinces to put in a share of the financial resources which are required. We want them to participate in the decision-making process. All will benefit as a result of this.

What about the students at university? We hear so much about the difficulty experienced by recent graduates in finding employment. That highlights the need for a greater emphasis on training. It is no longer good enough to go to university and receive a Bachelor of Arts degree. Students must be trained as well as educated. As I said earlier, one must be prepared to go through a number of changes in one's training. Training is something which is not restricted to only those in their twenties. Training is something which all of us must be open to consider if we wish to continue to participate in an ongoing way.

There are problems we face in terms of financial management of a country, for example, low interest rates, and there are tremendous problems faced by young Canadians. As our Government moves on its path to economic revitalization, it is moving to address the needs of Canada generally and, within this context, the needs of young Canadians. We cannot separate the special needs of young Canadians. A new plant in my riding will hire someone 20 years old, 30 years old or 40 years old. If a plant is put in a riding such as mine, the unemployment problems of all Canadians will be addressed. Let us give an opportunity to young Canadians to go to work and they will solve a lot of the other problems for themselves. We must give them the opportunity to be self-supporting and to find their own way in our society.

In closing, I would once again like to congratulate the Minister of State for Youth for the exemplary contribution he is making as a member of the Government. In his travels across the country I am sure he has developed a tremendous rapport with young Canadians.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad also to have the opportunity to address this Opposition day motion today. This motion talks of the Government's failure to provide adequate support for the education and learning and for meaningful employment and job opportunities, temporary and permanent, for the youth of today's Canada. In examining that question it would be wise to look first at the over-all situation of the youth of today's Canada.

• (1620)

They are in a position, shall we say, of following and following fairly closely, what futurist John Kettle calls the big generation, the post-war baby boom generation as it is also known. Therefore, they are in a situation quite unlike that of any other generation in history except, of course, in societies or areas devastated by war, disease or famine, in that they are outnumbered by their elders.

This leads, and has led, to some very unfortunate effects in all dimensions of social and economic participation by the young people of today's Canada, the people who we might loosely take as being in that age range from teen-age to the late twenties. Of course, these problems come at a time when problems strike the young person very hard, when lessons are learned, not necessarily either consciously or deliberately, but when the formative years of that person's adult life are being experienced.

I recall how, as one of the leading edge of the baby boom of post-war Britain, I went into a workforce that was not prepared for the massive influx that it was experiencing. Because of that sort of transition I myself experienced unemployment on more than one occasion for periods of some months. I can think back to how devastating that was in my experience. I wonder how it must be for someone today, looking at a situation in which they are not only unemployed but in which they cannot take any comfort from the thought that it is in some way inevitable that they will eventually gain employment, which was a notion I could take some comfort in simply by looking at the statistics. However, the statistics today are far worse. They are statistics to which the Government should pay some attention and with respect to which the Government should offer some remedies.

The situation that we have today, and I will go into more detail in a moment, regarding the unemployment of young people is pretty steep. The odds against the unemployed person getting that first job are high. Those who do so are fortunate and those who lose that first job often have difficulty in getting a second. Today, young people are also subjected to remedies,

to nostrums and to platitudes. It is in that context that I would particularly like to take exception to the remarks of the Minister.

I have the feeling that if the Minister really felt that he had a good word to spread, some good news to proclaim, then we would have had a lot more in terms of facts and figures and a lot less philosophy and examination of ideologies than we in fact heard from the Minister. While it is indeed a platitude that the youth of today's Canada are the future of Canada, nevertheless it is an idea that if we were ever to lose grasp of it, if we were ever to let go of it, we would be taking a very serious step in the wrong direction. I feel that it is inappropriate for the Minister to devote so much time and effort to condemning what he sees as platitudes. We acknowledge that they are platitudes, but God forbid that we should ever lose sight of the idea and of the priority which they encapsulate.

The youth of today's Canada are subjected to psychological pressures other than those I have mentioned. There shortcomings are being endlessly identified. They are, after all, treated by the media in the same manner as aircraft—we only hear about the ones that crash. Very few are offering them alternatives or, indeed, even offering to discuss the alternatives that the youth of today may see.

Unemployment among young people in Canada today is endemic. There are approximately 4.5 million Canadians between the ages of 15 and 24. Approximately 500,000 of those fall into the category of unemployed. That does not include some 20,000 or 30,000 who have stopped looking for work or the estimated 180,000 underemployed.

The Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) suggested that the Government should take some credit for the reduction in the official, and I stress the word "official", youth unemployment figures from, I believe it was, 19.7 per cent to 14.3 per cent. However, the very preposition that he used in instancing those figures illustrates the falseness of their use as a claim for credit since, as he said, coming out of the recession—and those are the facts—we naturally expect that unemployment will fall. Unemployment has fallen over-all in Canada. It has certainly not fallen more for youth in percentage terms than it has for the over-all labour force. So, frankly, for the Government to make any claim of credit for a fall in youth unemployment is an illusion that would be even more dangerous if it really believed it.

The topic of discouraged youth is one which is of course very difficult to get a handle on, very difficult to get a grasp of; but there is a belief that there are large numbers of young people who are simply not reporting, in labour force terms. These are young people who have gone back to school or who have taken some other course of training or education, which they do not really have a commitment to, simply because they know that the prospects of getting a job are so poor.

I believe that if we were to add up those youth who are unemployed, underemployed, discouraged or, shall we say, misemployed, we might well find that one-third of Canada's youth fall into that category. Yet what has the Government done? I am afraid that the answer is, precious little. To illustrate my point I will use some examples.

The Katimavik program was eliminated in February, 1986, and there has been nothing to replace it in the intervening 15 months. Some $1.5 billion was lost between 1986 and 1991 for post-secondary education. The budget of the Youth Ministry was eliminated. The funds for International Youth Year were also eliminated and no new funds were allocated for follow-up work. In terms of Challenge '87, some $30 million were set aside, in the sort of shell game that one cannot even run on the street any more, for the census, and the private sector orientation which, unfortunately, has led in many cases to employers simply covering with government dollars the training or additional hiring that they would have done from their own resources were the funds not available. Finally, the Canadian Jobs Strategy has been cut from $2.1 billion to $1.5 billion. The Canadian Jobs Strategy represents the investment that the country is making in terms of job development. It is an investment which, to a large degree, naturally, goes toward young people.

When we take into account the effects of inflation, we have seen the Government spend $3 on job creation for every $5 that was spent in 1984. That is not the sort of record that reflects credit. That is not the sort of record that will provide a hopeful future for today's youth.

We know—indeed it was raised in the House only yesterday—that young Canadians are discriminated against by the welfare systems in a number of provinces. Yet the Department of National Health and Welfare continues to pass funds on under the Canada Assistance Plan.

A statistic revealed just today is very telling in terms of the closing in, the shutting down, of opportunities for young Canadians. The following is a quote from a communiqué of the Public Service Commission of Canada dated with yesterday's date. It states:

> The number of appointments of persons 24 years of age and younger decreased from 1,836 in 1985 to 1,497.

That is a 20 per cent reduction in one year. Further on it states:

> The Public Service Commission considers this to be an area of significant concern and is taking a hard look at its recruitment programs for qualified young Canadians.

That is the picture we are getting in terms of federal government employment.

• (1630)

Katimavik is still unreplaced and the Challenge program is not upgraded to counteract the result of inflation, and indeed has been cut back during the Government's mandate.

Finally, to add insult to injury, there is the *Hot-100* as it is called, "A quick guide to what the feds are doing for you". It could as well have been entitled "The federal program—Rag bag" because these programs are presented with absolutely no

attempt to target the audience or identify what programs might be relevant for an individual's requirements.

Let me give an example of how the programs are grouped. Listed in the *Hot-100* is on-board service training with VIA Rail, as well as post-graduate education travelling programs to the People's Republic of China. That level of consistency typifies the efforts of the Government and the ministry.

If the objective had really been to produce publications and information systems that were useful to the youth of this country, the Government would have done it in a much more targeted fashion.

The New Democratic Party task force on youth was appointed in 1985 and travelled coast to coast. It released its report in February, 1986, and we believe that the youth prospects program as outlined by my colleague, the Member for Kamloops—Shuswap (Mr. Riis), would address many of the difficulties that today's youth face in Canada. In particular, we believe they would ease that transition from school to the world of employment that has been found to be so difficult. I know that many Members have spoken about the difficulties they experienced in that transition in the past. It is an important transition to which our effort should be applied.

The elimination of the youth Minister's budget was really a symptom of the problems the Government is failing to deal with in terms of programs to improve the employment and training opportunities for the youth of Canada. Much more serious is the cut-back in Established Programs Financing. Indeed, a news release by the Canadian Association of University Teachers states:

> This legislation, if passed, will have the effect of restricting not only the number of students but also the level of research that can be conducted by university faculty. Universities will again become finishing schools for the rich.

That would be a terrible consequence if, in fact, that turned out to be the case. They state further on in the newsletter:

> Post-secondary institutions, as every government study has shown, are in financial crisis.

The Canadian Association of University Teachers very correctly point to the contrast between Canada and those societies which are putting more funding into post-secondary education, such as California and Japan. The percentage of GNP spent on post-secondary education declined from 1.35 per cent in 1977-78 to 1.24 per cent in 1985.

If the motives of social justice do not provoke concern about the quality of education in Canada, there is the clear message of superior economic performance that is being sacrificed on the altar of deficit reduction. Surely that should be something that the Progressive Conservative Government can understand.

In terms of the education and training components of the youth job prospects program which my colleague described earlier, our task force had a number of recommendations on post-secondary education. There should be stable funding, and funding increases should cover the cost increases. We should look at the possibility of returning to a 10-province standard and ensure the elimination of discriminatory practices against international students. The Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) made some very telling points on the importance of that question.

The task force recommended an increase in both educational and employment opportunities by providing a longer term funding base and that tuition fees should be kept at approximately the current level. Most important, the task force recommends that the Government recognize the urgent need to provide all students in the secondary school system with both personal life skills and career counselling. Without that, the best system of education and training can produce less than superior results.

We placed a heavy emphasis on the importance of funding, particularly in smaller communities such as in my riding, of community organizations and non-profit organizations to provide services to youth and encourage the programs which increase the involvement and employment of young people in providing those services themselves.

Let me turn to the aboriginal youth, one group of young people in Canada in particular who are severely disadvantaged by the lack of involvement and support by the Government for programs designed to assist youth. They are part of a baby boom in this generation that occurred in the wider society in the last generation. Their numbers have led to an unprecedented crisis in the employment of young native people in this country, particularly on reserves.

Meanwhile, the Government has reduced job creation funds and redirected them to the private sector, which is generally almost absent on Indian reserve lands. To add insult to injury, the Government has cut out the housing labour component which used to be available from Canada Employment and Immigration Centres but is now absent under the Canadian Jobs Strategy.

This generation of aboriginal youth in Canada is the most highly educated ever. There has been almost a geometrical progression in the number who have taken advantage of post-secondary education and the funding assistance which is available to them as a treaty right for that education. We are faced with the unfortunate contrast of declining opportunities for employment, particularly in their home communities, with the burgeoning capacity of those native youth to handle the jobs and challenges that are available.

It appears that the Government has recently introduced a cap on the amount of funding that will be available for post-secondary education of native students. Indeed, some have been refused assistance. That was a regressive policy decision and one that was taken without an examination of the alternatives, except for the long term.

The alternatives for the short term should have been seriously considered and there should have been some consultation with national native organizations to ensure a degree of equity and understanding of what the Government's motives might be in making those cut-backs. That funding should be reinstated because the Government must have a policy of

investing in the education of native youth so that they can not only face the challenges and perform in the wider society, but also perform effectively as members and ultimately as leaders in their own communities.

There is no single solution to community-based Indian education, but each community must be given consideration in the design of an education program because the majority of those who pass through that education program will continue to live in the community in which they grew up.

It is in that context that I am scandalized and extremely worried about the direction of the Government when I see some of the examples that are brought to my attention. For example, a school that burned down still has not been replaced after eight years and the students are still in temporary classrooms and accommodations. For the difference of a few tens of thousands of dollars, the takeover of a native education program by the band will be held up, even though the band has emphasized that that was simply the front end and did not represent the continuing operational requirement.

• (1640)

As a whole, the motion speaks of the need for greater government commitment and support to the youth of the country. That need is nowhere more evident than in dealing with the challenges before our aboriginal youth.

[*Translation*]

Mr. Charest: Mr. Speaker, I should like to comment briefly on my colleague's speech and in the first place on the issue of our Indian people. I cannot let this day pass without mentioning and acknowledging that our young Indian and native people are facing special problems and that this Government recognizes the fact.

[*English*]

In the context of native youth, it is important to remind ourselves that to a certain extent the anticipated solutions centered around what was indicated in the Senate youth report as being first and foremost—the problem of self-government. When I assumed the portfolio of Minister of State for Youth, that was the context and the perspective in which the problems of native youth were set. That was the background. In that context we respected the constitutional process. We all know the outcome, and I think we all sincerely regret that that was the background upon which native youth problems were set.

We have now had the outcome of the constitutional conference. I have since met with native people and native representatives. In the consultative process we will deal with the problems facing native youth. We acknowledge that they are a special case. I want the Hon. Member to know that, and I want the House to know that our commitment to native youth is in that vein.

I should like to direct a couple of questions to the Hon. Member. Do the Hon. Member and his Party agree that the most important problem—and I think he has already said it; if that is the case, perhaps he could re-emphasize it—facing young Canadian men and women today is the transition from school to work, particularly for young people who have not finished high school? Also, does the Hon. Member think and does his Party agree that provincial Governments should be involved in the attempt to design solutions and develop a consensus in Canada around these problems? Do they think that they should be included in that exercise or that at least there should be an attempt to include them in the elaboration of solutions?

All of this would take place, of course, in the spirit of respect we have for the constitutional balance and for the national reconciliation which the Prime Minister (Mr. Mulroney) has been so successful in bringing forward.

I have another question for the Hon. Member, because the position of opposition Members on Katimavik has not always been clear. Is it the position of the New Democratic Party that if it were in government it would bring back Katimavik? If that is the case, I would be very interested in hearing it from the Hon. Member.

[*Translation*]

Mr. Parry: In the first place, Mr. Speaker, I wish to thank the Minister for having given his support to our young native people. I think that under the circumstances, the future of our native youth is more jeopardized than that of any other group in Canada considering that the birth rate is much higher among native people than among average Canadians, considering also that in the context of self-determination and self-direction or self-government as they like to say, but I think that relations between our youth and the authorities or the Government will improve. I hope that they will improve in the next few years and that this first generation of young native people will set those authority concepts in the context of native self-governing communities.

As for the questions which the Hon. Member directed to me on the transition between schooling and work, I am sure that the Minister has read the report published by our Party. Of course, we consider such a transition as the most important step in the maturation process of a young Canadian. Those are the reasons why we have advocated and described in our report a comprehensive and universal program to support such transition.

[*English*]

In so far as consulting provincial Governments is concerned, it is evident that in the design of programs it is necessary to do it within the context of Canada's federal society. If the Minister wants to be complimented on his efforts in this regard, I give it freely. I think it is entirely appropriate for him to do that.

In so far as Katimavik is concerned, my Party is not concerned that Katimavik be resurrected from the ashes as an article of faith. Rather, it is concerned that it was cancelled without any plans to replace it and without any indication from the Government about what were the deficiencies in

Katimavik which led to it being terminated. The program was simply abolished. We did not obtain a clear idea of why, nor did we get anything from the Government which could be seen as a replacement for Katimavik.

When Katimavik was instituted, I was certainly one of those on whose lips the phrase "Barney's brown shirts" fell pretty readily. I was very skeptical of it originally. However, when I consider the work done by the youth in communities in my riding such as Fort Hope, Red Lake, Sioux Lookout, Fort Frances, Dryden, and Muskrat Dam I realize that some excellent things were accomplished by those who participated in the program. Nothing else has come along for the young people of Canada who are seeking work and life experiences to help them choose a career orientation which could replace the type of experience provided by Katimavik.

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, certainly it is a pleasure to have an opportunity to participate in the debate. When I heard of the motion of the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) last night, which referred to the abandonment of our youth and the Government's failure to provide meaningful employment and job opportunities, I could not believe that he was speaking about the Conservative Government. Therefore I called the Hon. Member for Sherbrooke (Mr. Charest) and said that I wanted to set the record straight.

The Hon. Member opposite and I shared a profession in education and a dedication to young people. Obviously we are seeing it from two different points of view today. From my point of view, our time in Government has been spent dealing with the issues faced by Canadian youth and showing a great deal of leadership. I will outline that in a few minutes.

I listened to the debate this morning and I could not help but wonder whether we were talking about youths or students in that there is a difference. When we are talking about the youth of Canada, we are not necessarily confining ourselves to students. As I am sure the Hon. Member knows full well, the studies have indicated—and he learned it as an educator many years ago—that 70 per cent of the young people about whom we did not talk this morning are the ones about whom we should be talking. Those 70 per cent who do not go on to receive post-secondary education become a very real factor in dealing with youth. That is compounded by the figures which show that on average, about 250,000 young people leave school each and every year. There are 250,000 youths every year with no kind of high school certification at all. That makes for a real problem and the Government has addressed that problem.

• (1650)

I would like to talk about some of the programs we have developed specifically to deal with the facts we found when we came into Government in 1984. The Canadian Jobs Strategy did not come about by accident. A lot of thinking was done about the problems faced by Canadian society and particularly young people. Several parts of that six-prong program are specifically designed to address youth unemployment problems, and the successes of some of them are legendary.

I believe there has been some mention in this debate of the Job Entry Program. One of the significant parts of this program is the co-operative education program. The Hon. Member opposite should know that giving young people experience in the world of work while still in the formal part of their educational program is very significant and is a high priority. That is exactly what co-operative education has done and its effects have snowballed.

I can recall 10 years ago seeing very little co-operative education in Canadian schools. Now there is not one respectable school board or post-secondary institution that does not have a co-operative education program. Clearly the Government has played a lead in this, not just with talk but with money. The budget has increased in the years we have been in Government and rightly so. Money is well invested when it is invested in keeping young students on the right track, learning about the world of work, so they can enter that world and prosper.

Another feature of the Canadian Jobs Strategy is the Job Development Program and it too has been wonderful. It has helped employers design and develop jobs to fit the marketplace as it evolves, and at the same time has brought on stream young people who can learn the jobs as they develop. We are seeing all kinds of new vocations and we needed a program that would develop those new vocations as the working society changes.

These young people are very fortunate to have a program like Job Development in which to become involved so that they can learn while they are working and while they are young and so that they can be part of a whole new series of job classifications. Again, I think clear leadership has been shown on the part of the Government.

There is another series of programs with which I have had a lot of personal experience and I would like to share a bit of this experience with the Hon. Member opposite. Some of these programs have affected perhaps not his riding but certainly his province. The programs to which I refer have done very well in the Maritimes. These programs are generally classified under the title Innovations. Under the Canadian Jobs Strategy, Innovations provides the opportunity to develop new solutions to the problems we face. There are two or three such innovations about which I want to talk.

The innovation with which I am most familiar is the Self-Help Centre for Canadian Youth which started in London, Ontario. It was a local solution brought about by people who care about young people. These people came forward and made a submission to the forward-thinking Government under the Innovations plan, had it approved and went to work with the young people of the community. They found out over the past year that young people came in rather large numbers to this centre located in a kiosk in a busy shopping mall. The centre allows them to assess themselves, their abilities and

capabilities in the work world, and to find out what they need to measure up. The centre provides help in résumé writing and makes some young people realize that they should return to school for more training and development. The centre provides self-appraisal, something which is very important.

I daresay that as other Innovations programs have developed in other communities around Canada, we have found even more ways to help the youth. One program that has reached Newfoundland is the YMCA's Youth Enterprise Centre located next door to the Hon. Member in St. John's. There are eight such centres across the country established to help young people achieve self-employment by setting up their own businesses and subsequently creating spin-off employment for others. The concept of entrepreneurship and getting young people involved in small business is really what this country is all about. All economists and not simply those on the government side have said that the economic fabric of Canada and the jobs that will be created in the future will stem from small business. We are helping young people learn about this first-hand.

As the Hon. Member opposite knows, this is a kind of on-the-job education that many young people do not receive in the existing school systems. Once a youth enters the real hard world we all face, he needs these kinds of experiences. If the YMCA's Innovations program can provide that in St. John's, Newfoundland, and eight other centres in Canada, I say congratulations.

It does not stop there. These innovations are spreading across the country. Canadians are coming forward in large numbers from all areas of society wanting to help young people help themselves. The Youth Employment Skills Program, the Say Yes Program, was recently announced by the Minister in St. Catharines and has now spread to the West. I was in Winnipeg in March and I know this program has spread there. It is designed specifically to provide disadvantaged young people with a 12-week course in job-search techniques, work adjustment and academic upgrading and is followed by a series of job interviews arranged as a result of a supportive corporate network. All kinds of people from the private sector are getting involved and becoming part of the solution. Again, that is another step forward brought about by a far-reaching, far-thinking Government that developed a philosophically acceptable program like the Canadian Jobs Strategy.

There is always talk about the Challenge '87 program. Earlier in the debate I heard Hon. Members ask what we are doing in the way of summer employment for students. They asked what we are doing to get students on stream, thinking about careers and getting experience in their off-school time which, in the majority of cases, is the summer time. I think the summer employment program we have developed is getting close to being state of the art. It is very responsive to the needs that exist in the various communities across Canada and I think we should be recognized for that.

The fact that last year there were far more jobs in Toronto and southwestern Ontario where I am lucky enough to live than there were students to fill them means that we do not need money from the Government. The private sector has clearly taken over by offering opportunities for young people to get on-the-spot experience. Let us not put money there, let us put money where it is needed.

The way the Minister has addressed regional disparities has been exemplary. The fact that there has been an allocation of 15 per cent more to the Maritimes is great because it is needed there. There must be opportunities for young people there and we have clearly taken that step.

As well, there are kids with tremendous learning difficulties and emotional instability problems. This group of people for whom it is hard to find work exists in our society as it does in every other society. I believe we have worked with them very well. Even our summer programs, for example the innovations in WOW, are outstanding. The Hon. Member knows these people have never been near a workplace before. They shudder, they do not have the inner strength to even know for sure whether they should be there or how to act. They need all kinds of support and development. This program supplies that, and 70 per cent of those people are gaining strength from that experience in the summer. They are not dropping out of school, they are returning as students and that is a tremendous track record. They are not going to be joining the street people. We do not want them there. We want them where they can learn and develop and be part of Canada as it becomes the leading nation of the 21st century. We are well on our way.

• (1700)

Where else do we see leadership? I cannot help but talk about a subject which is very dear to my heart, as I am sure it is to the Hon. Member opposite. He must have gone through this with these young people. Some of these people will get a high school graduation diploma but they want to get out and work with their hands. They want to contribute to society. Yet they need further training to reach certain skill levels and an apprenticeship program will give them that.

A lot has been said about how the apprenticeship program should be reviewed. I am sure the Hon. Member has heard it from his constituents as I have heard it from mine. The program needs a lot of changes because the nature of work is changing. The skills required are changing. So let us give credit where it is due and look at what this Government is doing about this very burning question which we hear from journeymen back home, who is going to replace me? They came to this country from other lands in the 1950s and 1960s thanks again to an initiative by a Conservative Government in 1957 which encouraged them. They came here and built our industry. Who is going to replace them? That is the big question.

Given the regional and educational differences in this country, the time for leadership is now. I am so happy to report that the Minister and our Government have set up a comprehensive review of apprenticeship training arrangements with the provinces and territories and we are committed to

producing for 1988 and 1989 a revamped set of arrangements relevant to the modern job market. That is quite a commitment. We are doing something about a major problem.

I want the Hon. Member opposite to know that our caucus committees are hard at work solving the problems dealing with the effectiveness of existing programs and whether they meet skill needs. How do we increase the participation of women, natives and visible minorities? We have all heard about interprovincial mobility. There is 20 per cent mobility in any constituency in any given year so we must have some system of knowing that the skill levels reached in one province or one area will be acceptable and useful in another. Again we should get plaudits for getting this done.

In the appropriate areas of responsibility, the federal, provincial and territorial Governments, the employer and apprentices themselves, are funding this training. It cannot be just the federal Government doing it. We want people to help themselves and we are starting to see that.

Clearly we are seeing federal leadership. People are starting to notice. The young people are feeling better about themselves. They know that through these programs, whether they be in school or anywhere else, they are going to get a feeling for the realities of the world of work. These programs will give them self-confidence and career direction.

The examples I gave earlier about the Job Entry and Job Development Programs are just some of the ways we are reaching out. There is just no question about that. Look at reports like this one, "Innovations help young people finish high school". It says: "If I were offered a job today I would turn it down. I want to first finish the program because I know in the long run I will get a better job." This is a young person speaking in St. John's, Newfoundland. That is how they feel about the programs and opportunities provided by this Government as it reaches out across this land, to every nook and cranny, to help young people.

I think the situation is very clear. We have met the challenge. We are not stopping. I have given a couple of examples of our leadership role and we are nowhere near finished. The Minister has to be applauded by all Members of this House for caring as he goes across Canada and listens to the young people and sets the direction we are going to follow in the future.

This Government, like some of its predecessors, has vision. The Hon. Member opposite should think a bit about this. A former Prime Minister stood in his place here and talked about the road to the North and what it would do for Canada. At that time very few people could really understand the impact of that statement. We look back now and say it opened up the North. Look what this Government is doing with its policy concerning not only Arctic sovereignty but to have people live and work in the North. Look at the opportunities that will arise when that ice-breaker makes its roadway to the North. When we move into the far North that even the Right Hon. John Diefenbaker never even thought of, think of the opportunities.

We heard yesterday from the mayors of large cities about all the interesting innovations they have for their young people to renew the cities and urban areas of Canada. They are crying out to get involved with the young people. They have the ideas and brains to make these things happen. Given the kind of leadership this Government provides I just cannot understand a motion like this, and I hope all Members of the House agree with me today that this Government is clearly unparalleled in what it is doing for young people.

Mr. Deputy Speaker: Questions and comments.

Mr. Rompkey: Mr. Speaker, I certainly agree with the Hon. Member that we are looking at the problem from two different points of view. I agree with him on his last point, that certainly the policy of the Right Hon. John Diefenbaker with regard to the North was an entirely appropriate and effective policy. If only the present Government would give as much consideration to the North and the regions as that Government gave I think the country would be far better off. I fail to see how an ice-breaker is going to solve the problems of northern Canada.

I wanted to ask the Hon. Member to address the issue of the regions. He talked about the 15 per cent extra for the various regions, but is it not true that there is less money in the summer program this year over all than last year? Is it not true that there is 15 per cent less this year available for summer jobs than there was last year? We are getting 15 per cent more of 15 per cent less. In other words, there is less in the over-all program.

He also talked about the fact that we dealt with students more so than youth. I mentioned this morning that in this country today we have one million Canadians who cannot read and write. We have four million who are functionally illiterate. These are not students in the system. These are Canadians who could make a contribution. That is fundamental. The programs which were spoken about in the previous speech deal with symptoms, with people who are in the stream. We want to get at the fundamental inadequacies, of which illiteracy is one.

• (1710)

The second inadequacy is the systems of education which we have and the funding for them. Does the Member not agree that the $1 billion shortfall which will arise in Established Programs Financing for Canadian universities over the next five years will be a severe handicap for Canadian young people, whether or not they are students?

I would also like him to comment on the effect in his area, which I know is quite different from mine, of the skew in the Canadian Jobs Strategy toward the private sector. I may be hearing a different story than that Member is, but I am hearing from community colleges that as a result of emphasizing the private sector within the Canadian Jobs Strategy they have about 50 per cent of what they used to have to operate

their core program. They are losing faculty to the private sector. They are losing courses which they used to operate as a result of the change of policy which came into effect in 1984 with the election of the present Government. Would the Hon. Member like to comment on those points?

Mr. Clifford: Mr. Speaker, I certainly would like to comment on that. I am glad that the Hon. Member agrees with me about a previous Prime Minister, the Right Hon. John Diefenbaker. I think he missed the point. The roads to the North were of a different type than the roads which the ice-breaker will build. However, they are roadways nonetheless, whether you are turning ice into navigable water or turning tundra into navigable roads. The principle is the same although the technology must be different.

I had the opportunity to spend quite a few days north of 60 during which time I interviewed exactly 200 young people. Of the 200 young people I interviewed 195 came from south of 60, most notably from the Maritimes, Quebec and Ontario. These young people were all under the age of 30, and one of the most moving experiences I had on that tour was that in every case they made the point that they were very happy in their work and that they found their role in life as Canadians very satisfying. I find that very interesting.

I do not think that I, in southwestern Ontario, or the Member in Newfoundland, would find that kind of job satisfaction and life satisfaction with being Canadian. Perhaps there is something magical in the North. Perhaps some of the opportunities in the North will open up because of the bold move of the Government to be there, and to want to be there. I think we are to be congratulated on that and I will do it for myself if the Member opposite does not want to.

With regard to the 15 per cent, I think it is only fair. I and my caucus colleagues from Ontario and Quebec have no quarrel with the fact that the private sector in my section of Ontario has been very active and very eager to help young people. They pay more money as a reflection of what they expect in work. Why would students not respond and be a part of that?

Therefore, I have no quarrel with any region of the country, which needs it, receiving 15 per cent more. We just do not need it in my part of Ontario. I am sure my constituents would agree that it is best to use it where young people need it the most. If young people in Newfoundland need it as much as I have been led to believe, I am very happy that they are getting this extra opportunity.

I do not think we should be getting too upset about post-secondary financing when the projections for the next five years average 5.1 per cent for each year. That is clearly above the rate of inflation which the Government has been so good at controlling. There will be increased spending and we need not worry about inflation eating away at gains. These institutions are clearly way out in front, as they should be. We want them to be the very best in the world in order that our young people are served as best as they can be, and that we have nothing but even more success in this country.

I hate to be so aggressive about this today, but this motion really upset me; we have worked hard and the record is clearly in our favour. It is not blemished at all.

Mr. Orlikow: Mr. Speaker, I would like to put two questions to the Hon. Member. He is proud of the Government's record on youth employment. Despite the Government's claim that during its period in office 750,000 new jobs have been created, the fact is that there are still 1.25 million unemployed, the national unemployment rate is just over 9.5 per cent, and the rate of youth unemployment is almost twice that. Is the Member saying that he is satisfied with that record?

My second question is with reference to the satisfaction of urban municipalities. As I am sure the Member knows, the Conference of Mayors and Municipalities has estimated that to bring their sewer, water, road and power systems up to the standards at which they should be, because they are rapidly running down—

Mr. Fraleigh: Why don't they look after them?

Mr. Orlikow: The Member asks why they do not look after them. Obviously he does not realize that every city is facing very sharp increases in municipal taxes.

They have made a proposal to the federal Government, partly to bring their facilities up to the standards at which they should be, and partly to employ the hundreds and thousands of unemployed, of a program of rebuilding these facilities in which the federal, provincial and municipal Governments should share the cost. The federal Government has said that it cannot afford it. Is the Member satisfied with the answer given to the municipalities by the federal Government?

Mr. Clifford: Mr. Speaker, in answer to the first question, I do not think we will ever be satisfied. If unemployment was zero per cent I still would not think I had done a good enough job. I would be worried whether we had created an opportunity for the next baby to be born to work and fulfill itself. No, I do not think we will ever vary from that. We will stay right on top of it.

However, a 4 per cent decrease is significant and should be recognized. I am not happy with it, but we are moving the right way. We should get some credit for that in that this country is so diverse and the opportunities are not all in the same place at the same time. I look forward to the day when we will see a rush of youth to Grand Falls—White Bay—Labrador for work opportunities.

Mr. Rompkey: Not too many. Take it easy.

Mr. Clifford: That is the kind of thing I like to see happening in Canada. I talked about what might happen north of the 60. There will be lots of opportunities yet. We will all keep our noses to the grindstone to help young people help themselves to

get jobs and have life satisfaction in being Canadians. No, I am not satisfied, but we are working toward that satisfaction.

With regard to the plight of municipalities it is clear that they must work within the bounds of legislation. They must work with the provinces in which they are domiciled. It is clear that there must be a lot of work done. I applaud them for asking their young people for solutions. I always find that works when we ask some of these well-trained young Canadians. The Hon. Member opposite talked about these pressing social problems in the urbanized areas. I think perhaps if Hon. Members opposite would listen to their young, they might find some new ways of solving those problems. Clearly they have to work it out together within their legislation boundaries and their provinces. Let us see if they cannot come to some solutions first. The Government of Canada cannot solve everyone's problems.

• (1720)

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, as a member of the Official Opposition, I am sometimes asked by my colleagues in the Government why it is that the Opposition is always criticizing. First, the Opposition criticizes because that is the role of the Opposition in a parliamentary system. Second, the Opposition has every responsibility to do so when the majority of the Canadian people no longer support the Government, according to the polls. Our 40 Members are undertaking to express the views and concerns of the Canadian people about their Government. Obviously, the people of Canada are not satisfied with the way in which the Government is conducting its affairs.

I must say it is our responsibility to remind the Government of what it has promised and that it has broken its promises. It is our duty to remind the Government where it has fallen short, where the people are dissatisfied and disillusioned, when people hurt and what their feelings are about the problems they face on a day-by-day basis. It is our duty to speak for the Canadian people. This is an Opposition day and for this reason—

[*Translation*]

—the subject matter before us today is as follows: consideration of an opposition motion:

> That this House condemns the Government for its abandonment of our youth and its failure to provide adequate support for their education and training or meaningful employment and job opportunities, both temporary and permanent.

[*English*]

That is our subject. It is about our young people. It is a subject which is probably the nearest and dearest to the hearts of the majority of Canadians, whether it is the young people themselves who are concerned about their own future or we as parents or grandparents. Therefore, let us ensure there is no mistake. Our young people are going through a very grave crisis right now. The Government does not seem to understand this and that explains why it is in such disarray and disfavour with the Canadian people. I suggest that the Canadian people are concerned about their young people above all.

Half of our single young people, are living below the poverty level. Unemployment in the Atlantic regions is somewhere between 25 per cent and 30 per cent for our young people. In British Columbia it is about the same. If we can imagine, Mr. Speaker, that one out of four, one out of three, one out of four or one out of five in various parts of our country cannot find work, we can understand the rate of suicide has skyrocketed. In the face of this ethos of pessimism, the problems of unemployment and poverty, no wonder the young people have such a feeling of despair and hopelessness.

We are not talking in a hysterical way about the situation. We are talking about the plight of young Canadians. If only members of the Government would understand that we are talking about Bill, Bob, Mary and Martha—real people. When we talk about statistics, we are talking about real people. We must call the Government's attention to this issue of real people. It must wake up. It must be concerned, not about statistics but about these real people. There are real people living in poverty. There are real people, young people, lined up in the bread lines. Young people are living in poverty. Young people are unemployed and young people, in great numbers, are feeling very despondent. This is reality. We are not trying to dramatize anything. We are trying to make the Government understand that this is real.

We have heard various people from the Government side, and the Minister of State for Youth (Mr. Charest) as well, lecture us that it is important that in an age of technological and trade competition we need a well-educated society, that our young people must be well trained in the technological sciences and be able to be competitive. I could not agree more with the those observations. However, it seems strange how over and over again we find that the Government tells us one thing, then practises something totally opposite.

Having told us today how important post-secondary education and the new technology is, we learn that in fact the Government has decided to put a cap on the amount of money to be spent on our native Canadian young people who want post-secondary education. The Government is going to put a cap on that amount. It may be a cap the Government feels is high enough, but what about the commitment of all administrations in this country that native peoples, Indians and Inuit, will have the right to have post-secondary education, whether it be in community colleges, universities or whatever? There should be no cap on the amount of money for that, because there is no higher priority for this country in terms of obligation. The young people from those areas and those backgrounds must be unquestioned and unchallenged in their rights. But the Government has apparently decided to place a cap on the amount of money which will be spent on the post-secondary education of those young people.

The Government may have an answer for that, but there are other things which are inconsistent. For example, is it not strange that the Government and the Minister of State for

Youth and others have talked to us about the new challenge program for this summer. The Government is going to spend money advertising the importance of hiring young people this summer, the importance of private enterprise, and the fact that we must hire young people. That is a very laudable cause, but it is not very consistent with the way the Government carries out its own practices. We have just learned from the Deputy Minister that the number of Public Service appointments of people aged 24 years and under dropped to 1,497 down from 1,836 in the previous year. Barely four per cent of the 217,000 public servants are under 24 years of age. Imagine the Government lecturing us in this hypocritical fashion about its great concern for young people and cutting down on the young people serving in the Government.

At the same time the Government tells the private sector, "You should hire young people". This is hypocrisy. I know no other word for it. It is an incredibly hypocritical policy. How could the Government demand of the people of Canada that they should hire young people saying, "Do as I say, not as I do", while it cuts back the number of young people in our Public Service?

I would like to refer to something said by representatives of the Public Service Commission. They say that five years from now if the present trend continues we could have very few young people in the Public Service. That is hypocritical. Imagine the Government calling for others to hire young people when it does not do so it itself; when it is cutting down on the number of young people in its own service.

• (1730)

The next point I would like to make is that the Leader of the Official Opposition (Mr. Turner) pointed out in the House of Commons the other day that there was a grave problem of unemployment facing our young people. He asked a question of the Government. Quite rightly he was concerned about young people. He pointed out to the Government that the youth unemployment rate is up by 50 per cent in Manitoba this year as compared with 1980. He said that the rate was up 75 per cent in Saskatchewan, 81 per cent in British Columbia and 157 per cent in Alberta as compared to the figures for 1980.

What was the response when the Leader of the Opposition expressed his concern and said to the Government, "Please tell us what you are doing about this?" What response did he get from the Deputy Prime Minister (Mr. Mazankowski)? He answered our Leader by saying that at the same time the youth unemployment rate has fallen from 18.3 per cent, nationally, to 14.8 per cent. Instead of dealing with the problem he told us that the rate has dropped. But dropped from what? He is comparing it with previous statistics of a few years ago in the depths of the recession. Instead of seeing that there is a problem and instead of admitting that in 1980 the situation for young people was very far better than it is today, the Government answered with statistics that tell us how much better it is now by, I think, 3.5 per cent than it was in the depths of the recession. That is hardly the type of answer that will bring any type of satisfaction to Canadian people.

It is small wonder that the Government is in such disfavour with the people of Canada when they see that, indeed, statistics do not lie, but that liars can use statistics. This is not the type of answer of concern and feeling that should have come from the Deputy Prime Minister of Canada when asked about the grave difference in terms of employment between now and the beginning of this decade. At this rate throughout this decade there will be no hope. It is no wonder that there is a sense of despondency and hopelessness among so many young people. There are parts of this country where young people cannot really look forward to finding a job. Therefore they feel as if they are members of a lost generation.

When talking about youth unemployment we must remember that we are talking about human beings, individuals—our children. I am afraid that the Government has not appreciated the gravity of the situation. It has had a *laissez-faire* attitude, a simple slumping back and letting-things-happen approach. It thinks that if the whole situation with the economy improves statistically, then somehow that will trickle down to the young people. Instead of facing the problem and doing something in terms of programming and encouragement for our people the Government depends on a trickle down idea that somehow or other, eventually, if the economy of the country is good enough, everyone will come out all right.

We know that that is not the case. We know that while the economy is perhaps in good shape in the Golden Horseshoe, the area from which I come, and in certain parts of the country the opposite is the case. The west is hurting. It is hurting in terms of its farms, its energy industry and in so many other areas. The spinoff from the hurting in those areas also affects other industries as well. The west is in serious economic trouble. The same thing can be said about other parts of the country such as northern Ontario and the Atlantic region. So it is not good enough just to let things unwind, to let the universe unfold in that sense. It is important that the Government recognize its responsibilities and work actively on the subject of the problems that face our young people.

However, the Government has a record that is deplorable in this respect. It has closed down the Katimavik program, a program for young people that was achieving many things for them. After all, it was better than nothing. In fact, it was an excellent program. It was doing something for young people, something which the Government did not feel it needed. The Government closed down the First Chance program which worked to give young people the opportunity of finding that first job, after which they could then say, "I have experience", and then get another job and move on, to try to end the cycle of no job, no experience; no experience, no job.

The Government also closed 30 per cent of the employment centres on the campuses of the country. In other words, it cut out the vehicles for finding employment for young people as part of its program. That is hardly an enlightened approach to youth unemployment. It froze the student loan assistance

rates. The Government froze funds which were going to research councils which in turn would find their way to the universities and our young people. The Government cut back on the post-secondary educational funding formula. I could go on with a list of the tragic cut-backs that have faced research and students across the country in ever so many ways.

The other day I addressed a question to the Secretary of State of Canada (Mr. Crombie). I asked him why it was that the Government still has not set up a system to help the young people in the remote parts of our country where the unemployment situation is so high. I was referring to Newfoundland and British Columbia, for example. I asked why the Government had not set up a system which would allow students to repay their loans after they found a job instead of within six months of finishing school. The Secretary of State admitted that the Government was thinking about this approach. He said that the Government was studying it.

But the Government has not moved to help to alleviate the problems facing young people so that they will feel encouraged to go to university. They think now, as do their parents, that they cannot go to university or community college if it means that when they have made loans they will have to start paying them back six months after getting out of school, whether they have a job or not. What the Government needs to do is arrange it so that when a person goes to school they can have the confidence of knowing that they do not have to start paying back their loans until they get a job. The Minister agreed that that would be a good idea, but nothing has been done yet.

I then asked the Minister why the Government did not arrange that when students start to pay back this money it be related to their salaries. A person starting in a first job may start at a very low salary. I asked the Minister about having an arrangement whereby after a student is out of university or college, after having made a loan, that he or she would know that the loan would have to be paid back at a rate based on that first year's salary. This is something that frightens parents. They are frightened about getting themselves into debt. They are frightened about having their kids going to school and within six months of getting out having to put the money up front, whether they have a job or not, having to pay back the money at a rate of interest which is not related at all to salary.

That is another example of the lack of sensitivity that the Government shows to the plight of young people. The Secretary of State admitted when I put this point before him that, indeed, the Government was thinking about it, too. As a result of this debate we hope the Government will stop thinking and start acting.

In the area of post-secondary education we had a task force that travelled across the country to hear about the problems facing those in the post-secondary community. We concluded, with regret, that what we found across the country was a tragic situation. Reading from the text—

[*Translation*]

> As a direct consequence of under-financing post-secondary educational and research institutions, teaching staff wages are frozen, facilities deteriorate, research activity is curtailed, morale is eroding, on-campus employment centers are closed down, foreign students are lost, scientists leave the country, libraries are undersupplied and laboratories become obsolete. Furthermore, post-secondary educational institutions are cornered into impossible choices to be made between accessibility and quality.

• (1740)

[*English*]

That is a brief summary of what we learned from 160 interviews with presidents of universities and community colleges throughout Canada, heads of faculty associations, members and leaders of student bodies including undergraduate, graduate and foreign students. The report was monochrome across the country, that the situation for post-secondary education is in crisis.

It is time for us to demand that the Government take steps now to face up to this situation and explore what it can do quickly and effectively to restore to our post-secondary educational community the quality which is required for our country.

[*Translation*]

Mr. Della Noce: Mr. Speaker, having listened with interest to the Hon. Member who has just spoken, I find his negative comments rather sad, given that some speakers today have been quite positive in their comments, specially those addressed to the Minister, who made a brilliant presentation.

My colleague seems to indulge in his role as a member of the Opposition. He has wondered out loud himself why the Opposition should always criticize. It is the easy thing to do, as we all know, Mr. Speaker, and all the more so when one is in the Opposition. Lately, I met a colleague who is a member of the Opposition and I had the misfortune of asking how things were going. His answer was that, as always, everything was fine in the Opposition since the Government is always to blame. That sounds easy enough. I have not had the pleasure of first-hand experience, but it seems easy enough. Time will tell.

Mr. Gauthier: Indeed.

Mr. Della Noce: Another thing I did not like about the comments of our colleague is that he does not seem to like private enterprise. He does not understand that some things must be left to private enterprise, and I presume that he himself has no confidence in private enterprise. He is probably not sitting in the right seat, maybe he should move three desks to his left.

I want to say that private enterprise is doing a very good job in this country. In my home province, in Quebec, it is thanks to private enterprise that young people could be saved. I ask the Hon. Member: Why always make taxpayers pay for everything in this country? The Government is always asked to pay. Why not let private enterprise take care of a few things? I have been

in the private sector for 20 years. I hired young people in the summer, I gave them work, I taught them a trade. Never did the Government give me a cent, and I did not want it either. I never even asked. But I can tell you one thing, I gave them training, and young people were very proud, at the end of school, to come work for me. And in the small family business I owned, I used to hire three youths every summer, and I was proud to have them working for me because I was doing two things: Not only was I making them work, but I was also teaching them a trade. I see all those youths today, and they are very proud that they worked for me because they got training and today they carry on in the same field. I therefore ask my hon. colleague: Why always ask the Government to pay when private enterprise could do the job? Have you lost confidence in private enterprise? Or have you never had any confidence in private enterprise?

[*English*]

Mr. de Corneille: Mr. Speaker, let me point out to the Hon. Member that I certainly have a great deal of faith in private enterprise. I am expressing a lack of faith in the Government, not private enterprise.

Perhaps the Hon. Member was not here when I began my speech. I pointed out that the role of the Opposition is, in fact, to speak on behalf of the people of Canada when they wish to express their dissatisfaction with the Government. Since some 75 per cent of the people of Canada are not supporting the Government and are critical of it, according to the polls, then our role is to try to speak on behalf of those 75 per cent. I suggest to him that many of those people who are critical, are dissatisfied with the plight of our young people today. I hope he will take that to heart.

Second, I was pointing out that the Government is hypocritical in asking private enterprise to hire more young people, as the Hon. Member did himself as an entrepreneur. That is great. However, the problem is that there is a state of "Don't do as I do, do as I say" when the Government admits that it has cut back on the number of young people it employs in the Public Service.

I have read the statistics into the record. They are not mine, but those given by Huguette Labelle who was using statistics from the Public Service itself. The projection from the Public Service is that the present direction of the Government will lead to a situation where "very few" young people will be working in the Public Service. Let the Government set the example.

The Government must also set the example as it applies to the handicapped and the disabled. We hear the same kind of double talk from the Government. We are told that 6 per cent of the people employed in the private sector describe themselves in some way or other as disabled or handicapped. We find that only 2 per cent in the Public Service describe themselves as disabled or handicapped. It is another case of "Don't do as I do, do as I say". The Government is not giving as many opportunities for those who are disabled or handicapped as the private sector.

Indeed, I trust the private sector. I only wish that the Government would, itself, behave as well as the private sector.

Mr. Langdon: Mr. Speaker, it is my sense as we consider this debate today that there is a tremendous feeling of urgency with which we in the House of Commons should be addressing the problems of young Canadians. The latest unemployment statistics I have show that the unemployment rate for March was 17 per cent, up from 16 per cent in February and an increase from March of last year.

Would the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) agree that in order to create a positive environment with respect to a future for our young people it is necessary to have a set of concrete proposals as opposed to a set of laments about the failures of the Government?

While I agree with those laments about the failure of the Government, do we not need to establish a youth initiatives fund to let young people practise some of that entrepreneurship which has been so praised? Do we not need to give guarantees to the educational system with respect to their basic funding, which was not given by the previous Government or the present Government, so that they can have some sense of security?

• (1750)

Do we not need some training initiatives tied closely to the private sector? Do we not need community initiative funds to give communities the possibility of creating long-term jobs for young people and providing young people with a future? Do we not have to talk about a complete reorientation of our economic policies so that we move toward expansion in our economy and away from constrictions which have marked Governments for the last eight years and have created unemployment rates that are humanly unacceptable both to young people and to society as a whole?

Mr. de Corneille: Mr. Speaker, certainly at this point in time the Government has a very real responsibility to abandon its *laissez-faire* policy, that is, the trickle down theory that if the economy is doing well it will eventually reach everyone. It should realize that it is not reaching the young people and that strategies are needed to bring about a change in the situation of despair faced by young people. It is incomprehensible that in a country as wealthy as Canada we should have a situation where our young people are facing such stark hopelessness.

Those of us in the House of Commons with families must admit that we are not suffering too badly. However, I wish members of the Government would ensure that Cabinet understands—and they know what is taking place in their ridings—the impact upon young people, the unseen. They should be the voice of the voiceless, not cower in submission and accept this unacceptable policy of the Government.

We had a first chance proposal when we faced the electorate in the last election. In fact the Liberal Government had put the program into effect because we realized that we needed to ensure that the cycle of not being able to obtain a job without experience and vice versa had to be broken. We knew that something had to be done, that some positive, activist steps had to be taken, in order to break the cycle.

I call upon the Government to take this kind of step, to swallow its pride, or at least to have compassion and realize that a passive policy is no longer good enough. We have reached a crisis situation. Waiting for the economy to pick up to get these people employed is not working; something must be done.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, after listening to the Hon. Member for Eglinton—Lawrence (Mr. de Corneille), I think we can start entertaining some serious doubts as to the Opposition's integrity. Hon. Members were referring to a debate that was supposed to rise above political considerations, and I thought this was going to be the most charitable speech we would hear today. I thought it would focus on the problems facing our youth and on the commitments we made and what we accomplished since 1984, and I realized that in the final instance, the speech by the Hon. Member for Eglinton—Lawrence, my Liberal colleague, was negative in the extreme. He criticized the Government's failure to act.

Mr. Speaker, I can inform the Hon. Member that when his party was in power, and the Hon. Member for Eglinton—Lawrence was talking about compassion, he did nothing, absolutely nothing. He never rose in the House to defend our youth when unemployment rates were as high as 21.3 per cent. Where is his compassion? When he talks about hypocrisy, he ought to know what he is talking about. Mr. Speaker, just what is hypocrisy, morally speaking? It is when the Hon. Member rises in his seat and claims that this Government, that our Minister of State for Youth (Mr. Charest), and never mind that they introduce programs that work, programs that give young people a chance to do something else than paint fences, programs that prove that Canadian young people are not a kind of disease that has to be isolated but a group that should be integrated in society and given its fair share and a chance to show what it can do. Tomorrow, they will be the decision-makers and not those hypocritical critics, Mr. Speaker, who are saying sort of virtuously that the Government did nothing.

Mr. Speaker, during the twenty years they were in power, they forgot to help Canadian youth. They abandoned youth, Mr. Speaker. All the departments did.

Today, Mr. Speaker, the Hon. Member for Eglinton—Lawrence rose to preach a sermon on charity and what our youth policy should be. We have a Minister of Youth who had the courage to rise in his seat today to ask the Opposition whether it had any contribution, any solutions to offer. He said it would be a pleasure to work together with the Opposition. That was unheard of under the Liberals. They thrived on arrogance and refused to listen to the provinces and the Opposition parties. Bad mouthing their neighbour, that is what they were doing, including the Hon. Member for Eglinton—Lawrence.

• (1800)

Mr. Speaker, I cannot accept that in the name of Canadian youth, a Member such as the Hon. Member for Eglinton—Lawrence play small party politics. Mr. Speaker, when we look at the programs, I did not hear him say once that we put in place Challenge '85, '86, '87, we put in place the new Job Development Program, we put the accent on training, because it would be unthinkable for a responsible Government, a Progressive Conservative Government, not to provide training under our programs. It would be unthinkable, Mr. Speaker, to let the young wallow around the place in the hope that some day or other something will happen, there will be a breakthrough somewhere.

Mr. Speaker, we took our responsibilities, and when I hear the Opposition, when I hear the New Democrats suggest the Minister of State for Youth did not do this or that, I find it very hard to accept that they can use such terms, because youth does not merely involve the Minister of State for Youth. It involves all Canadians. It is also the responsibility of each Department. We can see that in the area employment and immigration, we can see that in the area of regional industrial expansion, thanks to lower interest rates that allow the young to start in business, thanks to small business loans at affordable rates. We could ask them where the interest rates were when they were in Government, when home mortgage rates went up to 22 percent, when Canadian people lost their homes, when they could not build to make the Canada of today and the Canada of tomorrow.

And they now dare accuse us of doing nothing for the young! The young also involve the Department of Agriculture. Stable interest rates, long-term dairy policies, capital gains exemption that enables young people to start up in farming, to integrate into the Canadian farming system, because there is in Ottawa a responsible Government that offers them alternatives, that gives them a chance to get involved rather than suggesting: We will put you on hold, wait for you to get older and if we are given the chance to do so, we will make room for you.

Canadian young people are following this debate today in the House of Commons and considering alternatives. The Minister of State for Youth has put forward some alternatives within the context of existing programs that were established in 1984. They asked opposition Members whether they had anything to say and they answered no, we have not. They said, to use the clever words of the Hon. Member for Eglington—Lawrence, that they are here to criticize the Government because that is the duty of the Opposition. That shows, Mr. Speaker, how mature opposition Members are.

Mr. Speaker, that I cannot understand and to conclude, because I know that time is running out, I want to say that a responsible Government is one that makes room for its youth, that says to young people: You are going to get involved, we will give you the tools, we will not do as the Opposition, we will not spoon-feed you in the belief that what we are doing is good for you. We will provide you with the opportunity to be yourselves, to become adults, and to ensure that tomorrow's Canada is the one that you have chosen and not what we have tried to impose upon you.

[*English*]

Mr. Deputy Speaker: It being six o'clock, it is my duty to inform the House that pursuant to Section 12 of Standing Order 82, proceedings on the motion have expired.

• (1805)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

ROYAL CANADIAN MOUNTED POLICE—TESTS FOR ADMISSION AND SELECTION OF PERSONNEL—GOVERNMENT POSITION. (B) OFFICIAL LANGUAGES—REQUEST THAT SOLICITOR GENERAL PRESENT REPORT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, again this evening I should like to raise certain questions which were asked in the House concerning official languages and which have yet to be answered.

As recently as May 5, two days ago, I asked the Solicitor General if he could do something to correct a situation within the Royal Canadian Mounted Police, a situation related to the RCMP aptitude tests which have been shown to be discriminatory towards francophones because the test translated from English was full of errors. As a result of these errors, successful francophone applicants had an average of 60 per cent, whereas the anglophone applicants' average was 70 per cent. So the RCMP hired more anglophones because francophones found it difficult to pass this selection test.

Admittedly, Mr. Speaker, this may have been due to an erroneous translation, but they kept the test and used it for five years. Since 1981 they knew the test was incorrect but they kept using it anyway, and RCMP officers themselves had to complain publicly before corrective measures were taken.

Mr. Speaker, this is not the first time in this House and in the Standing Committee on Official Languages that I single out some of the anomalies—and I am being polite—which exist within certain Government services. Faced with the RCMP inertia in taking action and responding satisfactorily to questions put to them, the day before yesterday, following the answer of the Solicitor General, I decided to write a personal letter to the Prime Minister, a letter which I sent to him and which, I hope, he has received and will answer. This letter, Mr. Speaker, is a summary of events since last fall with respect to official languages. I should like to remind the House that what I am saying now I consider as being very serious.

Last October 16 I asked a question in the House as a result of the publication of a document called *Pony Express*, a RCMP internal document. It was indicated in this document that they intended to reduce the 20 per cent francophone personnel quota to 14 per cent. Answering in the House, the President of the Treasury Board (Mr. de Cotret) assured me that this was not Government policy. I believed him.

On October 23, again in the House, I made public the contents of a letter confirming this agreement between the RCMP Commissioner and the Treasury Board official responsible for implementing the official languages policy. Mr. de Cotret, the Minister, responded by saying that it was only a discussion among officials, not a Government decision. Again I believed him.

On Wednesday, December 17, 1986, in the official languages committee, RCMP Commissioner Simmonds confirmed the objective had been lowered from its level of 20 per cent to 14 per cent. He said it might be 12 per cent. The next day, I pursued the matter in the House and asked if it was the RCMP Commissioner or the President of the Treasury Board who was telling the truth and which of them we should believe. About the situation, the Minister replied to me that on October 2, the day before, he had requested the Solicitor General of Canada to present him with an action plan on official languages for the RCMP. And I believed him, Mr. Speaker. I said to myself: "There will be action, the Minister told me there will be a plan. It seems as if the Solicitor General is facing a *de facto* situation. The RCMP will have to act." I thought things would change. Nothing changed. On January 30, French-speaking RCMP officers publicly denounced the conditions they were in. Even the Deputy Commissioner of the RCMP Quebec Division, Mr. J. Julien, was critical. He wrote in a long letter to Commissioner Simmonds that among the French-speaking officers in his division, and I quote:

> The feeling expressed is one of rejection of Francophones by the Anglophone majority and that Francophones' participation in the RCMP is marginal.

It is upsetting.

I questioned the Government twice, on January 30 and February 2. Ministers procrastinated and refused to answer my questions. Then, on February 3, the RCMP appeared before the committee where Mr. Julien confirmed the authenticity of his letter and comments. The RCMP high officials who were present closed ranks and refused to budge on anything.

Faced with all these delays and this ghastly situation, the Solicitor General does nothing. I was rather disappointed the day before yesterday and I told the Minister: If you cannot do your job and enforce the law which has been with us for at least 18 years, resign!

Last Wednesday, before a parliamentary committee, the Director of the Canadian Security Intelligence Service confessed quite candidly, probably knowing full well that he did not have to hear the consequences of his action, that his organization had never met the requirements of the Official Languages Act in two years, that is ever since its establishment. This also falls under the jurisdiction of the Solicitor General, Mr. Speaker. Both the RCMP and the Canadian Security Intelligence Service do, Mr. Speaker, and nothing is being done.

Yesterday, or the day before, I was told: There is a report forthcoming. I asked the Minister who told me: Yes, I have received and tabled the plan with the Treasury Board. I will act on these matters next week. Tonight, I ask the Parliamentary Secretary to confirm whether we can hope for any corrective action, urge the Government to do something and suggest, Mr. Speaker, that if the Minister is unable to act, he should be replaced with his Parliamentary Secretary. I know he would do something.

Mr. Michel Champagne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) is much too kind. First of all, I must say he has raised a major issue, namely the linguistic duality within Canada and our institutions. I want to congratulate the Standing Committee on Official Languages which, over the past few months, has really tried to remedy the situation, shaking the tree to get rid of the bad apples.

Of course, as minister responsible for the Canadian Security Intelligence Service and the Royal Canadian Mounted Police, the Solicitor General of Canada (Mr. Kelleher), knows just how important the French issue is within these two services. To raise it as radically as the Hon. Member for Ottawa—Vanier did might be somewhat premature, because one should look at the context as it is, and as the Hon. Member for Ottawa—Vanier and you, Mr. Speaker, know it has not occurred overnight. If the Commissioner of the RCMP and the Director of the Canadian Security Intelligence Service have felt the need and taken it upon themselves to hire more Anglophones than Francophones, it is because there was something basically wrong which had not been detected and which has been coming to light over the past few months thanks to the tremendous efforts of the Official Languages Committee.

Mr. Speaker, it is a series of facts and circumstances which is coming to light from day to day and which explains why the Solicitor General is truly concerned with the problems resulting from the French fact. To get to a solution, I am sure, because linguistic duality, the French fact, is and always will be entirely acceptable within the Canadian system, is and always will be worth fighting for within our institutions, as the Hon. Member for Ottawa—Vanier and French-speaking members of this House have always done. We must protect bilingualism. The Solicitor General will do so as much as he can and—something that should please the Hon. Member for Ottawa—Vanier—will always maintain a required decent minimum within our agencies.

I also commit myself to support my colleague from Ottawa—Vanier as well as all Members of this House as a democrat, as a Member respectful of Canadian laws, of both our languages, of both our founding peoples who will always be protected. I can assure the Hon. Member that the Solicitor General is well aware of the situation and will act as quickly as possible, even though he has already done so in several cases.

• (1810)

[*English*]

CANADA POST CORPORATION—DELAYS IN MAIL DELIVERY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on March 20, 1987, in this House I asked the Minister of Consumer and Corporate Affairs (Mr. Andre), who is also responsible for Canada Post, a question related to frustrations experienced by some of my constituents in dealing with the mail service. The Minister acknowledged the existence of problems and assured me that he is committed to finding some solutions.

I would like to praise the Minister for being very active in the past in seeking constructive and innovative measures in dealing with the situation, such as the appointment of a group to study the feasibility of third-party regulation.

More than anything, though, I strongly support the message conveyed through the Minister's actions that good service and not the reduction of the deficit should be the first priority of Canada Post. Considering the April 1 rate increase as well as the seemingly annual threat of yet another postal strike, I would like to make some comments on the matter.

I cannot stress strongly enough the important role that the Post Office plays in our lives. In my duties as a Member of Parliament I have dealt with problems experienced by Canadians with a variety of services such as those offered by financial institutions. As important as these are, the issues involved are often abstract and remote to most people. Service provided by the Post Office, however, is essential, tangible, and affects all of us in our most basic daily routine.

There are three groups of users of the Post Office on which I would like to concentrate. One is ordinary citizens involved in personal correspondence, the second is religious and charitable organizations, and the last is various business groups. During my term in office I have received hundreds of letters of complaints about personal mail delivery and only one—yes, one—complimenting Canada Post. Granted, Mr. Speaker, this is not a very scientific survey, but common sense suggests that there is something wrong. What is wrong?

According to the Marchment committee, which did a study for the Government last year, the most serious tangible problem is delay of service. Many of my constituents complain

that there is no predictable time of day when the mail arrives and, at times, there is none for consecutive days.

The second group of immediate concern to me includes various religious and charitable organizations which require low-cost and efficient mail service to distribute their material. Two publications of the Canadian Church Press, namely *The Presbyterian Record* and *The Canada Lutheran*, have been denied second-class postal permits which are absolutely essential for their continued existence. The ground for this decision is that these periodicals are business and not religious. Mr. Speaker, if a church magazine is not religious, what is?

The subject of postal needs brings us to the third group affected by the Canada Post policies. Personal mail is important but it only constitutes about 8 per cent of the entire volume. By comparison, the lack of adequate service and the ever-increasing cost of mail service has a real negative impact on businesses, particularly small businesses.

To help put things into perspective, first-class business mail constituted about 4 billion pieces out of the total of 7.7 billion pieces handled by Canada Post last year. It contained various bills, invoices, tax slips, insurance documents, et cetera, which, given the obvious existence of deadlines and due dates, depend upon reliability of delivery within a reasonable period of time.

At the risk of sounding drastic, Mr. Speaker, promptness in such cases is a major factor in sustaining the economy and certainly the well-being and cash flow of enterprises involved. This is especially true of businesses which operate on performance margins directly related to postal rates.

Therefore, considering the volume of mail involved, even slight rate increases such as the one last month have a significant effect on profit margins. Furthermore, the lack of confidence has prompted many businesses to contact independent couriers for important pieces of mail, something which is an obvious additional burden on the costs.

• (1815)

I am strongly opposed to any rate increase without significant improvement in service, but I also realize that this is done because of the other major problems affecting Canada Post, poor productivity and the resulting deficit. For this the blame should be shared by labour and management. To begin with, the entire negotiating structure seems ridiculous in that there are eight unions and thirty bargaining units within the corporation. Not only does this prevent cohesive and co-ordinated bargaining but considering that unions tend to honour strikes across the country, one deadlock threatens to paralyse the entire system.

Given this, it would be instructive to look at some of the existing contractual provisions. For instance, in the letter carriers' agreement, full-time employees have the first right of refusal in replacing their colleagues who are absent on vacation or through illness. This means that a letter carrier who has completed his or her own shift, which incidentally can often be completed in three or four hours, has the option to pick up his absent colleague's bag. This he will almost invariably do since one of the catches is that substitutes are paid time and a half. Considering that the contract prohibits hiring casual or part-time workers at straight time, there is an obvious incentive to maximize frequency of absence and diminish productivity.

Statistics strongly back up this notion. Last year the non-vacation absenteeism of Canada Post employees was 16.5 days per year, all paid according to contract. By comparison, the average for the rest of the economy, including truly hazardous jobs such as mining and steel manufacturing, was six days.

There is no doubt that part of the blame in this case should be attributed to management, which conceded irresponsible benefits during the last settlement. On the whole, the bargaining climate between unions and management is adversarial to the point of irrational spite. Labour, in particular, tends to assume an "us versus them" attitude and politicize any disagreements.

Obviously, in the short time I have I cannot say all that is wrong with Canada Post, nor can I provide the solution. However, I can offer some ideas. First, I believe that strikes affecting postal service are indefensible. Therefore, I have drafted a Private Member's Motion calling on the Government to make Canada Post an essential public service, thus prohibiting strikes. Aside from assuring Canadians that at least some service will always be available, this should help pre-empt in the future the kind of ridiculous concessions described earlier.

Naturally this is not a solution but only a small step. Beyond it, the entire negotiating atmosphere must be improved and depoliticized. In that sense, the Minister's initiative of setting up a team to study the possibility of a neutral non-government group involvement is a worthy idea. As for improvements in productivity under existing contracts, commitments announced in last fall's corporate plan, such as specific time targets for delivery, are constructive.

I would like to stress that the situation is nothing short of shameful and frustrating but not irreversible given our resources and know-how. Therefore, a commitment to improvement of service should be the number one priority of Canada Post in the immediate future.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I will try to respond to the concerns of my colleague and to those of all Canadian citizens.

Perhaps the single most important aspect of Canada Post delivery service is reliability, in other words the regularity with which the flood of mail is forwarded from the pick up point to the point of delivery.

In-depth market surveys indicate that postal service customers want to know how long it takes for first class mail to reach its destination.

The findings of the Marchment task force confirm those of the corporation.

All studies made suggest that postal service users are prepared to accept the following norms, provided they are guaranteed reliable service: two (2) days for delivery within the same city; three (3) days for delivery between major urban centres in the same province; and four (4) days for delivery between major urban centres in various provinces, that is from coast to coast in Canada.

The Corporation has set up a national control centre, which operates 24 hours a day, seven days a week, to monitor the efficiency of Canada Post by studying every step in the processing of mail, in accordance with the management plan of the Corporation. Canada Post has been introducing, since August 1986, a new color code. This system will enable managers of regional services to exercise a better control on our commitments. Each day of the week has been assigned a separate color and that allows the staff to determine precisely the priorities for processing and delivery.

The Corporation tries to meet its commitments related to processing and delivery of mail. It also emphasize the so-called "return program ". This is a program designed to correct mistakes due to a combination of factors, particularly errors in the postal code used by the sender, employees' mistakes and machine malfunctions. Canada Post has also bought 9,600 extra wire containers for intermodal railway service or for loading and unloading trucks carrying bulk mail, as well as 160,000 letter plastic containers for the safe transportation of mail.

The Corporation has a strategy which makes possible the sorting of all first class mail in 24 hours. That strategy is designed to make optimal use of facilities and machines, by distributing accumulated mail in order to reduce the number of items at rush hours and to increase it during slack periods.

To sum up, the facilities used by the Corporation and its network of means of transportation are being reorganized in order to process increasing amounts of mail on a more reliable and better monitored basis, through better management and a better use of equipment.

• (1820)

[*English*]

CHILDREN—PROGRAM TO COMBAT SEXUAL ABUSE

Mrs. Mary Collins (Capilano): Mr. Speaker, on April 8 in the House I asked the Minister of National Health and Welfare (Mr. Epp) if he could advise me what progress he and the Government were making in terms of implementing social and educational initiatives to deal with child sexual abuse. These initiatives had been announced last year and, of course, we are urgently seeking their implementation. We are aware that the problem of sexual abuse of children is an extremely serious one. In fact, it has been estimated that four out of ten females and one out of ten males has been sexually abused before reaching the age of 18.

I have been very pleased to be part of the legislative committee that dealt with Bill C-15 which sets out the legal framework dealing with child sexual abuse, which establishes new offences and penalties and which deals with the ability of children to testify in court. I hope that that Bill will very soon receive third reading and be enacted.

In addition to the legal framework, the Government has promised to take action in other areas as well. It has indicated that it will appoint a special adviser on child sexual abuse. This adviser would have responsibilities to deal with the social and educational issues. He or she would be supported by a committee of regional advisers who would seek out and bring forward ideas and input from the various regions of the country, as well as being representative of the many disciplines which have a strong interest and concern about this issue. I understand that this adviser has not yet been appointed. I urge the Minister and the Government to work as quickly as possible in this respect because I believe that this program needs the leadership which the adviser will be able to bring to it.

At the same time, the Government has also committed $20 million over a period of five years to focus national efforts on combating child sexual abuse. This complements other initiatives. In allocating these funds, I think it is important that the federal Government work closely with the provinces and non-governmental organizations in this effort.

I was pleased to hear that on April 14 the Minister of National Health and Welfare announced approval of $1.3 million in project funding as the first step of this five-year program. He also indicated that there were an additional 65 projects totalling about $3.3 million which were under consideration for the 1987-88 fiscal year. I was particularly pleased to see that of the $1.3 million in projects that were announced, about $350,000 in projects would be going to organizations in British Columbia that have played a leadership role in this field. Indeed, the question of child sexual abuse has been an urgent topic for the school system in British Columbia.

• (1825)

I want to comment on one specific initiative that is being undertaken by the British Columbia School Trustees Association. More than a year ago the association established a task force to advise the provincial Government and school boards on the question of child sexual abuse. Last fall they released an excellent report which deals with this issue in a forward moving and comprehensive manner. This report contained a number of concrete proposals for the provincial ministry of education.

Building on the experience gained from this exercise, and with project funding from Health and Welfare Canada, the British Columbia School Trustees Association will be sponsoring a meeting of national educational associations representing parents, teachers, administrators, trustees and provincial

government officials to share information and develop goals concerning child sexual abuse.

I think the school systems of Canada are in an excellent position to effectively respond to the problem of child sexual abuse.

In the short term, efforts can be focused on prevention and raising community awareness of the problem. In the long term, our school system can educate the next generation against interpersonal relationships which encourage child abuse. Our schools can implement programs and follow up with research to ascertain the effectiveness of these programs.

By bringing together concerned parties from right across Canada, the forum organized by the British Columbia School Trustees Association can be likened to a springboard, to help develop a national strategy to deal with this very tragic problem.

This meeting, which is to be funded by the federal Government, will allow the participants to develop a comprehensive role for school systems of Canada which will facilitate implementation of programs at both the local and provincial level. It will help put in place an information sharing process, allowing for communication about the effectiveness of techniques to combat this ill and about the results of research.

It may also lead to joint projects among various jurisdictions so that the lessons learned from a program in one part of Canada can be applied to the efforts of another.

I applaud this initiative for it sets the groundwork for a co-ordination of efforts on a national scale in Canadian schools. I trust that the Minister of National Health and Welfare will continue to approve funding for worth-while projects such as this which complement the legislation introduced by his colleague, the Minister of Justice (Mr. Hnatyshyn), and will finally, I hope, start to deal with the root problems that are involved in the issue of child sexual abuse.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, first I want to congratulate the Hon. Member for Capilano (Mrs. Collins) for her dedication to such an important problem as child sexual abuse. I can see that she is very well informed on the subject and I wonder if she does not already know all the answers that the Department or myself would like to give her.

• (1830)

[*Translation*]

Mr. Speaker, in June 1986, the Government announced what steps it intended to take as a follow up to the recommendations of the Badgley Report dealing with sexual abuse of children and also those of the Fraser Report dealing with pornography and prostitution.

In addition to the changes to the Criminal Code and the Canada Evidence Act which are presently being contemplated, the Government has announced a social and educational program which is to be implemented through the Department of Health and Welfare.

However, the Government has fully recognized that under the Constitution the provinces are responsible for health services and social services in Canada. As part of its strategy, the Government has also appointed a special advisor on childhood who will be reporting directly to the Minister of National Health and Welfare (Mr. Epp).

This special advisor shall be assisted by a committe of regional advisors which will promote the exchange of ideas between the various regions of the country and act as a forum for the numerous disciplines involved in the field.

It is expected that the special advisor shall be named shortly.

It is essential that the government appoint the best qualified individual and that no other obligation will prevent that person from taking up that position.

In June last, an announcement was made that the Department of National Health and Welfare will spend $20 million during the next five years to implement social and educational measures in order to provide guidance and define the objective of the national strategy to control sexual violence against children. In order to develop a program making the best use of funds in accordance with the government's commitment, the Department has undertaken consultations with provincial officials and non-governmental organizations. According to the Department, it would not have been worthwhile to develop that program too soon without having sufficient outside input, especially those of individuals and organizations which are primarily responsible for the provision of those services.

Therefore, the Government remains committed to support effectively that important program and it will reconsider responses at governmental level to the problems of sexual abuse of children as the program evolves.

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

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Friday, May 8, 1987

The House met at 11 a.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

TRANSPORT

NEED FOR GOVERNMENT ACTION TO MAKE JACQUES CARTIER BRIDGE SAFE IN MONTREAL

Hon. André Ouellet (Papineau): Two weeks ago, Mr. Speaker, Montreal's Jacques Cartier Bridge was again the scene of serious accidents, including one which resulted in the death of a Montreal south shore woman resident. It so happens that for several months now the Minister of Transport (Mr. Crosbie) has had on his desk the Trafix consultant firm report recommending quite realistic and practicable measures to make that bridge safer.

We Liberal Members of the Montreal region wonder just how much longer it will take before the Conservative Government reacts, just how much time before the Minister of Transport realizes the seriousness of the situation and heeds the advice of the Ports Canada Police Fraternity and of his own advisers who are urging him to take action. He has to assume his responsibilities before more accidents occur.

* * *

[*English*]

NATIONAL FOREST WEEK

IMPORTANCE OF FOREST INDUSTRY TO ECONOMY OF BRITISH COLUMBIA

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, as you well know, in British Columbia money really does grow on trees. Over $1 billion annually is generated in taxes and direct revenues from B.C.'s forest industry.

Today is day six of National Forest Week in Canada. As a Member of Parliament representing a forest riding, including Port Alberni, the Forestry Capital of Canada, this week is especially meaningful to the citizens of my home province. This year close to 90 British Columbia communities are joining with other communities across Canada to recognize our most valuable natural resource through community events, fairs and other festivities.

• (1105)

Much like the people of British Columbia, the forests of our province are undoubtedly one of the nation's greatest assets. One out of every three jobs in British Columbia depends on the forest resource for their livelihood. Ten per cent of our national economy is fueled by our forests.

Clearly money does grow on trees. Today, during National Forest Week, we recognize the contribution our forests make to the lives of all Canadians.

* * *

ROAD SAFETY

ACCIDENTAL DEATH OF VANCOUVER TEENAGER AT SELF-SERVICE GAS STATION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have before me the coroner's report on the death of Edward Siemens, a Vancouver teenager who was a very great athlete. He and three other teenagers had been travelling in Vancouver late at night. They ran out of gas and manoeuvred their car into a self-service gas station.

The report indicates the power steering was very stiff and they were having difficulty manoeuvring the vehicle past the gas pumps. The right front of the vehicle impacted the gas pump and somehow the hose of number two pump caught the bumper of the car ripping the hose from the pump and breaking the on-off lever. This sudden disruption then caused the gas to be dispensed uncontrollably on to the ground surrounding the gas pump island area.

Mr. Siemens got out of the car. The electrical spark was still on, a fire broke out and engulfed Edward Siemens, and he died.

The report has a lot of good recommendations including larger islands, proper signage, fire extinguishers, two-way intercoms, proper training procedures, electrical shut-off switches and so on, but I want to bring to the attention of the House one particular recommendation, and I quote:

> We recommend a public awareness program as to the dangers of gasoline at self-service gas stations. This program should be province-wide.

I think it should be Canada-wide. I hope we can learn from Edward Siemens' death so we can prevent this kind of tragic death of another teenager or anyone else.

S. O. 21

[*Translation*]

INTERNATIONAL ASTRONOMY DAY

EXPRESSION OF GOOD WISHES TO AMATEUR AND PROFESSIONAL ASTRONOMERS

Mr. Dave Nickerson (Western Arctic): Tomorrow, Mr. Speaker, May 9, is International Astronomy Day. Amateur and professional astronomers the world over will take this opportunity to participate in special activities designed to make the general public aware of the joys of astronomy.

These activities in Canada will be coordinated by the Royal Astronomical Society of Canada which will mark the day by paying tribute to Mrs. Helen Sawyer Hogg who devoted her life to astronomy and the scientific popularization of this discipline.

The theme of this year's celebrations comes from one of Mrs. Hogg's works entitled *The Stars Belong To Everyone*. The House is pleased to extend its best wishes to all participants.

* * *

[*English*]

AGRICULTURE

COUNTERVAIL IMPOSED ON IMPORTS OF UNITED STATES CORN—FUNDING OF ACTION BY AMERICAN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, Ontario corn producers are suffering tremendous uncertainty as a result of the latest move by the United States to fight the countervail which Canada recently imposed on highly subsidized U.S. corn. The 85 cents per bushel countervail assists Canadian farmers by imposing a price on U.S. corn which is more in line with Canadian prices. The effect of the U.S. Farm Bill has been to depress corn prices severely and artificially thereby unfairly hurting our corn producers. This action by Canada was necessary.

The latest U.S. proposal would provide by law $500,000 to American farm groups who want to fight against the fair and necessary 85-cent Canadian countervail on corn. Whereas Canadian corn producers have paid their own legal bills, we see in this case the real possibility that the United States Treasury will be pitted against the already hurting Canadian corn producers. This U.S. financial assistance to farmers is in itself another subsidy to U.S. producers who are already among the most highly subsidized in the world.

I call upon the Government to protest this action immediately and do whatever it can to block such an unfair U.S. plan.

• (1110)

HISTORIC EVENTS

WORLD WAR II—ANNIVERSARY OF VICTORY DAY, MAY 8, 1945

Mr. Joe Reid (St. Catharines): Mr. Speaker, after five years, World War II came to a slow and grinding halt. My war between Nijmegen and Arnhem was literally bogged down. It was on April 27, while on brigade staff, that I delivered the message: "Fire only when fired upon".

On May 5 General Foulkes accepted the surrender of the German forces in Holland. The lights went up. There were no more black-outs. We shook hands. We were still alive.

On May 7, in a brief ceremony at Reimes, General Jodl signed the surrender document, with hostilities to cease the next day. Thus, World War II ended on May 8, 1945.

Canadians will be forever remembered in the Netherlands with these words: "Thank you, Canada, for giving us our freedom".

Canadians lie buried in 74 different countries. May 8, 1945, was Victory Day—freedom so bitterly won.

Some Hon. Members: Hear, hear!

* * *

LABOUR CONDITIONS

BRITISH COLUMBIA UNEMPLOYMENT STATISTICS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, while there are some encouraging signs in today's employment figures, the jobless situation in most of Canada remains at an excessively high and totally unacceptable level.

The jobless figure for central British Columbia is 4 per cent higher than it was a year ago, while the jobless numbers for young people remain at virtually immorally high levels.

Youth unemployment in British Columbia has increased by 157 per cent during the 1980s, yet the Government has only provided summer job funds equal to those of last year. With no Expo jobs this summer, the job prospects for students and other young people in British Columbia will obviously be worse.

The federal Government has refused to recognize this critical fact in its funding for Challenge '87. While the Government points out that more than 90 per cent of all new jobs in Canada occur in the greater Toronto area, it should recognize that there is a Canada beyond Toronto in southern Ontario.

The unemployment crisis is continuing in all regions of Canada and is even increasing in the Province of Newfoundland. It is time the Government acknowledged this human tragedy and took immediate steps to bring it to an end.

YOUTH

DECLINE IN UNEMPLOYMENT LEVELS

Mrs. Mary Collins (Capilano): Mr. Speaker, judging from the statements yesterday of Hon. Members opposite, and in fact the one just made by the Hon. Member for Kamloops—Shuswap (Mr. Riis), one might think that the Government has been negligent in its programs for youth, particularly our unemployed youth.

If the NDP and the Liberals would drop their partisan blinkers and take the time to examine the facts, they would see how the Government's policies are working. This morning we heard that unemployment is at its lowest level in five years, down to 9.3 per cent nationally.

How have we been able to bring down the unemployment rate by almost 2.5 percentage points? Well, it is mostly because of the sound economic policies of the Government, but also because of our very successful job-creation programs.

In my own riding of Capilano, for instance, the Challenge '87 program will create 187 jobs for students this summer. Over $350,000 in federal money has been committed to help give students valuable job experience. It is only one of many programs which is helping the people in my riding.

This is only one component of our job-creation program. The success of our total effort is there for all to see, as we beat down the unemployment rate and create jobs for all Canadians.

* * *

[*Translation*]

TRANSPORT

SAFETY OF PORT OF MONTREAL

Mr. Robert Toupin (Terrebonne): Mr. Speaker, today I met with representatives of Local 375 of the International Longshoremen's Association, who condemned the hazardous situation prevailing in the Port of Montreal, where the accident rate is one of the highest in Quebec. Last year, there were 500 accidents. This was brought to the attention of the former and the present federal Minister of Labour (Mr. Cadieux), with no results. Deaths like that of Mr. René Leboeuf remain unexplained.

The ILA condemns the unconscionable attitude of Mr. Arnold Masters, President of the Maritime Employers' Association and a member of the Board of Directors of the Port of Montreal, and it is also critical of Mr. Masters' ties with the Prime Minister of Canada (Mr. Mulroney).

Furthermore, the ILA local has complained that negotiations to renew their collective agreement are now at an impasse, that the situation is deteriorating and going from bad to worse.

* * *

STATUS OF WOWEN

IMPROVEMENT OF CONDITIONS

Mr. Nic Leblanc (Longueuil): Mr. Speaker, the Mulroney Government has made women's economic and social development a priority. The following is proof that it takes its commitment seriously. There are more jobs for women. There are 355,000 more women on the labour market than in September 1984; women's unemployment has dropped 2.3 points since the election; and the number of unemployed women has dropped nearly 100,000, compared with an increase of 243,000 under the Liberal Government. The 1986 Budget is a good deal for women. Advance payments of $300 for the child tax credit were made to families with incomes of $15,000 or less in 1985. We have done more for women in two years than the Liberals did in 20. That is why today, women are glad they elected a Conservative Government.

I want to take this opportunity today to wish our mothers a happy Mother's Day this coming Sunday.

* * *

• (1115)

[*English*]

INDUSTRY

PROJECT LAY-OFFS IN MARITIME LUMBER MILLS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the Maritime Lumber Bureau has issued a chilling estimate that more than half of the 7,300 sawmill workers in the Maritimes will be laid off within a year if the lumber export tax is not removed. The loss of so many jobs will threaten the very survival of a number of communities in the region where lumber mills are the mainstay of the economy. A case in point is Juniper, New Brunswick, whose survival depends on Juniper's continued lumber operations.

[*Translation*]

According to the study by the Maritime Lumber Bureau, if the Juniper plant closes down, the Government will have to pay more than $10 million annually in social benefits. Mr. Speaker, I am sure you will understand how important it is to exempt the Maritime provinces from this tax. Once again, I would urge the Government to take appropriate action.

[*English*]

ASTRONOMY

ACCESS BY CANADIAN ASTRONOMERS TO NEW TELESCOPE IN HAWAII

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, through a collaborative agreement signed recently between the National Research Council and Britain's Scientific and Engineering Research Council, Canadian astronomers will have access to 25 per cent of the observing time on one of world's best ratio telescopes operating at sub-millimetric wavelengths, a previously inaccessible spectral window on the universe.

This facility, the James Clerk Maxwell Telescope, will start operating this June on the 4,300 metre high summit of Mount Mauna Kea in Hawaii. Mauna Kea is one of the world's best astronomical sites because of its very dry atmosphere and the absence of light pollution. For this reason, a growing number of major telescopes operate there at visible, infrared and millimetric wavelengths, including the Canada-France-Hawaii Telescope, a world class facility used by Canadian astronomers working in the visible part of the spectrum.

The National Research Council will also give Canadian astronomers convenient access to the new frontier in astronomy, the unprecedented resolution and spectral coverage of the Hubble Space Telescope. Located far above the earth's atmosphere, the Space Telescope will provide opportunities for dramatic new discoveries when it is put in earth orbit in two years.

The next decades will truly be a rewarding time for Canadian astronomers and scientists.

ORAL QUESTION PERIOD

[*English*]

TAX REFORM

COMPREHENSIVE SALES TAX PROPOSAL

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. There was a time when Canadians knew that there were some rights they could count on: access to our social programs, for one, and, for another, that staple foods, the necessities of life, would not be taxed.

When the present Government came into office and embarked on its deficit-cutting program, Canadians were shocked at its insensitivity. It will be a long, long time before they forget that this is the Government that tried to tamper with senior citizens' pensions.

Now that the Finance Minister has announced his plan to introduce a new comprehensive sales tax on all goods and services, will he tell the House, yes or no, whether or not he is planning a bread and milk tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I thought that when the Hon. Member started her question about rights and the rights of Canadians, she was going to ask me a question about the unemployment rate and why it is down to its lowest level in five years at 9.3 per cent. Our Government has created 778,000 jobs since it took office.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Some of the weak areas that had been under pressure in manufacturing have now turned around. I believe my colleague, the Hon. Member for Capilano, will be very pleased to know, and the Hon. Member for Kamloops—Shuswap that—

Mr. Broadbent: Answer the question. Make a statement on motions.

Mr. Gauthier: He wants to cover the polls too.

Some Hon. Members: Oh, oh!

Mr. Speaker: I would remind the Hon. Minister who, I am sure, does not need any reminding, that there is an appropriate place to make statements and it follows one of the rubrics in Routine Proceedings. Perhaps the Hon. Minister could concentrate on the question that was asked and answer it.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

• (1120)

Mr. Wilson (Etobicoke Centre): Thank you very much for correcting me, Mr. Speaker. I got distracted by this good news.

In response to the Hon. Member's question, I have indicated that there will be a White Paper on tax reform June 18. At that time there will be a comprehensive proposal for tax reform put before the House and that particular question will be answered fully.

NATIONAL SALES TAX OPTION

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Minister has said that some provinces are interested in his idea for a national sales tax although he will not say which ones. Will he tell the House what information the provinces have on which to base their interest? Has he made them a concrete proposal or do they too have to wait until June 18?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, over the course of the better part of the past year the provinces and the federal Government have been meeting extensively on tax reform. Both Ministers and officials have attended these meetings and they have provided a very fruitful, worth-while and constructive degree of consultation between us. It was during the course of these discussions on both personal and corporate income taxes as well as on sales tax reform that there was a consensus at the last meeting. The provinces asked

me to keep the option of a national sales tax open. That is what we are doing.

I have made it clear that the Government is committed to a comprehensive-based multi-stage tax as I indicated in my statement of Wednesday. Just how we implement that and what mechanism we will use will be the subject of further consultations with the provinces.

CONSUMPTION TAX INQUIRY

Miss Aideen Nicholson (Trinity): Mr. Speaker, some experts have estimated that layering on a federal sales tax of 7 per cent or 8 per cent to the existing excise taxes and the provincial sales taxes will mean that Canadians will be paying a consumption tax of about 20 per cent. Can the Minister confirm this? If not, is he willing to give us his estimate?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I know that the Hon. Member is known for her impatience and for her desire to get on with the job and I appreciate that. We want to get on with the job as well, but the answers to those questions cannot come in a piecemeal fashion. That is the purpose of comprehensive tax reform and that is the purpose of the White Paper that we will be bringing down on June 18. If the Hon. Member would just exercise a little bit of patience, I am sure she will be quite satisfied with the answers she receives at that time.

[*Translation*]

INQUIRY WHETHER GOVERNMENT INTENDS TO TAX RENTS AND HOUSE SALES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I also wish to put a question to the Minister of Finance.

According to the Minister's statement in the House last Wednesday, the new federal sales tax, whatever form it may take, would be applied uniformly to all goods and services.

Could the Minister inform the House whether he intends to tax residential rents and sales?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I have to give the Hon. Member the same answers I have just given to his colleague. To answer these questions piecemeal in advance of the White Paper is surely not the appropriate way to reveal to Canadians the full impact, both positive and negative, and all the implications of tax reform. It should be done at one time so people can judge not only in response to one particular question but to the full impact of tax reform and how it affects them and others in whom they may be interested. That is the purpose of the White Paper and I am sure the Hon. Member should be able to wait until June 18 to get that answer.

[*Translation*]

INQUIRY WHETHER POPULAR FOOD PRODUCTS WILL BE EXEMPTED OR TAXED

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, in the Minister's statement last Wednesday, it was clear that whatever form the new federal sales tax would take, it would apply uniformly to all goods and services.

Canadians are therefore wondering where the exemption comes in.

My supplementary is as follows:

Whatever the new federal sales tax turns out to be, will popular food products such as pizza, spaghetti, hamburgers, hot dogs and other kinds of snack foods be taxed or tax exempt?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will have to give him the same answer and I do not want to use up the time of the House repeating it.

• (1125)

EFFECT OF TAX REFORM ON AVERAGE FAMILY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will try to be a little more successful with the Minister. I hope he will be more forthcoming than he has been so far today, indeed the past two days when he has refused to assure Canadians that the Conservative Government will not put a new tax on food.

The Minister is boasting about tax reform. If it is going to be genuine reform then presumably Canadians will not be paying any more after tax reform than they were when the Government was elected in 1984. Will the Minister at least assure the average family that following this so-called tax reform package their taxes will not be any higher than when the Conservative Government was elected in September, 1984?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not able to pull those numbers out of the top of my head.

Mr. Broadbent: Funny, you could pull others out.

Mr. Wilson (Etobicoke Centre): However, I am sure the Hon. Member will be well satisfied with the results of tax reform. The balance of taxation will be fairer as between different income groups, corporate and personal income tax, and different parts of industry. One of the key objectives of tax reform is to provide a more equitable balance of taxation among all Canadians.

Mr. Broadbent: Average Canadians want a fairer system but they also know the Government has overtaxed them and they want to pay less taxes, not simply have a fairer system.

REQUEST FOR GUARANTEE ON TAX LEVELS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since becoming Minister of Finance he has inflicted upon the people

of Canada three Budgets and one budget statement. Gasoline taxes and the federal sales tax have both been increased three times. There were two major increases in income taxes. Considering the increase in the burden on the average family amounts to several hundred dollars since September, 1984, will the Minister at least guarantee that taxes will not be any higher after reform than when he was elected? Yes or no?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I effectively answered that question in response to his first question. If he wishes to check with his colleague, he will know that I said yesterday that a good majority of Canadians will be paying less tax after the impact of both personal and sales taxes. That is a good step forward.

The Hon. Member should also look at the broader picture here and understand what we have done to make the tax system more fair. We brought in a minimum tax. We removed the scientific research tax credit. We made the rules on limited partnerships much fairer and tighter to avoid abuse. We removed the carve-outs. We removed the financing of yachts and hotels, things like that which gave upper-income Canadians and companies some tax breaks that average Canadians were not getting. That is what I mean when I say we are trying to get a fairer tax system. We are well on the road to doing that. We have made some good changes so far. That process will continue into tax reform.

Mr. Broadbent: The Minister also gave rich Canadians a $500,000 lifetime capital gains tax exemption.

Some Hon. Members: Oh, oh!

Mr. Darling: Tell the farmers that.

Mr. Broadbent: He left that out of his little list.

[*Translation*]

INQUIRY WHETHER FAMILY WILL PAY MORE TAX THAN IN 1984

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the middle class wants to know whether this family is going to pay less or more after the tax reform than it did in 1984. The Minister ought to answer this question today. Is this going to be a frank and forthright reform of our tax system, yes or no?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me respond to that most inappropriate preamble. The capital gains tax exemption was directed primarily at farmers and small business people.

Mr. Broadbent: Restrict it to them.

Mr. Wilson (Etobicoke Centre): The Hon. Member is expressing some concern about small business people. I am very proud that this particular initiative has encouraged small business people to create more jobs. Look at the number of new companies which has been created, and each company is creating more jobs. That is why 778,000 jobs have been created since September of 1984. I believe 80 or 85 per cent of the jobs have been created by that community which has been encouraged to do so by the policies of the Government.

• (1130)

POSSIBILITY OF FOOD TAX QUERIED

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Finance. Millions of Canadians living below the poverty line are worried that their food will be taxed and the Minister is doing nothing to soothe their fears. On the contrary, mixed signals are coming from the other side of the House. Yesterday the chairman of the finance committee said:

> I'm not getting worried about taxing food. I mean if you're going to tax clothing in this cold climate why wouldn't you tax food. If you're going to tax home heating oil, why wouldn't you tax food?

That worries us and that worries millions of Canadians. I would like the Minister to quit his fancy figure skating. Yes or no, will food be taxed? I hope he will say no.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if admonishments are to be made across the floor of the House of Commons, I would admonish the Hon. Member not to quote as selectively as he has just done.

One of the key elements of any sales tax reform, which has been widely recognized as being progressive by the social policy groups of the country, is the inclusion of a low-income refundable sales tax credit which will change the nature of sales tax for the low-income Canadians to whom the Hon. Member has just referred. That is a very progressive element of tax reform and that is one of the reasons I say that the tax reform we will bring in will be seen as fair.

[*Translation*]

REQUEST FOR CLARIFICATION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister just mentioned that a tax credit might be used to help those in need and on low incomes. Are we to conclude this is an admission there will be a tax on food and that low-income Canadians will get a tax refund? Is that what he meant in his previous answer?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member had listened carefully he would have heard that I said a refundable tax credit. In other words, cash would be put back into the pockets of low-income Canadians to offset the impact of any sales tax proposal.

Mr. Axworthy: What are they to be taxed on?

Mr. Wilson (Etobicoke Centre): The Hon. Member is asking questions which, I am sure he will understand, can only be answered in the White Paper. He has been in a Government and understands the purpose of a White Paper. The purpose of

the White Paper is to set out in broad terms the specific proposals of the Government on tax reform.

Mr. Axworthy: Does it include food?

Mr. Wilson (Etobicoke Centre): Exercise some patience, Lloyd. Exercise some patience.

* * *

CHILD CARE

PARLIAMENTARY COMMITTEE'S RECOMMENDATIONS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is also for the Minister of Finance. Yesterday the Minister of National Health and Welfare publicly admitted his disappointment in the recommendations of the Special Committee on Child Care because they will not extend the supply of badly needed child care spaces. He said that over 2.5 million children need care right now.

Does the Minister of Finance agree with child care experts across Canada that the $400 million cost of tax measures which was recommended by the Special Committee on Child Care will not create desperately needed child care services? Will he recommend that this amount of money be spent on quality child care services instead?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member knows, there have been a number of proposals on child care. The Government has said that it will be responding. The Prime Minister has initiated a process of discussing these proposals with the provinces. My colleague, the Minister of National Health and Welfare, has that process well under way. There will be a response from the Government in due course. That is the type of question which will be responded to at that time.

REQUEST THAT GRANTS BE PAID TO PROVINCES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the crisis in child care is here now. If, as the Minister says, there are more parents working, their children are in addition to the over two million children which need care. We need immediate action as well as long-term planning.

While waiting for the completion of this long-term process, during which children could grow up, will he allocate the $300 million which is reserved in the Estimates for health and welfare to direct grants to provinces to deal with the child care crisis? Incidentally, this would create over 20,000 new spaces each year.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Prime Minister has initiated a process which—

Ms. Mitchell: The Prime Minister promised child care action.

Mr. Wilson (Etobicoke Centre): The Hon. Member is chirping over there. We must understand that a process is under way.

Ms. Mitchell: A crisis is under way.

Mr. Wilson (Etobicoke Centre): This is a federation. The provinces are part of the federation and have direct responsibility to deliver child care. The Hon. Member should understand, particularly in light of the support which her Party has given to the Meech Lake Agreement of last Thursday, that it is important that we allow federal-provincial processes to work. That is what is happening. It is a very productive process.

Ms. Mitchell: In the meantime you can do something about the crisis.

Mr. Wilson (Etobicoke Centre): In a very short time there will be reports from the Government of Canada.

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AGRICULTURE

DEFICIENCY PAYMENTS—REQUEST FOR ANNOUNCEMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday angry farmers picketed the Prime Minister outside North Battleford and demanded a commitment to a deficiency payment for the 1987 crop year. Canadian farmers simply cannot survive on $2.50 a bushel for their best wheat when American farmers are getting over $6 a bushel.

When is the Deputy Prime Minister going to stop stonewalling farmers? When is he going to end the uncertainty? When is he going to make it clear what deficiency payment or assistance will be provided for the 1987 crop year?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, certainly not to minimize the very serious problems in agriculture, I do not think that a demonstration by 40 members of the New Democratic Party is something about which one would want to get overly alarmed.

Some Hon. Members: Shame, shame!

Mr. Mazankowski: It was probably well orchestrated. The fact is that, as has been indicated in this House on many occasions, the Minister of Agriculture and the Minister responsible for the Canadian Wheat Board are working very closely with the farm leaders to address not only short-term but long-term plans.

When the Hon. Member suggests that wheat is averaging $2.50 a bushel he is somewhat inaccurate in that for domestic consumption the price is $7. When you consider the impact of the deficiency payment, the covering of the losses in the Pools,

the transportation subsidies, and all the other programs, it works out to considerably more than $2.50 a bushel. In the interest of honesty he should state that categorically so that this issue is not confused.

FARM DEBT REVIEW BOARDS

Mr. Maurice Foster (Algoma): Mr. Speaker, the farmers want a commitment about a deficiency payment for the 1987-88 crop year. I hope the Deputy Prime Minister will give consideration to that.

A week ago today the Government started foreclosures on FCC loans, over 6,000 of which are in arrears by more than two years. The farmers picketing the Prime Minister in North Battleford yesterday and the select 15 who attended his farm meeting in Saskatoon, who supposedly are the hard-core Tory supporters, told the Prime Minister that the Farm Debt Review Boards are biased in favour of the banks.

Is the Deputy Prime Minister willing to bring in new legislation to ensure that the Farm Debt Review Boards help farmers and are not only biased in favour of the banks and helping farmers off the farm? We want to keep the farmers on the farms.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not sure under what licence and authority the Hon. Member pretends to speak for all farmers. It is interesting to note an article in today's *Edmonton Journal* about a coalition that is being organized which recommends that the national Government should consider providing less subsidization rather than more subsidization.

Mr. Riis: Did you organize that?

• (1140)

Mr. Mazankowski: In terms of addressing the problem, deficiency support is certainly one element of the cure. However, clearly there are some longer-term steps that have to be taken, such as resolving the international marketing situation on which this Government is taking a strong position and exercising strong leadership.

As far as his comments with respect to the Farm Debt Review Boards are concerned, I think the success rate is very commendable, at some 65 per cent or 66 per cent. If there are some problems and concerns with regard to the manner in which they are functioning, I am sure the Prime Minister would be interested, as I would be interested to know about that. If the Hon. Member has any specific cases or evidence that the Farm Debt Review Boards have been operating in a manner unfair to farmers, I wish he would bring that to the attention of the respective Ministers.

DEFICIENCY PAYMENT—PRIME MINISTER'S TALK WITH FARMERS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, perhaps some of those New Democrats could have helped fill those empty seats in Lethbridge.

My question is directed to the Deputy Prime Minister. Yesterday the Prime Minister met some 16 hand-picked Tories in a tool-shed near Saskatoon. Perhaps they should have taken him out to a wood-shed rather than a tool-shed.

In light of the Prime Minister's statement to those 16 hand-picked Tories that: "We must make sure that farmers survive until the trade war is over", does this mean that the Prime Minister is committed to a deficiency payment for the crop year 1987-88? Is it an indication that he means there will be a new deficiency payment?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I do not know why the Hon. Member takes exception to the fact that the Prime Minister is meeting with actual farmers, farmers on the land. Why would he take exception to that?

Some Hon. Members: Hear, hear!

An Hon. Member: All seven of them.

Mr. Mazankowski: Perhaps it represents the narrowness and shallowness of the Hon. Member.

The Prime Minister has said time and time again that the Government will not stand idly by and see the farmers go down the tube. We will fight this on various fronts at the international level. We will fight it by reducing input costs, and we will fight it by direct support to the farmers, as we have done, as we are doing, and as we will continue to do.

Mr. Nystrom: This guy sounds more like Allan MacEachen every day with his non-answers.

FARM CREDIT CORPORATION—ENDING OF LOAN MORATORIUM

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, during the Prime Minister's three-day photo opportunity on the Prairies, these hand-picked Tory farmers told him that there was a crisis. In light of that and the fact that he has refused to meet the leaders of the Wheat Pools, is the Prime Minister prepared to reverse the callous decision of the federal Government to end the moratorium on Farm Credit Corporation loans? Is the Prime Minister at least ready to reverse that callous decision in order to help some of the farmers survive?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Prime Minister is not refusing to meet with the representatives of the Pools. He has met with them before and will meet with them again.

Mr. Broadbent: At the next election.

Mr. Mazankowski: The Leader of the socialists says: "The next election". He may want to reconsider that because if he is interested in being fair he knows that the Prime Minister has met with all farm leaders, including the leaders of the Pools. My understanding is that he will be meeting them again in May or June.

Mr. Riis: You sound defensive.

Mr. Mazankowski: I am not defensive in the least. The fact of the matter is that we have a proud record on agriculture and I am simply trying to correct some erroneous and false statements that are coming from the mouths of the western Members representing the socialists.

The fact is that the Minister of Finance and the Minister for International Trade will be meeting with the OECD, and agriculture will be at the top of the list. That is where we will find the long-term solution.

In the meantime, as I have said, we are providing support on a direct level. We are reducing input costs and we will continue to work hand-in-glove with the farmers to work out a solution that will be seen as reasonable and fair to them as well as to all Canadians.

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SENATE REFORM

MEECH LAKE ACCORD—LIBERAL PARTY PROPOSAL

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Deputy Prime Minister. According to the agreement reached by the Premiers and the Prime Minister last week, there is an interim arrangement whereby the provinces would put forward nominees to the Senate. As the Deputy Prime Minister may know, western Liberals, in the spirit of Senate reform, have put forward the proposal that those nominees—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): You will never make it, Lloyd.

Mr. Axworthy: Is there something tickling their interest, Mr. Speaker? They have put forward the proposal that those nominees coming from the provinces should be chosen by an election of the people in each of the provinces. Does the federal Government favour that proposal, provided that those provincial nominees would be selected or chosen by way of general election in each of the provinces? Will the Government guarantee that if that was the case it would automatically accept those nominees as members of the Senate?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not sure whether the Hon. Member is making that representation as an official policy of the Liberal Party. If so, he had better get his act together with his Leader because today he is reported as saying that the "accord snuffs out chances of an elected Senate". Those are the words of the Leader of the Liberal Party. Maybe they should get their act together and then come to the House to present their position.

PROPOSAL TO ELECT SENATORS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will ask the same question. Does the Deputy Prime Minister believe that the present accord snuffs out an opportunity for an elected Senate and, if so, will the Government be prepared to accept a proposal that would at least indicate a willingness to begin finding ways out of the conundrum that has been posed, and ensure that in western provinces where people want an elected Senate it could find a way through this particular arrangement where at least that process can begin?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I guess the Hon. Member is asking whether I agree with him or his Leader. The fact is that I agree with the Prime Minister and the First Ministers who signed an accord. Obviously, if the western Premiers signed the accord and were committed to the process of an elected Senate, I would think that they would see this is a step forward, as do we.

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INDUSTRY

MEAT PACKING INDUSTRY IN WESTERN CANADA

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Deputy Prime Minister. He knows that there is a crisis in the meat-packing industry in western Canada and that plant after plant has closed in Winnipeg, Manitoba, over the last five years. Considering that the Prime Minister is in Winnipeg at this time, does the Government have any intention to make sure that there is a strong, viable meat-packing industry in the City of Winnipeg?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member said that there was a crisis in the meat-packing industry in western Canada. I am aware of a number of companies that are actively seeking and proposing to expand meat-packing facilities in western Canada. This is one of the matters that is under consideration by the Minister for Regional Industrial Expansion. I think the answer to the Hon. Member's question in terms of western Canada is that the future is bright.

Oral Questions

WINNIPEG MEAT PACKING PLANTS

Mr. Rod Murphy (Churchill): Mr. Speaker, the workers at those plants that are closing down and the farmers who deliver their goods to those plants do not think that it is a great economic situation. Will the Government do anything at all to maintain the meat-packing plants in the City of Winnipeg?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, my answer is the same. I have indicated that the prospect for expansion of the meat-packing industry in western Canada is fairly bright. That is evidenced by the fact that a number of companies are considering expanding their operations there.

I know that the matter raised in the Member's specific question has been considered by the Minister of Regional Industrial Expansion. It is also my understanding that proposals have been offered to encourage those facilities to stay. However, that is essentially a decision that has to be made by the companies themselves. I know that the socialists like to interfere, with their grand scheme, but there are certain—

Mr. Broadbent: Sterling Lyon used to say that.

Mr. Mazankowski: —there are certain decisions that we believe must be left to the market-place.

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SCIENCE AND TECHNOLOGY

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL—CUT-BACK OF STUDENT SUMMER EMPLOYMENT PROGRAM

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. Several witnesses appearing before the Standing Committee on Research, Science and Technology recently raised a concern about a cut-back of an NSERC scholarship program that would provide students with a valuable summer work experience in industrial laboratories and universities. Could the Minister tell us this morning why NSERC has decided to deprive students of this valuable work experience, especially at a time when its budget was increased by some $700 million or $800 million?

• (1150)

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, what my hon. colleague and friend is talking about here is a decision that was made last year by the Natural Sciences and Engineering Research Council to rearrange its priorities with a view to strengthening its operating grants program which has resulted in the admission of over 400 new researchers into the program. This was a rearrangement of priorities. It is unfortunate that it has to take place from time to time. But there are still quite a number of summer students who will gain the work experience about which the Hon. Member is talking.

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FILM INDUSTRY

DISTRIBUTION LICENSING POLICY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, last February the Minister of Communications announced with a great deal of fanfare a new licensing policy which would enable Canadian film distributors to reinvest in the production and promotion of Canadian-made films. In the absence of the Minister of Communications I direct my question to the Deputy Prime Minister.

Are the pressures that are being brought to bear on Canada by the U.S. Congress and the American film industry giving the Canadian Government second thoughts about this film distribution policy? Is this another scorched-earth undertaking? Why has the Government delayed introducing the Minister's announced legislation which she herself has termed a direct cultural benefit vital to the development of a healthy Canadian film industry?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am advised that the Minister of Communications has met with representatives of the American film industry in an attempt to persuade them that this proposal would not restrict the entry of American films into Canada. Those discussions are ongoing. I think it is a matter of setting the record straight and educating our American friends to this reality. That is the sort of dialogue that is going on at the present time.

INTRODUCTION OF LEGISLATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Minister may not be intimidated but I wonder if Cabinet is being intimidated. I want to know when the Government will honour the Minister's commitment made last February to the Canadian film industry. Is the Government going to wilt under this heavy American pressure or will it undertake to introduce this policy before the end of June?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I should point out that the efforts of the Minister of Communications and the Government—

Mrs. Finestone: Yes, what about yours?

Miss Carney: May I be allowed to finish, Mr. Speaker?

The efforts of the Minister of Communications and the Government have made this policy possible for the first time in 50 years. It is the first time in 50 years that any Canadian Government has tried to open up the film distribution business in Canada to Canadians. I would like to point out that only 3 per cent of the screening time in Canadian theatres is available

for Canadian films. That is why the Government is acting on this issue. Legislation will be introduced.

MESSAGE SENT BY MEMBERS OF UNITED STATES CONGRESS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, let me see if I can pin down precisely what is happening in this case. Will the Deputy Prime Minister confirm that most members of the Ways and Means Committee of the U.S. Congress and Senator Lloyd Bensten, the head of the U.S. Finance Committee, have written to the Government with respect to this Bill? Have they tied what they have written to whether or not they would support free trade when the issue goes from Canada to the U.S. Congress later this year?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, both the Deputy Prime Minister and myself have indicated that we feel that some Americans have over-reacted to this proposed policy and have blown it all out of proportion. Any adverse impact on the U.S. industry in Canada would be small compared to the continuing profits, and would be infinitesimal compared to the U.S. trade surplus in the trade and cultural goods and services area, which is $1.3 billion per year. We feel that the concern being expressed in the U.S. is understandable. While Americans have had this kind of access to this market, we intend to make sure that the distribution process is more open to Canadians. I do not understand why the NDP is constantly opposing this initiative to protect our cultural industries.

POSITION OF UNITED STATES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I asked a very straight question about whether, in fact, communications had been received. I am sorry that the Minister has not the heart to give a straight answer. Does the Minister not have a clear sense that this kind of blackmail being exercised at this stage shows us precisely the kinds of dangers that we will see in the future if we get ourselves into a position in which we are so tied to the United States that it can go after every piece of legislation here which it does not like and threaten us with either elimination of the trade treaty or with not signing it?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I fail to understand how the NDP can suggest that we are so tied that our move in film distribution would tie us further to the Americans. Our whole point is that 97 per cent of the films shown in Canada are not Canadian films. Our effort is to try to untie the distribution process so that Canadians have more access.

In terms of the specific questions about exchange of letters, that is public information. Senator Bensten has written the Prime Minister about his concern. The Prime Minister has responded saying that he feels that this is an issue which should not cause any concern to the Americans.

STATUS OF WOMEN

BLACK WATCH REGIMENT—PARTICIPATION OF FEMALE MEMBERS IN TROOPING THE COLOUR CEREMONY

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of National Defence. This morning an incredible article appeared in *The Montreal Gazette* indicating that female members of the famous Black Watch Regiment would be excluded from the trooping of the colour when the Queen Mother visits Montreal next month for the regiment's one hundred and twenty-fifth anniversary. I understand that, apparently, the female members of the regiment do not wear kilts. I hope that the Minister will not skirt around this issue.

Given the Minister's very good record in promoting equality for women in the Canadian Armed Forces, can he confirm today that, first, the story is not true and, second, that the women members of the regiment will participate in the trooping of the colour?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, both as Solicitor General and as Minister of National Defence I have had the privilege of working with women who are in occupations which were previously reserved for men. In every single instance of which I am aware they have acquitted themselves admirably.

If the male members of the Black Watch are going on parade for the Queen Mother, then the female members will be on parade as well.

Some Hon. Members: Hear, hear!

* * *

IMMIGRATION

UNSCRUPULOUS CONSULTANTS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Immigration. It concerns the growing lucrative and illegal industry of unscrupulous immigration consultants. I have raised repeated requests in this House that the Government clamp down on these operators. Instead, we have to rely on a front page investigation in *The Toronto Star* today which shows that one John Santos has earned at least $600,000, lives in a European villa by the ocean, and owns a $50,000 Mercedes, thanks to the proceeds of his illegal refugee scams. This is typical, and it is going unchallenged.

I would like to ask the Minister this. Rather than continue to turn a blind eye to these operators, rather than legislate against genuine refugees, and rather than slap on visa after visa, will the Minister not move forcefully and immediately to eliminate the source of this cancerous activity rather than simply dealing ineffectively with its symptoms?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, on several occasions, I have indicated in this House to the Hon. Member for York West that we have had to use the means available in this country to take action against these people. I agree that this is a difficult and unacceptable situation.

I repeat that whenever we are made aware of so-called dishonest actions in whatever area, we refer the cases to the Royal Canadian Mounted Police for an investigation and, if necessary, we ask the Minister of Justice to institute legal proceedings.

The RCMP has now completed its investigation and made the necessary representations to the Department of Justice; I suggest we should wait for the result. Should the Department of Justice feel the need to prosecute, it will certainly do so.

• (1200)

[*English*]

Mr. Marchi: Mr. Speaker, Canadians are getting tired of that same answer. Is it not ironic that the number of refugee scams has intensified with each stringent measure the Government has announced along the way?

REQUEST THAT PROSECUTIONS BE INSTITUTED

Mr. Sergio Marchi (York West): Given that there are elaborate schemes and networks of rings operating in Turkey, Portugal, Lebanon and now even in Brazil, we need two answers; first, we need to send out a strong signal by immediately legally prosecuting these operators and; second, we must avoid stringent legislation such as that announced on Tuesday because it only serves to encourage more people like John Santos who will take advantage of the real life-threatening situation facing refugees, thus forcing them through the back doors of our country and other countries of the world.

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member for York West may think whatever he pleases of the legislation tabled on Tuesday. We know what Canadians think of it, and that is quite good enough for us.

Now, if the Hon. Member suggests that we should disregard the normal procedures in this country for legal prosecutions, if he has devised a new set of procedures which would make it possible for us to disregard the recommendations of the Department of Justice and the RCMP, he should come right out and say so.

But as long as I remain Minister of Employment and Immigration, I will continue to use the procedure provided for in this country.

[*English*]

Mr. Deputy Speaker: I will recognize the Hon. Member for Windsor—Walkerville, followed by the Hon. Member for Eglinton—Lawrence.

* * *

LABOUR CONDITIONS

RATE OF UNEMPLOYMENT IN NEWFOUNDLAND

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, a few moments ago the Minister of Finance said he was excited about this month's unemployment figures. Before he breaks out the champagne, I would like to get the impression of the Minister of Employment and Immigration about the situation in Newfoundland where the unemployment rate is 4 per cent higher this year than last year. One thousand additional people found themselves on the unemployment rolls and the youth unemployment rate is 33 per cent. What is the Minister's impression of those figures? And what is he going to do about it?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the New Democrats are single-track minded. The unemployment rate went up in only one province this month. I wish the Hon. Member would refer to British Columbia, among other provinces, where unemployment has declined by 1 per cent. In terms of unemployment we have reached a five-year low and the over-all job creation situation in this country has not been so promising in six or seven years.

The Hon. Member should single out a province which we all agree is experiencing economic expansion problems which we have addressed. Among other things, this year we have invested $5 million more than expected in the Atlantic provinces through the employment development program.

I would suggest that Canadians are enthusiastic about our job creation performance, and the figures speak for themselves.

All I can do is urge the Hon. Member for Windsor—Walkerville to look at them.

[*English*]

REQUEST THAT PRIME MINISTER VISIT NEWFOUNDLAND

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, may I suggest to the Minister that, having finished his trip out west, the Prime Minister may want to go to Newfoundland and explain how good things are in British Columbia to the unemployed in Newfoundland?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I can understand why the Hon.

Member feels so disappointed because any Friday is always the best time to convey good news to Canadians.

One more comment with which he will agree, I am sure. For the past five months Canada has experienced a steady employment increase in the manufacturing sector. I know my colleague is a specialist and fully appreciates the fact that this entails firm growth in a number of other sectors over the coming months. Even the New Democrats ought to be pleased when the figures are excellent.

* * *

[*English*]

EXTERNAL AFFAIRS

DECLINE IN NUMBER OF FOREIGN STUDENTS COMING TO CANADA

Mr. Roland de Corneille (Eglinton—Lawrence): In the absence of the Secretary of State for External Affairs and because the Deputy Prime Minister has just left, I address my question to the Minister of Finance. In view of the fact that international students studying in Canada contribute about $400 million each year to the Canadian economy, and in view of the fact that differential fees and bureaucratic red tape have discouraged foreign students from coming to Canada to study, why has the Government allowed a 43 per cent drop in the number of international students over the past few years, to the great detriment of our economy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has posed a question which has a number of very precise details about which, I am sure he will understand, I am not fully briefed. However, I will bring that question to the attention of the Secretary of State for External Affairs upon his return from Europe.

ENTRY OF FOREIGN STUDENTS TO WORK PROGRAMS

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, my supplementary question is addressed to the Minister of Employment and Immigration. What is being done about the fact that international students are often denied entry into the work co-operation programs, and in the case of those students who are allowed to work, the Government makes them pay pension and unemployment insurance deductions but will not allow them to have the benefits?

[*Translation*]

Why maintain this unfair practice when obviously it discourages students who would otherwise seriously consider studying in Canada?

[*English*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, my hon. friend will understand that I would like to give a very specific and accurate answer as well as be sure about the figures put forward. If the Hon. Member agrees, I will check with the department and give a more specific answer pretty soon.

ROUTINE PROCEEDINGS

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF SUPPLEMENTARY 1987 COMMISSION REPORT—NEW BRUNSWICK

Mr. Deputy Speaker: It is my duty pursuant to Section 9 of the Representation Act, 1985, to lay upon the table a certified copy of the 1987 report of the Electoral Boundaries Commission for the Province of New Brunswick.

* * *

[*English*]

PRIVILEGE

ALLEGED INSULT TO SOUTHERN ALBERTA

Mr. Deputy Speaker: The Chair has received notice of a question of privilege from the Hon. Member for Lethbridge—Foothills.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I rise on a question of privilege. The Hon. Member for Yorkton—Melville (Mr. Nystrom) has inadvertently, I am sure—probably by listening to the national media—insulted all of southern Alberta and its warm hospitality, and that affects my rights and privileges.

Some Hon. Members: Order.

Mr. Thacker: I ask him to withdraw the allegation because I can assure the Hon. Member, as his colleague in this House, that over 700 people jammed the ballroom in Lethbridge and overflowed into the corridors outside.

Some Hon. Members: Order.

Mr. Thacker: One lady even had to be taken out by doctors because of the heat and the crush. I ask the Hon. Member to withdraw because he knows southern Albertans have given warm hospitality to the Prime Minister.

Mr. Deputy Speaker: I believe the Hon. Member has made his point. I am not sure it is a question of privilege.

Mr. Lorne Nystrom (Yorkton—Melville): May I just say, Mr. Speaker, that I am the last Member in the House who should question the wisdom of the reporting of the fourth estate.

Privilege—Mr. Weiner

PRIVILEGE

ALLEGED INACCURACY IN MINISTER'S ANSWER

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, further to the question of privilege raised yesterday by the Hon. Member for Laurier (Mr. Berger), I would like to clarify my response to the Hon. Member for York West (Mr. Marchi) on page 5796 of *Hansard* and the misunderstanding over the omission of the word "not".

The first opportunity I had to read *Hansard* was following the Hon. Member's question of privilege yesterday. I had my staff check the video. What I clearly said was that: "the first step is not a pre-screening". I am advised by a member of my staff that in a review of the "blues" the word "not" was omitted.

I apologize for any inconvenience this matter may have caused the Hon. Member or the House.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petition Nos. 332-1564, 332-1612, 332-1621, 332-1649, 332-1733 to 332-1744 inclusive, 332-1804 to 332-1810 inclusive, 332-1829, 332-1877 to 332-1879 inclusive, 332-1914 to 332-1917 inclusive, 332-1923 to 332-1925 inclusive and 332-2009.

[*English*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, although it is unfortunately a little late because the Government has used closure on a number of occasions to choke off debate on Bill C-22, the Bill to amend the Patent Act, we are still receiving petitions to present.

• (1210)

It is a pleasure and an honour to present, pursuant to Standing Order 106, a petition on behalf of a number of petitioners from the constituency of Kamloops—Shuswap who are of the impression that federal Government proposals to change the Patent Act relating to prescription drugs will increase drug prices for average Canadian consumers and will severely restrict their ability to buy necessary prescription drugs.

They ask the Parliament of Canada to reject these proposals. There is still chance that might happen if the Senate were to hear these petitions, evaluate the information before it, and stop this punitive legislation.

* * *

EXPORT AND IMPORT PERMITS ACT

MEASURE TO AMEND

Hon. Pat Carney (for the Secretary of State for External Affairs) moved for leave to introduce Bill C-57, an Act to amend the Export and Import Permits Act.

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

Some Hon. Members: Agreed.

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

* * *

THE CONSTITUTION

MEECH LAKE AGREEMENT

On the Order: Government Notices of Motions:

May 6, 1987—The Prime Minister:

That this House endorses the Meech Lake statement of principles approved by all First Ministers, April 30, 1987 as a basis for Quebec's participation as a full partner in the Canadian Constitution, and as a basis for the establishment, in the spirit of equality and fairness, of a process for considering further constitutional reforms.

Mr. Deputy Speaker: Pursuant to Standing Order 24(2), this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Deputy Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—STATUS OF WOMEN

Ms. Margaret Mitchell (Vancouver East) moved:

That this House condemns the Government for failing to recognize the real value of women's work in the workplace, the community and in the home with tangible policies that would ensure adequate incomes, removal of barriers and full opportunities for equal participation in decision making and in the political life of Canada.

She said: Mr. Speaker, I am pleased to speak on behalf of the New Democratic Party today on the motion which indicates that we indeed condemn the Government for failing to recognize the real value of women's work in the workplace, in the community, and in the home. We feel that it should be recognized with tangible government policies, not just words, which would ensure adequate incomes, the removal of many barriers still remaining, and full opportunities for equal participation in decision-making and in the political life of Canada.

On Sunday, children young and old across Canada will celebrate Mother's Day to show their love and appreciation for the person who in most families still assumes major home-making responsibilities as well as often works in the workplace and contributes in many ways to the community.

A few weeks ago we celebrated secretary's week. It was a week when bosses took their secretaries to lunch and often continued to pay low wages for the rest of the year.

Most women would agree that it is certainly nice to be loved and officially appreciated. We agree that this should be done not only once a year but on a year-round basis. It would be very nice if women had equal opportunities in all areas of their lives, including shared parental responsibilities and adequate income year-round.

The Prime Minister (Mr. Mulroney) has talked about equality quite frequently. His words look good on paper. We approve of the statement made at the First Ministers' Conference in Vancouver. We also approve of the appointment of two women judges. It was a major step forward.

However, most federal government policies—and it is policies which really count for women—lag far behind. While the policies and the legislation do not meet our expectations, I must say that the actions, the behaviour, and the attitudes of many Tory back-benchers are completely unacceptable. These days many of them seem to be scurrying about, extolling patriarchal values, eating illicit muffins, and trying through committees to move us backward in time as far as equality is concerned.

The Government has stated very strongly that it is for equality. Unfortunately it is being denied in the process. I have participated in two committees which have travelled across the country and spoken with women's groups. My sisters on the other side of the House would agree that we want to be proud that all Members of Parliament are supporting equality and are trying to show appreciation to the many millions of Canadian women who have worked hard for equality over the past 15 years, and even before then. I am referring to the challenge which is under way regarding Secretary of State funding for women's programs. I will return to it later.

The New Democratic Party wants to pay tribute to millions of Canadian women who have worked long and hard to remove barriers for women. There are literally millions of them involved in different organizations across the country. They insist upon equality. Perhaps it is sometimes a little hard for a Government in power to take.

There will be a very strong lobby from the National Action Committee on the Status of Women on Monday. At least, I hope it will be very strong and well-informed as it always is. Women's groups like the NAC lobby constantly for legislative reform.

Women in the women's movement and organizations across the country, including organizations which have existed for many years, such as the Canadian Council of Women, give each other mutual support while they are working toward a change. Literally millions of Canadian women, as I said, are declaring that they will not go backward. They resent having to spend time and energy defending what they now have. They really resent reactionaries.

I know there are many Tory back-benchers who feel very strongly about equality, and I see some of them sitting in the House today. However, having been on two committees, I can tell the House that there are many who are not convinced and are actively working in the other direction.

I should now like to concentrate upon issues of concern to women who work in the workplace, in the home, and in the community. I remind Hon. Members very quickly, in the time available, of the barriers to equality that still exist about which we all know. In fact, in some areas they are increasing. We are concerned that we need effective, tangible government programs and policies to deal with the problems, to come to grips with the increasing and incredible poverty faced by women and the violence they are still facing despite all of us trying to work on the issue. They are faced with many inequalities, including very little participation in decision-making levels of all areas of life in Canada, but particularly in Government.

• (1220)

Very quickly on the economic situation for women, and I know my colleague will be commenting on this in more detail later, I regret to say that it is not improving. Let us have a look at the facts. First, let us consider the wage gap between men and women. Women's wages we know have been lower than men's for some time. It is appalling that the gap is increasing. In 1984, the average wage for women was 65.5 per cent of the average wage for men. Last year it was 64.9 per cent. It is

worsening. I was quite shocked to hear that in British Columbia, my province, women are earning 61.6 per cent of men's earnings. That is, women are earning 61-cent dollars, and yet there are so many of them, more than in any other province, who are raising families alone and who are in desperate poverty.

There is no question that we need much stronger equal pay for work of equal value, not only in the Public Service, the federal jurisdiction, but throughout society. We need enforcement of employment equity. We need pay equity legislation nationally as well as provincially.

Women continue to work primarily in low-paying job ghettos. The Canadian Advisory Council on the Status of Women has done studies on the Canadian Jobs Strategy programs and so has the Canadian Congress on Learning Opportunities for Women. In both studies it found that the Canadian Jobs Strategy is not helping to improve the situation for women. It is just reinforcing the trends that are there. Many of the training programs and job opportunities are in pink-collar jobs. Women are being directed to the low-paying job ghettos, even for re-entry programs. This is not improving the situation. We have to use government programs to open up new opportunities in non-traditional jobs and into jobs that are better paid, something that is not happening through the existing training programs.

We do not have effective affirmative action yet in our federal service. We must have a new look at the employment equity legislation from the point of view of making it mandatory. Women continue to be the major players in part-time jobs. Some people will say that that is fine because they have children and they just want to work part-time. Maybe that is the case sometimes but it is not all the time. There are many women who do not have much choice. Regardless of why they are part-time workers, they surely have the right to decent rates of pay, to benefits, to be able to pay into the Canada Pension Plan and so on. We asked the Minister responsible for the Status of Women, who I am glad to see in the House today, to look at the Canada Labour Code and to bring in reforms that will speed this up and help to cover prorated benefits for part-time workers, 70 per cent of whom are women.

We believe also that women's jobs are being threatened by certain government policies, certainly by privatization, often into non-union job categories by contracting out within groups like Canada Employment where we find more and more of this. As well I will include deregulation. There has not been protection for women. I hope there will be a serious in-depth study of the impact of these government policies.

In my question earlier today I mentioned that working parents have over 2.5 million children who need care. Workers who are parents, both men and women, need improved maternity and parental leave. Here again, I hope the Government, led by the Minister responsible for the Status of Women, will make sure that unemployment insurance coverage is improved to cover longer periods of benefits, certainly for maternity. Eventually over a number of years, we would like to allow maternity leave to 41 weeks with increased benefits so that women and men, fathers and mothers, will have a choice during the first year of their child's life to be at home with the infant to help in its development and to enjoy that period. Most people who have to work are unable to do that, unless we have improved parental benefits. We are far behind European countries in that respect.

I want to spend a minute on child care. We know that this is absolutely critical for women in the workforce, for women in the home and for women working in the community in various roles. We need a very flexible, comprehensive, affordable and quality system of child care. That is why we want to have immediate action on the current crisis as well as long-term funding to ensure that children across the country and parents, particularly women, will have good quality child care and will not be worried about the kind of inadequate care or lack of care altogether with which they have to deal today.

I must say with all due respect that I hope the members of the Special Committee on Child Care were not reflecting government positions, but the Conservative Party has not fully accepted the current trends in families. We should not be spending time trying to go back to the old system of families. Changes have taken place. The majority of women are in the workforce and they will continue to be in the future. It is an irreversible trend; it is not positive or negative. It is up to every family to make its own decision. We should not be making people feel guilty. We should not be trying to look back to the past saying let us have incentives for women to stay in the home, to look after their husbands and to do the things that were perhaps a little more characteristic of a patriarchal family system.

If we are going to have adequate support for all workers in the workforce and for parents in the home raising children, we must have a national program for child care. We must have no further delays. We have to get on with an emergency plan right now and with the long-term planning that is under way with the provinces. The provinces will be unlikely to do very much unless there is considerable incentive from the federal Government with bucks to expand child care spaces.

Let me come to women's work in the home. Families are changing. I hope there are chances for more men to be in the home full-time who can consider this their vocation, at least for a certain period of their children's lives. As I say, we have to accept families as they are, not as they perhaps were in our generation or in our parent's generation.

Traditionally mothers have worked long hours as home managers, care givers and experts in many aspects of human relations. I do not think that home-makers and people who perform this very important role get enough recognition. They do not get enough recognition on job résumés when they go to look for a job. We should be making sure that this is recognized. They have very important skills. They have received no pay, little time off and they have no security for later years. Many women will be on their own for various reasons when they reach middle life. I can tell you, Mr. Speaker, it is bad

enough for women pensioners but for women in their middle years who are left alone and who have not been in the workforce suffer tremendously. They are the quiet hidden poverty group in society.

Women in the home must be recognized for their work. The kind of token $200 per year per child refundable child tax credit proposed by the Special Committee on Child Care is more of an insult than a recognition. We need to have recognition of income levels to have a real choice. Of course, family incomes need to be adequate. We recommended a couple of years ago that the child tax credit be improved substantially and that it cover average income families as well. That would have been a much better way to go. The $400 million for this kind of token tax credit is not at all a good investment. I think most women realize this.

• (1230)

We also pushed hard, as did many women, to have family allowances reindexed as were old age pensions. Unfortunately, the Government did not listen to women and went ahead and deindexed family allowances. We need adequate pensions for all women. There should be adequate pensions for all workers, but particularly for women. Pensions are far from adequate at this time.

I believe it is unfortunate that rather than promoting equality in families, a number of people, including a number of Members of the House of Commons, are trying to promote the old traditional patriarchal family model. We all respect our forefathers and our foremothers, but today's families and young people are moving toward more shared parenting and toward options for both parents to be in the workforce as individuals and to have a chance to really enjoy their children and their home life.

I think it is the responsibility of government Members to lobby for equality, for equal opportunities and for forward-thinking policies. They should try to convince their colleagues that we do not want to go backward. We are going forward, not out of a lack of respect but because society has changed and will continue to change.

I was most disappointed that government members on the Special Committee on Child Care and; more recently, on the Secretary of State Committee looking into funding for women's programs seemed to want to go backward and were very reluctant to recognize the policy positions on equality their own Prime Minister put forward. This is not helping support of women's groups by the Government.

There are barriers for certain groups of women who are particularly disadvantaged, in fact doubly disadvantaged. I do not have a lot of time, but I want to mention single parents. The feminization of poverty continues to escalate and is most prevalent when a mother is left alone to care for children. Families headed by women are almost sure to be poor. After separation or divorce, the purchasing power of women is reduced by 42 per cent while the purchasing power of men goes up by 70 per cent.

I was very sorry to see the results of a study done by the Canadian Advisory Council on the Status of Women. The advisory council studied three areas; areas in Ontario, Quebec, and B.C., and found that 10 per cent of all families in the Vancouver area are headed by women, most of whom have very low incomes. In the other two provinces, that figure is 8 per cent. Nationally, 60 per cent of all single-parent families headed by women live in poverty.

We would be willing to work with the Government on a major review of the situation of single-parent families. We should look at the entire question of the feminization of poverty and provide comprehensive programs to deal with that.

Many other women are doubly disadvantaged, including women who are battered, native women, immigrant women, women of colour, farm women and northern women. I wish I had time to comment further on them.

Finally, I want to talk about women in the community and in public life. Women contribute many millions of hours of quality time free to the community. We heard from a Quebec group, *des Centres de Femmes Du Quebec*, that the contribution of volunteer labour in women's centres alone is worth $2 million per year in that province.

We know that women are the ones who contribute to most of the community support services as home-makers, child care workers, librarians, school workers, hospital workers and workers in job-creation programs as well as in information and crisis centres. These women are all paid very low rates of pay. It is particularly disgusting what child care workers who are doing such an important job are paid. We must do much more about recognizing women's work in the community, both volunteer work and grossly underpaid work in essential community services.

I do not need to tell Members of the House of Commons that we are far from achieving equality in decision-making. A total of 38 women have been elected to sit in the House of Commons since 1921. On one occasion, Grace MacInnis was the only woman Member of the House. At the current rate of increase, it will take 842 years before equal numbers of women and men are elected to Parliament.

I believe my female colleagues in the House will agree with me, that the recent First Ministers' meeting was symbolic of the lack of participation of women in the decision-making that affects Canada. There was not one woman present and I am sure it will be many years before a woman sits at that table and makes decisions on behalf of Canada.

I mentioned some of the Government's policies which we feel do not go nearly far enough, and my colleagues will elaborate on that. We must deal with the problems of doubly disadvantaged women. We must look at the question of poverty and we must improve opportunities for women in all levels of society.

Mr. McCrossan: Mr. Speaker, the Hon. Member for Vancouver East (Ms. Mitchell) called for the Government to recognize the real value of women who work in the home by providing tangible policies. She made two points in her speech. She said that women's work in the home must be recognized explicitly and that women who work in the home do not have security in their later years.

Will the Hon. Member work toward providing such explicit recognition by supporting changes in the Canada Pension Plan designed to recognize the real value of work done in the home by recognizing it as qualifying income for participation in the Canada Pension Plan? This would provide adequate security for women in retirement.

Ms. Mitchell: Mr Speaker, when I talk about explicit programs, I am not talking about women who are suffering from poverty now and cannot put an adequate amount of food on the table for their kids, waiting until they are 65 before their problems are dealt with. That is a nice, comfortable rationale. People who do not deal with the present like to think that all we need to do is pat women on the head and ask their husbands to pay into a pension plan for them and maybe they will have something a bit better in the future.

We have a comprehensive policy to reform the Canada Pension Plan in order to bring women above the poverty line. Of course there must be major changes and there are different ways of doing this. We want to see what the Government will bring forward and we certainly want to recommend major changes for all women.

Most women are in and out of the workforce and do not have adequate coverage while in the workforce. If they drop out for seven years to have children, they should be building on their Canada Pension Plans during that time.

I would like to stress to my hon. colleague that we are talking about now, we have to deal with poverty and these intolerable inequities now. I really get tired of citing the statistics over and over again. We must deal with the real life situations of so many women who simply do not have adequate incomes today.

[*Translation*]

Mrs. Mailly: First of all, I think the Hon. Member is to be commended for again demonstrating her concern for the status of women.

However, it is too bad she decided to politicize the debate on such an important matter. Mr. Speaker, when the Hon. Member has given a clear and accurate explanation of the status of women in Canada and how it remains precarious despite all the efforts that have been made and the improvements that have taken place, it always surprises me that she always finishes her comments with a highly politicized statement. I say politicized because a partisan debate tends to ignore the progress that has been made and the very concrete and responsible action taken by this Government of which I am a Member.

I think we should consider that this Government has appointed six women as Ministers, a historic first, women like the Hon. Barbara McDougall, who have made their mark in the world, as they say, with policies like Bill C-42. I don't think we ever had a federal Act before that prohibited systematic discrimination against women.

How can the Hon. Member claim that the Government is to be condemned for failing to recognize the real value of women's work in the workplace?

Bill C-42 proves that this Government—both men and women—has recognized the importance of women in the workplace. And also in the home environment, because even if we expect every woman to be a Joan of Arc and to be active in our great causes, there are women who prefer to stay at home and raise their children. Why should these women be penalized financially just because they want to stay at home?

Our Government is bearing this in mind in its consideration of a daycare program. It wants to give women a real choice. If a woman wants to stay at home, she should not be penalized financially, and she should have access to the kind of daycare that meets her particular needs. On the other hand, if she wants to enter the labour market or if she has to enter the labour market for financial reasons, there again she should have access to the services she requires.

I wish the Hon. Member would consider the fact that women are not all the same, just as men are not all the same. We look at men as individuals, so why would she have us think that women all have the same needs? The only way to solve the problem of poor women is to spend money, but not by enrolling them in training courses nor forcing them to apply for traditional jobs. Again I ask the question: Why would she fail to admit that the Department of Employment and Immigration now have special programs specifically designed for women seeking employment in non-traditional fields? Why would she fail to acknowledge that the statistics released this morning indicate that 75 per cent of jobs created for women, men and young people are permanent, that the number of part-time jobs for women has declined, and that full-time jobs are on the increase? Indeed, we are making progress. Why would she deny that? Why would she deny that our Government is committed and that the status of women is not the exclusive bailiwick of the NDP? It no longer is.

• (1240)

[*English*]

Ms. Mitchell: Mr. Speaker, for someone who does not want politics to be political that was quite a speech.

Mrs. Mailly: Those are facts.

Ms. Mitchell: I do not know quite where to start, except to say that we are hearing examples of wishful thinking. I know the Hon. Member wants to think that Bill C-42 really gets at the problems of women, but I would like her to show me where it has resulted in substantial improvement for women in either

job opportunities or pay equity. Equal pay for work of equal value must be stressed at all levels of society, and we can start with those jobs under federal jurisdiction. It is not now a part of our policies.

I would like to ask the Member to read again the report of the Special Committee on Child Care. In no way do the recommendations of the government majority give women an economic choice. How can you say that when 60 per cent of women in the workforce are there because they have to work? If both parents were not working they would be very poor. How can you say there is an option to remain at home? I am sure some of them would like to be at home while the children are very young, but how is it an economic choice to give them a refundable tax credit of $200 per child per year? That is no economic choice, that is an insult.

I am also curious to know why the Conservative Government is going to give that amount to Mila Mulroney or anyone else with a high income and the same amount to women on welfare when it is deducted from the welfare cheque? A refundable child tax credit is a very expensive way to go for very little benefit. Why not put that money into child care services which would be available for women in the home, men in the home, and parents in the workplace? I think that is most important.

Mr. Deputy Speaker: Resuming debate.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am very pleased to join in this debate. It is most appropriate that it should start just prior to Mother's Day. I take this opportunity to congratulate all mothers, mothers in waiting, and grandmothers, of which I am one and about to be again. Today is a very special day.

Mrs. McDougall: Do aunts get a day, too?

Mrs. Finestone: Yes, absolutely, aunts and everyone else are going to have their day. Women are going to have their day.

It is important to acknowledge that there has been some significant improvement in the role of women since the late 1970s. That improvement needs to be treated with tender care so that it can grow and flourish. It only adds to the society in which we live when partners have an equal opportunity to work together to improve that society.

It would be a shame to expend the effort and energy to educate and train our daughters in the same way we train our sons, with equal pride in the attainments of both, to then not allow equal opportunity and equal choice to both, given equal competence.

Thank God for the differences between men and women and boys and girls. There are reasons why we need special policies to develop the kind of thinking that appreciates each other's role and each other's contribution to the growth and development of the society in which we live. That is the view of what I call the feminist of today, the people who recognize the ability of women to contribute in equal measure at all levels of our society, all to the betterment of that society.

Women have had a very special role in creating that society. Unfortunately, it has not always been willingly, but rather often imposed and to the detriment of their growth, and therefore to the detriment of society as a whole. Nonetheless, it pays to keep this whole situation in historical perspective.

Women in Canada have played an important and influential role in the advancement of social justice, not just for women but for everyone. In Canada the movement for political suffrage was led by social feminists, sometimes called maternal feminists, who believed that women voters would force the Government to improve the quality of life for all Canadians. Attaining the vote was the first step in achieving those social goals.

Those women were appalled by the living conditions of low wage, low rent industrial workers, unschooled children, destitute widows, malnourished pregnant women, and child labour in the factories. It is not to say that men liked that situation; they just did not think along those lines. There was something wrong because the dynamics involved in having women at the legislative end were absent.

• (1250)

When women were enfranchised federally and provincially in the 1920s and 1930s in Canada, although as late as 1945 in Quebec, the statute books blossomed with a host of amendments and new legislation which alleviated old hardships, improved the lot of neglected children, destitute old people, deserted wives, indigent mothers of families, and the physically handicapped, as well as enlarging upon the grounds for divorce and support payments. They gave women the right to handle their own money and their own property.

It was a great indignity that we could do no banking of any significance without our husband's signature on the document. Most men accepted that indignity as a fact of life as if there was nothing wrong with it. There was something wrong with it. We were persons in our own right and had every right to act individually without the constraint of laws which were ineffective and uninterested in our well-being.

The new laws have protected women in industry and prohibited the outrageous exploitation of both male and female workers, especially young people. I will not give a history lesson, but there has certainly been great forward movement since the Royal Commission on the Status of Women. All political Parties can take credit for the forward movement of women's causes throughout the country.

In particular we should pay a special tribute to the women's lobby groups which have kept the women's agenda in the foreground. I was very honoured, as a past president of *La Fédération des femmes du Québec*, to represent that group of women in our affiliation with the National Action Committee, *l'AFEAS, le Cercle de fermières*, the National Council of Women and the National Council of Jewish Women. I have

left many groups out. All these groups have been sensitive to and worked hard to put on public record the concerns of women as partners in society.

I am not extremely happy about the Tory record. All the right words have been used, all the right language is in place, and all the hyperbole is there. However, there is a lack of commitment in the form of action. Whether we talk about employment equity or employment in the workforce, the bottom line is economic independence and there are choices to be made in that regard. There needs to be some making up for the lack of equality which we have had.

Let us look at the structure of families today. We must not forget that 25 years ago most women did not work outside the home and had an average of four children. Today that structure has changed dramatically. The traditional family where children are living with their biological parents and the father is the sole breadwinner now accounts for less than one of six families.

[*Translation*]

Single wage earner families make up 29 per cent of all households. According to the November 1985 Statistics Canada figures, 57 per cent of women with pre-school children belong to the labour force. Sixty-seven per cent of gainfully employed women with small children hold full-time jobs, and the majority of women in their most reproductive years are on the labour market. In 1984, 69 per cent of women aged 25 to 34 were working. The different roles assumed by women in our society should be an incentive to implement a series of measures aimed at helping couples discharge their family responsibilities properly.

Among such initiatives, child care services are a priority. In that respect, I would point out that the Throne Speech recognized the need for child care, but instead of announcing specific measures, the Government simply decided to launch into vague discussions with provincial Governments, labour unions and private enterprise. A lot of talk, but little action.

Canadian men and women were expecting much more from this Government in the area of child care, because there is now a genuine crisis. Indeed, only 9 per cent of children who need them have places in child care services.

Mr. Speaker, the situation is totally unacceptable. Thousands of witnesses appeared before the Special Committee on Child Care and I toured British Columbia where I heard with my own ears parents complain they cannot find support services to enter the labour market, help their families, become income earners that can contribute something, improve their families' situation, and prevent them from falling into poverty. I for one find unacceptable that we are constantly awaiting action that is not forthcoming. In British Columbia, as elsewhere in Canada, we heard the same story.

Men and women across Canada expressed their disarray and problems caused by the tremendous difficulty they have finding child care places when they need to work or study.

What Canadians need and expect at this point is action rather than speeches.

[*English*]

Even prior to the Child Care Task Force which travelled across this land, with which I spent one week in the west, I travelled across the country on two occasions to participate in the Equality for All Task Force. I see a colleague in the House who participated on that task force and is well aware that one of the major concerns of the thousands of witnesses who appeared was the basic building block, represented by child care services, which includes a full range of services. It includes preschool children, part-time and full-time, evening hours, and, as well, the latch-key child up to the age of 14.

There are a variety of needs in this field because of the fact that women have a variety of needs. Women do not fit only one mold. They have a variety of reasons for going into the workforce, the most crying of which is to share with their partners the burden of meeting the budget needs of their families.

There is also the intellectual need of a woman who has had the opportunity of getting a proper education and wishes to have an enriched life by pursuing roles both outside and inside the home.

In addition, people have the right to make a choice. That right will be respected if we really believe in the right of equality for women.

The men and women who spoke to the task force on the need for child care were very eloquent, but we did not need a task force to learn what was needed. Our Party believes that the child care system must be based on the principles of sharing the burden and providing choices.

Mr. Deputy Speaker: The Hon. Member will be able to continue her speech after lunch.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: Resuming debate.

Mrs. Finestone: Mr. Speaker, if we look at the National Council of Welfare report we see that the poverty rate for seniors, both men and women, has declined. Unfortunately, poverty is getting worse in respect to the condition of women who are single, elderly and those who are heads of families.

[*Translation*]

I would like to remind the House that out of 10 women-led single-parent families, six are living below the poverty line, as

opposed to most groups in society. The poverty rate has not declined among single mothers in 1985. In fact, in that group, poverty has been on a steady increase for five years. The odds for a single mother to join the have-nots are five times as high as for a married woman. Women account for nearly 60 per cent of the under-privileged in the 16 to 64 age group, although they are only 51 per cent of the population. Out of 10 seniors living in poverty, seven are women. This is shameful, Mr. Speaker. This means those women account for 83 per cent of single, aged, low-revenue people.

Among single-parent families, the gap is still more telling. The probability for a woman-led family to be poor is four times that of a man-led family. Moreover, the wage gap between men and women widened in 1985, which made the headlines in all media not so long ago, on March 13. This is the first time in 18 years that women lost ground in their fight to reduce the salary gap between sexes, as indicated by Statistics Canada. I feel this is cause for concern, and we must look closer at that gap.

• (1410)

[*English*]

I think a great deal of it has to do with employment equity. The Government has often pointed to employment equity legislation as an example of concrete action which it has taken for the advancement of women. Yes, the language is good, as is the thought. All the groups that appeared before the committee when this legislation was being studied told us that Bill C-62 would be totally ineffective because it has no teeth. The goal of employment equity is to recognize the talents of individuals within the business community. This side of the House wishes to give equal opportunity to those who were discriminated against because of systemic barriers that need to be revised and reviewed.

I said that we have moved forward since 1975, but we have come to a standstill. This Bill and the need for employment equity was very obvious. I am sorry that there are no teeth in it so that we can really oblige companies to move forward.

I sit on the Standing Committee on Communications and Culture. We recently tabled in the House our recommendations for a new Broadcasting Act. We recommended that broadcasting licences include an obligation to establish an equal opportunity program in order to increase significantly the number of women and members of minority groups at all levels within each undertaking. Although data regarding the employment of minority groups in broadcasting are inadequate, we know that their members are found only too rarely in influential positions—as artists, journalists, managers and decision makers.

The broadcasting industry is already under the federal employment equity legislation. But the number of problems with that law as it is applied become very obvious when we look at broadcasting. This law applies only to employers with 100 or more employees. In the most crucial of industries where we can see ourselves on the screen and where we can see our values reflected through the mirror of the little window box provided by the television, this Act is of no use in promoting the well-being of women and the portrayal of women. I will tell the Minister why I say that since I think it is serious.

On the basis of 1987 data obtained from the CRTC only 39 of 268 broadcasting corporations and only 15 cable companies out of the 360 existing cable companies in Canada have 100 or more employees. Thus there is no way that the Bill can be applied. That is the dilemma.

For the reasons I have just enunciated we have recommended that the new Broadcasting Act include provisions to increase significantly the number of women in minority groups, which includes women, at all levels of the broadcasting industry. If we want to be role models then we have to see ourselves somewhere. The present legislation breaks down in this regard and does not improve the inequities. Without an enforcement mechanism and a mandatory monitoring system we have a voluntary employment equity Act. I hope that the new Minister will look at this situation to find ways to make the legislation more effective.

I have said that Mediawatch and l'Institut Canadien de l'éducation aux adultes, ACTRA and many other groups that came before the committee asked us to address directly the need for the system to serve the needs of women, as well as men, and to reflect equitably their presence in the population.

In its presentation to our committee Mediawatch stated that men outnumber women two to one in prime time programming on public and private channels, and in children's programming four to one, although women account for over 50 per cent of the population. In addition to being under-represented they are performing a relatively limited number of stereotype roles. It is for these reasons that we want the broadcasting system to serve the interests and needs of both sexes. I certainly hope that the Minister will take this into consideration.

In conclusion, as we shape the forward agenda of the women's movement, and as we look at forward-looking strategies that we all worked on so hard and in which Canada was a true leader at Nairobi, it is important to note that there is no shortage of challenges left or of injustices to be resolved. We have come a long way, but we have not travelled the whole road yet. We need a special emphasis on those policy initiatives that allow and enhance the compatibility of family life and independence for women, that reaffirm the role of the family without abandoning the goals of feminism.

I will now give Hon. Members, from my point of view, a partial political action agenda for the rest of the decade. I think that we must change the attitudes of men and women so that true equality is established and allowed to grow. Attitudes in the media, in advertising stereotypes, in the soaps, in our workplaces and in our schools must also be changed.

Second, there must be changes to ensure employment equity through affirmative action and equal pay for work of equal value. I do not share the current Government's faith in its new employment equity legislation which fails to provide for

specific sanctions against employers who refuse to implement a program of employment equity in hiring practises.

Third, there needs to be media attention given to the plight of the poor, single women in our society, both single women as heads of families as well as the single elderly. Seven out of 10 spouseless women aged 70 and over are living in poverty in Canada. That is shameful. We must address, as well, the pension issue. Women work in the community and they work in their homes. They contribute thereby to the economy. We must find a way to acknowledge this so that they do not end up in a poor state in their later years. The value of the work performed, the home work that is performed, including house care, was calculated at 36 per cent of the Gross National Product in 1981 by Statistics Canada on a model that was developed in 1978.

Four, we need redoubled efforts to curb the violence against women and children that pervades our society. Women cannot be fully equal until incest, violent pornography, wife battering and other violence are dealt with, and dealt with sensibly and not radically.

Five, I think it is vital that the funding of women's groups continues, and continues at a level that will allow them to continue their role of advocacy in order to keep the barriers that we need to break down in front of the public eye, and certainly in front of the eyes of legislators. They need to be enabled to assure this equality among people.

Finally, I would like to use a term that is often feared around here, that is, choice in reproductive rights. Let us not be frightened off by this term. Reproductive rights include such issues as pregnancy leave, unemployment insurance benefits and the availability of child care. Child care is especially vital if women, particularly single mothers, are to gain economic independence. It should be apparent that women have an equal right to choose to work, which cannot be exercised in the best interests of their family or their children without providing accessible, affordable and adequate quality child care. No one here need be told how important good child care is to the attainment of women's and family rights.

• (1420)

I think I have presented a list of concerns. I hope that together all of us in this House can meet the challenge for change. It is an ongoing process. We would be happy with the achievement of any one of them, but I can tell you, Mr. Speaker, that women and women's groups will not rest until we have achieved every one of them.

[*Translation*]

Mrs. Bertrand: Mr. Speaker, I wish to congratulate my hon. friend for her very well documented speech and for her involvement in the promotion of women. I suggest that her personal life demonstrates that she is perfectly dedicated and that she assumes her duties beautifully. But I would like her to push her intellectual honesty a little further and recognize what our Government has done to promote employment equity for women.

I am aware that my colleague who is responsible for the Status of Women will rise in a few minutes and make a very well documented speech, but I would like to ask the Hon. Member for Mount Royal (Mrs. Finestone) to recognize what our Government has accomplished.

Quite recently, the Minister of Supply and Services (Mrs. Vézina) refused to award a contract to a company which did not meet the criteria as far as employment equity for women is concerned. Her decision was almost a first! It had never happened before and it is something for which the Hon. Minister of Supply and Services should be commended.

In my riding, last week, on the first page of our daily newspaper, there was a picture showing the Hon. Minister of Employment and Immigration (Mr. Bouchard) presenting a diploma or an award to a company, an Alcan subsidiary in my area, for recognizing the right to work and the participation of women in non-traditional trades, in this case, welding. And the company president said that his best welder was a woman.

All this to indicate that we are making progress indeed. We know that before we came into office only 10 per cent of women belonged to the Public Service. We are now up to 27 per cent. We know that we had two women ambassadors, we now have 21. I will let my colleague responsible for the status of women give more statistics in this field, but I should like to ask the Hon. Member for Ville Mount Royal whether she would agree that our Government has done a tremendous effort in this respect?

Mrs. Finestone: May I correct my colleague? I am not the Member for Ville Mount Royal, I am the Member for Mount Royal, which includes three cities. O.K. That is for openers.

Certainly I agree, and I think I was very clear about this issue for the benefit of my colleague. Still I would suggest that all Parties have promoted the cause of women. It is neither you nor us. I think that together, especially women MPs, we have made society aware of this and changed the mentality of our male colleagues here in the House. The Minister was able to recognize women's non-traditional work thanks to the women's movements who made this society aware of women's needs. During one of our World Wars, women proved they could be effective at non-traditional jobs, which means they have the capability and should have that choice throughout their years in the labour market. So the credit doesn't go to you as a Government or to us as a government. You have been able to promote the status of women thanks to women like Thérèse Casgrain and others, like the five women who helped define our position as persons in society, with equal rights and privileges. The movement started with them and has gone on to this day, and it will be thanks to historic developments and our own capabilities that we will finally get complete equality in our society. There are competent men and stupid men, and the same applies to women. But we should be treated equally in society. I am not here to praise the achievements of one

party over another. I am here to point out where you went wrong. I am here to suggest improvements. As far as the status of women is concerned, there are no partisan considerations. I think we should understand that together we will win this battle, and we will not win by going off in separate groups and deciding who is going to get money and who is not. It should go to the women who stood up for our cause and who were able to get us where we are today.

[*English*]

Mrs. Collins: Mr. Speaker, I am pleased to hear the remarks of my colleague. I think all Hon. Members would agree that there are certainly no stupid women on any side of this House.

Some Hon. Members: Hear, hear!

Mrs. Collins: I am glad you agree. I know my colleague's commitment towards equality of women having worked with her on the Equality Rights Subcommittee and the report it brought forward. I think all Parties agree that this is not a particularly partisan issue in terms of the objectives we are trying to achieve. There are some differences, obviously, in the timing and some of the methods we use to achieve our goals, and I think in the debate today we will learn more about that from each other.

There is one thing which has really bothered me. In 1986 a study was done by the Canadian Advisory Council on the Status of Women with regard to the aspirations of adolescent women. That study indicated, and do other reports as well, that today's teenage girls still see their lives in very traditional and romanticized terms, and are less likely than boys to make explicit plans for their future paid careers.

I am a mother of a 14 year old and in talking to her and her friends I think it is true that, no matter what we do in terms of moving forward on legislation and with different programs, if we somehow do not reach those young women they will not seek the kind of training and education they need and will end up in that sort of vicious cycle of poverty.

I wonder if my colleague has thought about this issue and if she could share with us any of her ideas as to how the federal Government and provincial Government agencies might deal with that very fundamental root problem in terms of working with women in the future?

Mrs. Finestone: Yes, Mr. Speaker, I had the pleasure of sharing many months and many hours of work with my hon. colleague who just raised the question. I would like to suggest that I think my friend and I looked at that question together. With another colleague I have also been looking at the impact on women through media. I think we will have the problem until such time as women start to feel a sense of their own worth and development and until they stop seeing themselves portrayed on probably the most powerful medium in our society today, television, in those kinds of sex stereotyping stories we see on the television screen, whether through advertising or the programs which are shown. That medium must start to change and give value and importance to education, post-secondary education, and show women as full partners having intelligent, equal conversations with their partners.

I think as well that schools should start to develop a curriculum which does not say, "Jane goes out to buy the oranges while John goes to buy the tools in the hardware store". If it could have Jane and John doing the opposite occasionally, the stereotypes could be broken.

It is a long hard row. We have been ingrained but, I hope not restrained, from some creative action. I would like to tell my colleague that I have an 11-year old granddaughter and she is not interested in the stereotype world. I suppose it has something to do with family upbringing and role models. I would prefer to have debates of this kind and not have the kind of partisan elements I have occasionally listened to in this House.

I could give my hon. friend a long list of the accomplishments of those on this side of the House, starting way back with Judy LaMarsh and forward, and my hon. friend could start with Ellen Fairclough and others, but that would not change the situation and the daily living for women in today's society and prepare them for tomorrow. Let us try to keep this on the level which I think will be helpful to the forward movement of women in today's society.

• (1430)

Ms. Mitchell: Mr. Speaker, my hon. friend and colleague stated that reproductive rights were basic to equality and defined reproductive rights in very broad terms. I agree with her on that, but she did not mention the whole question of choice in relation to access to abortion.

Last month a pregnant 14-year old girl was refused an abortion in a Kamloops hospital. As a result she had to go through a very prolonged forced premature delivery, which I am sure will create tremendous trauma for her for the rest of her life.

Does the Hon. Member have any suggestions about what she feels should be done on the whole question of access under our existing law? Also, what should be done about more effective preventive measures including better contraception so that women really have reproductive rights?

Mrs. Finestone: Mr. Speaker, in a sense I am glad the Hon. Member has asked the question, although I could have done without it. I am pleased to share my point of view.

Those of us who travelled with the Equality for All task force were faced with the question of the right to choice versus the right to life. We heard the hard core views on both sides, and there does not seem to be, in society today, the kind of atmosphere which would enable us to make the choice on one side or the other by opening up the legislation.

It has been my view that a woman has the right to make the choice for herself after having received the best counselling and the best advice possible, after all the options have been

made available to her and there is an understanding of all the options, including adoption and the kind of support the state can give a woman who chooses to keep the child herself. If all those support systems are in place—and I will come to the Hon. Member's case in a moment—and if we had the proper kind of education and training to teach respect for one's self and taking responsibility for one's actions, I would say to the Hon. Member that it would not be the kind of problem it is today.

I do not think we can open up the abortion question in today's society. I think we will have to work with what exists in our law presently and apply it in an intelligent way. It will take government will at the provincial level, because that is where health services are determined, to find the answer to how to allow a woman to make her own choice in reproductive rights.

In respect of the case of the 14-year old child, as a director of youth protection I faced much younger children than that, such as a 7-year old and a 13-year old who were pregnant by incest and by rape. Anyone who tells me that we should have the kind of society which does not allow for the humane determination of termination in that instance is out of his or her mind, in my view. First, the child's body has not developed healthfully enough for her to sustain and give a healthy body to the foetus. Second, I do not believe that any family would want to impose that on a child.

In respect of the Hon. Member's question, I hope I have elucidated clearly enough that I would not reopen the issue in the Criminal Code at this point.

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, I am very happy to rise in my place today to discuss the issue because it is a very important one to all of us in Canada. Perhaps what has been missing so far in the debate is that it is important to men as well as to women. Within society we have come a long way over many years, as the Hon. Member for Mount Royal (Mrs. Finestone) pointed out.

I guess in the beginning women were fighting alone for things which they felt were important for themselves and things they felt were important for society. It gives me great pleasure—and it gives the women in this Party great pleasure—that we now have so many men as our allies. Let us make no mistake about the fact that women, not men, have put the issues of child care, the elderly poor, and so on, on the agenda. Women should take credit for it. Let them also remember that there are many people on their side. As we move forward from here, as we must continue to do and are doing, that is an important building block for how we approach women's issues in the future.

While I am very happy to debate the issue, I am very surprised by the wording of the motion. The fact is that the Government has put in place a number of programs for action on women's issues. The Government's whole strategy contains a comprehensive and pragmatic series of initiatives, I may say among the best ever introduced in Canada.

Let us look at what our achievements have been in 2.5 years. There has been reform of Canada's divorce laws and family enforcement orders, a very important element which women have needed for many years. There has been a repeal of the Indian Act provisions which discriminated against native women for decades. We introduced the first employment equity legislation ever introduced in Canada, opening up a full range of labour market opportunities for women.

[*Translation*]

The implementation of a National Training and Employment Program which, for the first time, defines participation goals for women, proposes steps to increase the number of pension beneficiaries and makes them more equitable, and the passage of legislation to put an end to the sexual exploitation and the sexual abuse of children.

As suggested by the Prime Minister (Mr. Mulroney), Mr. Speaker, our Government has given top priority to women's concerns. A document entitled *Dimensions of Equality: A Federal Government Work Plan for Women* clearly demonstrates our commitment to women's concerns. Tabled in November of last year by the Prime Minister at the yearly Conference of the First Ministers in Vancouver, this document describes our Government's biannual action plan to promote women.

[*English*]

Let me say that the document contains a number of measures. Earlier I pointed out the legislation surrounding divorce and family enforcement orders. Let me point out, in terms of progress for women, that not one of these issues is a new one. These issues have been around, and women have been asking about them for years. We have made an incredibly good start in the first half of our mandate, and we are not finished yet. That is what this book outlines.

Less than six months after its tabling, a number of the initiatives have already been accomplished or are well under way. The Minister of National Defence (Mr. Beatty) announced that the Canadian Forces would conduct trials with women in combat. A review of sex stereotyping in internal government communications is nearing completion, further to the review of external communications which was completed last year.

Let me just say about the problem of stereotypes that in the earlier Bill introduced on communications there was forward momentum to deal with the problem of sex stereotyping. We all know how important it is to develop, not just role models for children but their own attitudes toward themselves. This will be very important to the women of the future.

Labour Canada conducted an educational seminar for labour representatives on equal pay for work of equal value. The Secretary of State (Mr. Crombie) funded a national conference which was held in Toronto as a follow-up to the 1985 Nairobi forum and the United Nations World Conference on Women, as well as a successful national conference on immigrant women and visible minority women.

Let me also point out that I think my predecessor in this role, the Hon. Member for Waterloo (Mr. McLean), the former Minister responsible for the status of women, deserves an enormous amount of credit for the progress made in Nairobi and the document which came out of there.

• (1440)

Progress is also being made in dealing with family violence, with the federal, provincial and territorial governments co-operating in what is a very complex social problem and one which governments cannot resolve alone; but they can provide some attention and some perspective to this very serious problem. A commitment to improvements in family violence legislation was in our Speech from the Throne last fall. In concert with the release on March 30 of the report of the Special Parliamentary Committee on Child Care, discussions with the provinces on this priority subject are well under way. Our goal is to reach an agreement on an approved child care system for Canada by this summer.

Let me pursue this a little bit. Child care occupies a pre-eminent position in our Government's agenda. At last November's First Ministers' Conference the Prime Minister (Mr. Mulroney) described adequate child care as one of the most significant factors in ensuring the economic security of women. He went on to say that for many women child care is the key that will open the door to future equality. At the same time he made a government commitment and a personal commitment to improve the accessibility, the affordability and the flexibility to quality child care in Canada. We are well aware that the needs of women vary from a rural setting, to an urban setting from some regions of the country to another.

Let me point out that when I talk about these not being new problems, this one in particular is not a new problem. This is something that was called an urgent problem by the Royal Commission on the Status of Women some 17 years ago. Why did nothing happen for 17 years, Mr. Speaker?

But we have made considerable progress on this.

We are sitting down with the provinces and actually working out a practical solution to these problems for the women of Canada. Child care featured very largely in the First Ministers' Conference last November. A full half day was devoted to women's issues which included training and child care.

Let me say that I am very proud of the Prime Minister and the role he played in putting those items on the agenda. It was the first time women's issues had been on the agenda at a First Ministers' Conference. It was a follow-up to what had happened the year before under the Prime Minister's leadership at the conference when they agreed on a framework for economic equality. Those discussions represented a real breakthrough for the women of this country when the leaders of all our provinces and our Prime Minister were there together publicly discussing their commitment to women.

It has been a hallmark of this Government to include women in all of our decision making processes from First Ministers' Conferences, to budget consultations, to policy development in almost every aspect. We attach the utmost importance to this ongoing dialogue which is carried on by myself and by the Prime Minister with a variety of women's organizations including the National Council of Women, la Fedération des femmes du Quebec, the Canadian Federation of University Women, the Catholic Women's League, the National Action Committee, the Native Women's Association, the National Association of Immigrant Visible Minority Women and REAL Women. I have travelled Canada from one end to the other talking not just to the groups who come to Ottawa to see me but talking to women who are working in their communities, in their local libraries and local schools, working on behalf of women in communities everywhere from Cornerbrook, Newfoundland to Cranbrook, British Columbia. I will continue to do that because it is not just the women who come to Ottawa in an organized way who are to be heard from, it is the women working on the farms in southern Saskatchewan, the women in North Battleford who have opened a new library, the women in southern Ontario who are helping their husbands on the farms, the women in northern Ontario who work in the mines. They are the voices who should be heard in this town and by this Government, and they are.

Some Hon. Members: Hear, hear!

Mrs. McDougall: Let me say as well that we have met with representatives of groups to discuss very specific issues and we will be meeting again with the NAC executive and many of its members on Monday. Many of our members will be there. Complementing this process, a dialogue, of course, has been our determination to bring more women into positions of power and influence.

The Hon. Member for Vancouver East (Ms. Mitchell) talked about this participation of women in roles of leadership and in politics.

[*Translation*]

During the 1984 election campaign, we had promised, if elected, to increase from 15 per cent to 30 per cent the rate of representation of women in federal agencies, boards and commissions. Only halfway through our mandate, the rate is now 27 per cent. It is only a beginning, but it is quite significant. Deputy Ministers and Assistant Deputy Ministers occupy also key positions in the Public Service. When we came to power, there were only three women appointed at that high level. There are now nine, including the Chairman of the Public Service Commission, as well as the Deputy Minister of Labour, the Deputy Minister of National Health and Welfare, the Deputy Minister of Supply and Services, and the Deputy Minister of Privatization. The incumbents of these positions of trust can make key contributions and may even further the economic and social advancement of all women.

[*English*]

I mentioned earlier that the Canadian Forces will be undertaking trials with women in combat. Let me mention as

well that my colleague, the Minister of National Defence, has appointed Canada's first woman general, Brigadier-General Sheila Hellstrom. The number of positions in the Armed Forces open to women has risen from 19 per cent in 1971 to 75 per cent today.

Two eminent women now head the Economic Council of Canada and the National Capital Commission. Recently two women were appointed to the Board of Directors of the Bank of Canada. Other government agencies now have numerous women. There are now 10 women occupying senior diplomatic posts as ambassadors and consuls general. Of the 12 people the Prime Minister appointed to the other place, four are women.

In addition to a 22 per cent increase in the number of federally appointed women judges, let me point out and publicly congratulate, Madam Justice Claire L'Heureux-Dubé on her appointment to the Supreme Court of Canada. What this tells us is not that women are getting appointed, but that they are being appointed to the highest and most influential positions in the land.

This is one indication of what we are doing. It is important, and I have pointed this out in this House before, first, because it is a legitimate recognition of the contribution that women have made—finally a recognition of their contribution and their talents. Also, it is important because when men and women sit down at the same table to work toward a common objective then the old stereotypes start to change and fall away along with the old attitudes.

As the Prime Minister said, our aim is to improve and perfect our democratic way of life. If we wish to correct the imbalance which still exists, we must increase further the presence of women in the national decision-making process.

Let us go back to women and their political role. There were only two women Cabinet Ministers in the last Government. There are now five, and I say with all due modesty that I think we do our share. I know this has been of great concern to the other Parties. I think particularly of a Member of the Liberal Party, a former president, who talked about the invisible ceiling for women, a glass ceiling where women can only reach so far and cannot go beyond it. Let me describe where I think women are in our Party.

Women for a long time did face a lot of barriers. They continue to face some. There was a big brick wall; then women started punching out some of those bricks. Enough holes are now in that wall so that it is going to start to fall down. That is the difference in how this Party views the role of women and how the former Government viewed the role of women. We are not only hopeful but we are going to help women get to where they should be.

Let me say, on employment equity, how important this Bill is. The Hon. Member for Mount Royal pointed out that it was not working, and I think the Hon. Member for Vancouver East said the same thing, that employment equity should be mandatory, that there should be quotas on things to regulate every move that business makes.

• (1450)

I have been monitoring this very closely and talking to people in human resources in the private sector who are inundated with requests from businesses and financial institutions anxious to meet the requirements of this Bill. The old stereotypes are changing. Business now knows that it is in its interest that women have an equal opportunity. The future of business will have to embrace the resources represented by women in society.

The number of people who are of an age to leave school is declining very rapidly. In order for business, commerce and universities to be competitive and productive in the future, they will have to draw on a wider range of talent and that includes women. They are starting to recognize that. If we can embrace them in a partnership without simply having the Government making rules, then women will be much better off.

There is a traditional women-as-victims attitude. Yes, women have problems that men to do not have, there is no question about that. However, one cannot transfer what was once a hope and faith in Prince Charming to a hope and faith in the Government. Women are better than that. Women contribute; women have talent; women make their own decisions; women can hold their heads up high along with all the men in Canada, and women working together with men can also help those women who are not in a position to do so.

Our objective is to have men and women start equally. Sometimes men start higher than women so in order for women to start equally we have to help. That does not mean that once women get there they are not every bit as able to contribute as are men. We recognize that.

Let me deal with the poverty statistics for a moment. Between 1982 and 1984, the number of women over age 16 living in households below the National Council of Welfare's poverty line rose by 118,000. This is a matter of real concern to everyone and every political Party. The proportion of women over 16 living in poverty rose from 17.3 per cent to 18.5 per cent, and that occurred during part of the economic recovery. That is serious.

Between 1984 and 1985, the number of women over 16 living in poverty dropped by 69,000. We were able to bring that figure back down to where it started. That is not anywhere like good enough, but we are glad to see that happening. We have given it a nudge in the right direction because of some of the things we have introduced.

Obviously jobs relate directly to poverty. During the first 30 months of this Government's term of office, the number of women with jobs rose by 406,000. During the last 30 months of the previous Government's term, the number of women with jobs throughout the entire period of recovery rose by only 250,000. The difference of 156,000 is greater than the total number of people employed in the whole of Metropolitan London, Ontario, a fine metropolis.

The contrast in the increase in full-time jobs for women between the two periods is even more striking. During the last 30 months of the former Liberal Government's term, the number of women with full-time jobs rose by 128,000 and during the first 30 months of this Government's term, the increase was 327,000, a difference of 199,000 or over two and a half times as many.

It is important that women now have benefits in part-time jobs, that they have benefits in full-time jobs and that they get more full-time jobs. That is why the training programs we introduced have been so important. That is why the child tax credit and the sales tax credit were so important. They helped to move women out of poverty and into more comfortable and prosperous lives. We must all focus on that, particularly for elderly women, and that is why we have introduced so much pension legislation. We know how important that is.

That is the record of the Government in two and a half years. That is why I believe this motion is frivolous and should be defeated.

Ms. Mitchell: Mr. Speaker, I do not know how the Minister responsible for the status of women could call this a frivolous motion. It is a very serious motion, and I hope she knows me and my Party well enough to realize that it was put in all seriousness.

I would like to ask the Minister a question about the Secretary of State women's program which, as she knows, has been in some turmoil of late. I would like to know her view of the purpose of this program and why we have had to spend so much time, money and hours on the road with the SOS Committee defending this program when it is very obvious that the program is essential to carrying out the equality goals of the Government. Does she support the views of some Conservative Members on the committee who have been very difficult, members who have suggested that advocacy groups should not receive government funding, that groups like NAC should not be funded if REAL Women is not eligible for funding?

Second, the Minister mentioned the child care program. What is her position on the recommendation of the special committee on child care regarding the refundable child tax credit which would cost about $300 million and put $200 in the hands of each woman with young children? Would this money not be better spent by increasing child care spaces and improving the quality and flexibility—and I agree with her on that point—of child care across Canada?

Mrs. McDougall: Mr. Speaker, I believe the Hon. Member was not quite listening. I did not in any way suggest that she was frivolous or that the issue was frivolous. I said that the motion was frivolous.

If we are to engage in a discussion about women, we have to recognize and celebrate together some of the positive things that have happened. It is a case of whether the glass is half full or half empty. Until the glass is completely full, I would like to talk about it in a positive way. Compared to what has gone before, the progress that has been made is something with which I can certainly face the country very happily.

I believe the women's program has made an important contribution to the ability of women to articulate the things about which they care. Like any program, it is worth reviewing from time to time. We should hear what Canadians think of the program, if the program is working and if needs have changed in the last five or 10 years. The inquiry that is being conducted both by the Secretary of State and by the House of Commons is a perfectly legitimate one. Having said that, I would certainly think it is quite worth while to continue funding some kinds of advocacy programs and I do not in any way disagree with that.

I do believe that there must be some criteria and perhaps it is time the criteria for our objectives changed. I have made no prejudgement on that. I would like to see what comes out of the House of Commons committee's study and the review of the Secretary of State. I would like to see more services for women and not just a continuation of some women's programs.

Once again, we need flexibility in child care. The report of the special committee was a very thoughtful one and attempted to deal with flexibility and the many different ways women need help in looking after children. I agree with the Hon. Member that the definition of family has changed. That means that we should do something for women who want to care for their children at home and something for women who need a structured system. We are taking that into account as we develop government policy because we all know what the options are. They are to fund the supply side, which is additional space, or fund the demand side, which is to give parents money directly. We all have a different view of where to draw the line between the one and the other.

• (1500)

I think the Special Committee on Child Care is to be commended for the work it did and the report it presented. I know this is an issue that the Hon. Member cares about as well. The fact that there is ongoing discussion with the provinces, and the report will be a part of that discussion, means that by the time we come forward with a policy it will be positive and will help the women of Canada.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to ask the Minister a question.

Yesterday, the Public Service Commission tabled its annual report for 1986. We are pleased to note significant improvements in the area of promotion and hiring of women in the Public Service.

A problem which seems to recur year after year is the ratio of women in senior-level positions, the so-called Management Category. We find on page 27 of the report that Government objectives have been lowered or reduced due to budgetary

constraints. For the benefit of the Minister I might quote what is said on page 27 of the report:

> In 1986, 42 women at the senior management level minus one took the senior management orientation course, compared to 52 in 1985 and 32 in 1984. This decrease is probably the result of—

According to the Commission—

> —fewer people being sent on management orientation courses due to general government restraints.

There is also, Mr. Speaker, at page 25, a question relating to the appointment of women to senior-level positions. It reads, in part:

> The number of appointments of women to the Management Category will have to be increased in 1987 to meet the government's target of 476 by the end of the first quarter of 1988.

Could the Minister tell us whether she will try and exercise pressure on the Public Service Commission to ensure that the objective of the Government, which is to raise the number of women in senior management in the Public Service of Canada to 476, is indeed met.

[*English*]

Mrs. McDougall: Mr. Speaker, that is an easy question to answer because the answer is obviously yes. What is not clear to me from the Hon. Member's comments is what is the proportion of SMs that took the course and so on. It is not just the number that is significant but the proportion at each level. It is inevitable that what we are going to see is a kind of ebb and flow. There will be more one year than another year. It depends how many people are coming up from one level to the next level. There has to be a progression.

Like the Hon. Member, I take a personal interest in this. I want to see more done around that and I have often spoken about it with my Treasury Board colleagues and the Public Service people. I think this year we will have to see an improvement, but I want to point out as well that part of the evaluation of Deputy Ministers is how well women are doing in their Departments. It is an important part and not something this Government ignores in any way. It is a significant factor in the measurement of how Deputy Ministers perform their duties.

Mr. Deputy Speaker: A very short question from the Hon. Member for Burnaby (Mr. Robinson).

Mr. Robinson: Mr. Speaker, one of the priorities identified by the National Action Committee on the Status of Women at their annual meeting this week is the position taken with respect to a motion before this House on the question of recognition of the foetus in the Constitution. The Minister responsible for the Status of Women has to date remained silent with respect to this motion. I ask her to show some leadership on this matter now by indicating her position on this motion which I believe could constitute a grave threat to freedom of choice of women.

As well, could she please indicate to the House and the people of Canada when the Government intends to move with respect to its commitment to amending the Canadian Human Rights Act to prohibit discrimination based on sexual orientation? Those two subjects have been identified by NAC as important subjects to be addressed this week and I would like the Minister to show some leadership on them.

Mrs. McDougall: Mr. Speaker, on the second point, as the Hon. Member knows, that is something that the Minister of Justice (Mr. Hnatyshyn) has been reviewing. I would not want to comment beyond supporting the conclusions he comes to.

On the first issue, I believe, and I have made it clear, that I agree with the Hon. Member for Mount Royal (Mrs. Finestone) that I would like to see the law remain as it stands. I recognize that this is a very important issue for women across Canada.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Yorkton—Melville (Mr. Nystrom).

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I want to commend the Hon. Member for Vancouver East (Ms. Mitchell) for suggesting this topic to the House today. It is very useful from time to time to have a review of important issues like women's issues.

Over the years women have faced tremendous discrimination in Canada. When I was first elected in 1968 we had but one woman in the House of Commons, Grace MacInnis from the riding of Vancouver—Kingsway. She was one of the champions of the cause of women's issues for many, many years in this House. She was a Member of Parliament, if I am not mistaken, from 1965 until about 1974. She did a very commendable job.

[*Translation*]

Mr. Speaker, there has long been a lot of discrimination against women in this country as elsewhere—income discrimination, occupation discrimination, discrimination at the political level, and sometimes, before that, statutory discrimination in Canada. But now, in 1987, there is still too much discrimination left, a lot of inequality between men and women. By comparison, according to Statistics Canada, last year, in 1986, women's income in Canada was only 64.9 per cent of men's income. Three years ago, in 1984, women's income was 65.5 per cent of men's revenue. This is a setback rather than progress, Mr. Speaker, as far as the average income of Canadian women is concerned. This is why we need this debate, this is why there are still many women below the poverty line in Canada, and that problem is specific to women in single-parent families.

[*English*]

I want to spend most of my time this afternoon on the Canadian Jobs Strategy and some of the problems which have been identified in serious studies and comments about that strategy. In 1985, the Government announced a new Canadian Jobs Strategy with several different components. That strategy is now in operation across the country. Since that time we have

had a number of problems with that strategy. I want to draw to the attention of the House and the Cabinet in a very serious way, as well as to any officials who may be watching, a very important discussion paper prepared by the Ontario Ministry of Skills Development a short time ago. This paper was prepared on behalf of all provincial Governments for a meeting in Ottawa on January 29 and January 30, 1987. The paper analyses in detail the Canadian Jobs Strategy and makes a number of important points concerning women and the program. The paper was undertaken by the Ontario Government but at the request of the other provinces. It was endorsed by those provinces at the meeting in January.

The observations in this paper are relevant to the motion before us today. I hope members of all three Parties will take these observations to heart and seriously consider them.

• (1510)

One of the most serious comments made in here is with regard to the criteria for eligibility to the Canadian Jobs Strategy. They say that the eligibility criteria to the programs remain too restrictive in many ways. The Ontario Ministry of Skills Development study says:

> Key target groups—for instance the severely employment disadvantaged, women, and individuals in threatened communities—face barriers due to gaps in the design of the CJS.

They go into detail about the job development budget and program and entry and re-entry components of the women's program within the CJS.

In speaking of women specifically the report says:

> The Canadian Jobs Strategy identifies women as a special client group to receive a greater share of training and employment opportunities.

They identify women for this, but the study goes on to say:

> However, the CJF is criticized by women's groups across Canada for its failure to benefit women, and immigrant women in particular.
>
> Statistics Canada's Labour Force Survey reveals that women make up 43 per cent of the labour force in Canada.
>
> Yet, despite the fact that women are a target group under the CJF, federal statistics show that the participation rate of women in the CJS, excluding the Challenge 85 program which provided summer employment for secondary and post-secondary students, was only 34 per cent in 1985-86.

That is very serious, Mr. Speaker. Women make up 43 per cent of the labour force yet only 34 per cent of the people participating in the Canadian Jobs Strategy are women. That is a gap of 9 per cent.

[*Translation*]

This is something that is so important that 43 per cent of the Canadian labour force were women. But women participation in the *Canadian Job's strategy of women* program is only 34 per cent.

[*English*]

That is not good enough. The Minister should take note of that and try to do something about it. The study continues:

> Furthermore, the number of women being served by EIC since the introduction of the Canadian Jobs Strategy is declining.
>
> In addition, the preponderance of projects funded under the CJS have offered women training in traditional, low-paying occupations.

That is a very important point of which we must all take note. So many of the women in the Canadian Jobs Strategy are being trained in traditional low-paying occupations. Of the 767 female participants who received occupational training, fully two-thirds, 512, received training in such traditional areas as clerical, sales and service occupations. That is not good enough, Mr. Speaker. All Parties should insist that that be changed.

Even more telling is that no training was provided for women in such non-traditional occupations for women as construction, mining, machining, and forestry and transport equipment operating. The table contained in this study of the Ministry of Skills Development shows that in such occupations as mining, oil and gas there is not a single woman of the 3,250 involved being trained in those areas. The same applies to forestry and logging occupations, machining and related occupations, construction trades occupations, transport equipment operating occupations, and material handling and related occupations. Very few women are being trained in other occupations which are non-traditional for women in this country.

The Prime Minister (Mr. Mulroney) is very proud to say that he has six women in his Cabinet. I congratulate him for that. That is pretty good compared to previous Prime Ministers. However, anything is pretty good when it is compared with something which is really bad.

Mr. Fennell: What about your Cabinet?

Mr. Nystrom: The Conservative Member across the way talks about our Cabinet. I have seen NDP Cabinets in western provinces which have very few or no women. I am not proud of that. I am happy that in the last provincial election in Saskatchewan, after not having female New Democratic MLAs for a long time, three were elected. That is good, not only for the NDP and not only for Saskatchewan, but for all women in this country.

All Parties should do whatever they can to ensure that there are more women in politics so that when there is another important Conference of First Ministers there will be some women sitting around the table rather than only 11 middle-aged or older men making important decisions about the future of Canada for all Canadians. That is very important.

This study points out the discrimination in the Canadian Jobs Strategy. There are 311 women being trained in clerical and related occupations, 131 being trained in sales occupations, and 69 being trained in service occupations. However, there are very few women being trained in occupations which are important in terms of making money and decisions. I will give you three examples.

In the managerial, administrative and related occupations class there are only 42 women being trained in all of Canada, while for low-paying clerical jobs they are training 311 women

and in sales they are training 131 women. In occupations in natural sciences, engineering and mathematics, which are areas of great contribution to the country and which offer tremendous salaries and job security, they are training only five women. In occupations in social sciences and related fields they are training only 29 women.

Even in teaching and related occupations in which there are a lot of women working, only 63 women are being trained. In occupations in medicine and health 79 women are being trained. I am sure that the great preponderance of them are being trained for the traditional women's jobs in the medical field.

I recommend that Members of the House take a very serious look at this discussion paper on the Canadian Jobs Strategy, which was prepared on behalf of all the provincial Governments in Canada by the Ontario Ministry of Skills Development and was endorsed by all 10 provinces which represent four political Parties. The study condemns the Canadian Jobs Strategy for training women for low-paying jobs and for their low level of participation.

I would now like to refer to a study which was released in February of this year by the Canadian Advisory Council which assessed the impact of the Canadian Jobs Strategy on Women. It draws some conclusions similar to those of the Ontario Government on behalf of the provinces. The key observation was that evidence suggests that the majority of women are receiving training in traditionally female and lower paying occupations.

• (1520)

In addition to this, the Council adds its voice to those who also believe that the criteria for the Canadian Jobs Strategy are too restrictive, particularly as they pertain to women in Canada.

In particular, it points out:

> Many individuals and groups concerned with training for women consider the orientation of women's training toward traditional occupations to be a major problem. A large portion of women currently unemployed (55 per cent) work in sales, service and clerical occupations.

Mr. James: What is the matter with sales?

Mr. Nystrom: They are referring to sales as such jobs as a sales clerk at a Bay store. The problem pointed out in the Ontario study, which is endorsed by all provincial Governments, is that these are traditionally very low paying jobs. An increasing number of these people are being trained for those kinds of jobs rather than jobs that pay better in some of the non-traditional areas. Perhaps the Hon. Member missed some of my earlier comments, so I refer him to the discussion paper by the Ontario Skills Development Ministry from January of this year. It is entitled *The Canadian Jobs Strategy: Policy and Implementation.*

I want to go to another topic which I believe is important. It was mentioned briefly this morning by the Member for Vancouver East and concerns the whole area of women in part-time work. She said that some women and some men want to work part-time but she knows of many who want a full-time job but cannot find one.

Recently, I found a study conducted by Statistics Canada in December, 1986, which contains figures on involuntary part-time work. These include women who are working part-time because they cannot find a full-time job. I believe we should be raising this issue in the House more often because the statistics are very startling and revealing.

The study noted that over 500,000 people worked in part-time jobs in 1985 because they could not find full-time jobs. In 1986, there were 516,000 who worked in part-time jobs because they could not find full-time jobs. In 1975, the figure was 109,000, which means there has been an increase of 500 per cent in some 12 years.

I know of dozens of people in my riding who are in such a position. There are people in Canora, Kamsack, Yorkton, Melville, Preeceville and Sturgis in my riding who would like to work on a full-time basis but cannot find a full-time job. Therefore, they work on Saturday afternoons in a store or a few evenings a week in a business or as part-time consultants.

Involuntary part-time work is concentrated among women between the ages of 25 and 54 and among young people between the ages of 15 and 24. These two groups make up 81 per cent of the total involuntary part-time workers in Canada.

The data for 1986, according to Statistics Canada, shows very little change in this situation. A woman or young person working in the community, business or the personal service sector, as opposed to manufacturing, is seven times more likely to be an involuntary part-time worker. One can see how the problem has escalated when one considers that in 1975 there were some 74,000 involuntary part-time workers while in 1985 there were 351,000 involuntary part-time workers.

A recent Labour Canada study made the following observation:

> Part-time employees are at a disadvantage on all benefits but the gap is largest for pensions which, not surprisingly, are the most costly for an employer to provide.

In the minute that I have remaining, I want to refer to a number of papers that were written by the Community Coalition on the Canadian Jobs Strategy. They state the following with respect to the eligibility criteria:

> The first aspect I would like to address is the eligibility criteria. Under Job Development the eligibility criteria requires that candidates have been unemployed for 24 of the 30 weeks preceding his/her application for training in order to be considered eligible. Anyone who has been employed during that period is not eligible for training and more important, is not deemed to be severely employment disadvantaged. Such specificity in calculating the term of unemployment completely overlooks the economic and employment reality for many of the unemployed.

They are saying that the criteria are too rigid, which discriminates against women in particular but also discriminates against many men, particularly in regions of the country where unemployment has been a very serious problem. I urge

the Government to examine seriously some of the shortfalls in the Canadian Jobs Strategy.

I hope the Hon. Member for Capilano (Mrs. Collins), who is an expert in this area and who I assume will be following me in the debate, will seriously review these studies. When she speaks about the accomplishments of the Canadian Jobs Strategy I hope she will also take into consideration some of its shortfalls, particularly for women. If she can do that and perhaps persuade the Minister, this country will be a better place for us all, particularly the women of Canada.

Ms. Mitchell: Mr. Speaker, I want to compliment my colleague for putting on the record that informative but rather disturbing analysis of the Canadian Jobs Strategy and training programs. In particular, the Statistics Canada study on part-time work was extremely useful.

I would like him to comment on another subject that I know is very close to his heart. It concerns the agricultural situation in Canada and the impact that the extreme stress and economic hardship of farming is having on women. Does he have any suggestions about what should be done, because I believe that farm women carry far more than the average burden of responsibility since many of them work on the farm as well as perform their usual family and homemaking responsibilities? Indeed, I understand that some women work in town in order to help buy the groceries. Would the Hon. Member comment on that situation?

Mr. Nystrom: Mr. Speaker, I thank the Hon. Member for that question. I grew up on a small farm near the town of Wynyard, Saskatchewan. I spent my first 18 years there, until I went to university. I, and many Members of the House, such as the Member from the Camrose area, witnessed the tremendous discrimination farm wives experience in the economic and social system of the farm community.

First, many farm women not only look after the house and the children, but also do a lot of work on the farm itself. When I was growing up, these jobs ranged from milking the cows, to hauling the bales, to kicking the rocks. They very often received very little in return and did all this work without income. These women carry out this work without a pension or the ability to qualify for unemployment insurance.

These women represent a group of people in our society who do a tremendous amount of work and make a valuable contribution to this country through their farming skills, parenting skills, and managerial skills, but do not have many of the benefits provided by our society. I have seen case after case in which the land is in the man's name, in which the cheques come in the man's name, in which the man makes contributions to the Canada Pension Plan and to his RRSPs. I have seen cases in which the man has this and the man has that and in which there is very little for the woman.

• (1530)

In addition to that I see tremendous discrimination against farm women when it comes to matters such as child care. Obviously, many farms are a long way from towns, cities and larger villages and women are stuck on the farm with the children and do not have the options that their urban sisters do. I think that is a tremendous discrimination. What makes it worse is that we are now facing an economic crisis such as we have not seen in rural Canada, particularly in the west, since the 1930s. We have all seen the figures with respect to the price of wheat and the price of other farm commodities, which are exceedingly low. Much of the burden this creates must be borne by the farm woman in terms of the additional stress it places on the family.

I was in my riding not last weekend but the weekend before last when I had a chance to meet with three people who run the Yorkton Crisis Centre. This is a crisis centre which has been open for a short time, I believe just two or three years. They came to me with a request for lobbying for more funding. At the moment they receive a very small grant from the federal Government and nothing from the province. They receive small contributions from people in the community and from the city council. They came to me and told me that in the last year in the small community of Yorkton there were over 1,300 people who contacted the crisis centre, either in person by walking through the door or by calling on the telephone.

They told me that many of these people who called were farmers, men and women, who were going through stress because of financial problems. Many of them were farm women who are battered wives or who are having problems in that they feel isolated on the farm and have nowhere to turn. Those statistics alone have shown me what kind of problems farmers face in general but, in particular, the problems that women face because of the role they are playing in our society.

What we should be doing is bringing in adequate pension plans for farm women, as well as adequate pension plans for women who work with their husbands in small businesses. We should bring about recognition of the work that is done, not just in the home, and we have talked about the work done in the homes of urban Canada, but the work done in the homes of rural Canada as well as the work done on the farms by the women who make such a great and tremendous contribution to Canada.

I could name many women who live in the community where I grew up who not only looked after the house and the kids but who actually did more work on the farm than did their husbands. I remember in particular one family, and I will not give their name, where the woman, after having to do all the work in the house and looking after the kids, also had to go out and milk the cows. The man would stand by and watch her because milking cows is women's work.

So these women have made a tremendous contribution, particularly the pioneers who settled the West. I think the time

has come for us to recognize that in terms of more progressive legislation in Canada.

Mrs. Mary Collins (Capilano): Mr. Speaker, I am pleased to take part in this debate today. As several members have already mentioned, it is appropriate that this debate is taking place on the Friday before Mother's Day, a day when all of us give recognition to our mothers and the contributions they have made to our lives in terms of what we are doing today as Members of Parliament. I am sure that many of us are here because of the encouragement we received from our mothers.

I am also pleased to be speaking in this debate because many of us here are mothers. We think about the future of our daughters. We want to create a better future and better opportunities for them. I hope that my male colleagues who have daughters share my hopes and aspirations.

We hear a great deal from women about their problems. They often have differing opinions with respect to how they feel the Government should respond to these problems. In fact, there are a great many women today who say that they do not want anything special, they just want to be treated the same as their male colleagues. As the Minister responsible for the status of women mentioned earlier, this is a philosophy, and one with which I agree. The problem for so many years has been that women have started behind. What we have to do is to close the gap so that men and women start together at the starting gate. From there they can obviously move ahead based on their own ability and their own possibilities. However, because of traditions and because of many years of attitudes, women have not been equal at the starting gate.

Earlier, in questions I posed to the Hon. Member for Mount Royal (Mrs. Finestone), I talked about there being among many younger women something which I find disturbing in that they have limited aspirations. They do not see all the choices that are out there for them. They think of their lives in fairly romanticized terms. They think that they will grow up, get married and be looked after for the rest of their lives. We know that is not the reality of life in Canada today, certainly not for all women.

The other difference that exists between men and women is the biological reality of women as the bearers of children and their primary care givers. Fortunately, that, too, is changing in our society and men are playing a greater role. They are accepting responsibility for their children. However, women are the ones who still tend to look after the children, who take them to child care and look after the home to a great extent. In fact, some of my women friends have often said that the best thing they could get on Mother's Day would be to have their spouses look after the arrangements for child care, dentist appointments and lessons for a whole year for them. That would be a great present that some men could give to their wives.

The reality associated with being child care givers is that it limits women's opportunities for participation in the workforce and thus limits their economic equality. I will come back to some of these issues later on in my remarks.

Although I know that there are many women in the country who are tremendously successful and who are reaching high levels of achievement I would like to say to them that I hope they will share with me the responsibility for bringing along our sisters, because not all women are as fortunate as we are and they need role models. They need other women to help them along to achieve the same heights.

I wish to say a few words about women in the political process and in the decision-making process as this forms part of my colleague's motion today. As we have already heard, we have made great progress here at the federal level. As has been mentioned, there have only been 38 female Members of Parliament since 1921. There are now 27 of us in this Parliament, which is obviously a tremendous improvement. However, it is not improvement enough, but it is substantial progress. We hope that this figure will double, and then triple and that ultimately 50 per cent of Members in this House will be women. That will ensure that the views and experiences of women are felt in all our decisions.

It would be interesting, and I have not done this, to look at the debates of both the committees and the House and to consider the participation by female members therein. Although only 10 per cent of the members here are women, I am sure that their contributions in debate are much greater than 10 per cent in terms of all our discussions and deliberations in this House and in committee.

Canada is now being looked to as a very progressive country with respect to the advancement of women in the political process. Only this week the Minister for International Trade (Miss Carney) told me that she had just come back from meetings in the Far East. While she was in Hong Kong meeting with business people and talking about trade and investment opportunities in Canada, the people with whom she was meeting said to her: "It is very interesting, Madam, that you are the Minister for International Trade for your country. You have a High Commissioner in Hong Kong who is an outstanding woman and who is doing an excellent job. Over the past few months we have also had visits from members of your Government such as your Minister of Communications (Miss MacDonald), your Minister for External Relations (Mrs. Landry) and your Governor General". As we all know, these people are women. The comment to the Minister for International Trade was: "Don't you have any men in your Government?" Well, we do.

Fortunately, women are achieving so much on the international scene that we are really seeing progress. I know that at some of the international meetings I have attended Canada is the only country that will have women along as senior delegates. I would like to compliment the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark) for their constant vigilance and support in ensuring that women are always part of every delegation and

play leading roles. In the appointments to boards and commissions we have made substantial progress.

I say to women who might be watching the proceedings that we want more of you here. We know that there are barriers, financial barriers, barriers that are created by family and political life. There have sometimes been barriers within our Parties. But I know that all three Parties are working hard to increase the number of women candidates and, hopefully, the number of women members at the federal, provincial and municipal levels so that women can play their full part in the political decision-making of this country.

• (1540)

I would like to turn now to the issue of economics because certainly in my mind, and from what we have heard today, the barriers which still stand in the way of women achieving full equality are economic barriers. It is interesting to know what has happened over the past 25 years. I graduated from university in 1961. I was looking at some of the figures today which show some of the changes which have taken place. In 1961, the workforce was comprised of only 27 per cent of women. Today it is 43 per cent. In 1961, the participation rate of women in the workforce from ages 20 years to 64 years was only 31 per cent. Today it is 64 per cent, more than double. In 1961, only 2 per cent of women had university degrees. Fourteen per cent of women now have university degrees as compared to 17 per cent of men. Therefore, there has been a tremendous change in this area over the past 25 years.

Interestingly enough, the average number of births per woman has decreased from 3.9 in 1961 to 1.7 currently. If we take all that information together, I believe it signifies not an evolution but a revolution. There has been a change not only in the role women are playing in the workforce, but a change in their lives, and this has had an impact on families, on consumer patterns and on all aspects of our lives.

One of the unfortunate realities is that there has not been much change in the kinds of jobs women hold. In fact, in 1961, 62 per cent of women working were concentrated in only three occupational groups, clerical, sales and service. Today that has changed to 60 per cent. So there has not been the same kind of progress where women would be entering into a wider variety of occupations and professions that we would like to see. As has been already mentioned in the House, more work must be done to encourage women to enter into some of these non-traditional occupations or into some of the new occupations.

The Minister of Communications (Miss MacDonald) addressed a conference I attended recently and talked about the tremendous opportunity there is for women to get involved in the communications revolution. There are all kinds of skills and professions based on the communications revolution. These are jobs which do not need physical prowess as do many of the jobs related to traditional resource industries, and which therefore apply to men. These are jobs based on new kinds of knowledge-based skills. The Minister urged this group of women to get on board now, not to miss out. We may have missed out on the industrial revolution but we should not miss out on the communications revolution.

Communications holds the opportunity for women to play a leadership role, but in order for women to do so, and I come back to one of my earlier comments, women at the young ages of 14, 15 and 16 years, are going to have to make choices about their studies and careers. They should be studying computer science, science, mathematics, and all the skills they can do effectively. They should make those choices so they can take on those challenges ahead of them.

One of the other realities we have also heard about is the root problem that we have not yet achieved economic equality. We have heard over-all that women who work earn only 66 per cent of what men earn. If we take that statistic and break it down by age groups, it becomes even more interesting. It reveals one of the problems about which I would like to speak. Working women under the age of 20 years are earning approximately 76 per cent of the salaries of their male counterparts. Between the ages of 20 years and 24 years, it goes down to 71 per cent. From 24 years to 29 years, there is a dramatic drop down to 56 per cent; from 30 years to 34 years, it is down to 46 per cent; and from 35 years to 39 years, it is down to 42 per cent and stays around 42 per cent to 44 per cent during what are supposedly the high earning years, the years between the ages of 30 and 55 when people can accumulate wealth, pay into pensions and plan for their retirement. It is in that age group that women are really earning less than 50 per cent of what men earn. I think that is a statistic we have to keep in mind as we look at the problems we need to address.

The key to economic self-sufficiency for women, in my mind, is labour force equality. The Government has done an outstanding job in taking some strong measures to work towards the achievement of labour force equality. We know it is not going to happen overnight. We know we have to send the right signals and start to put in place the right programs which can lead us towards that equality. First, we must go right back to the beginning and deal with the issue of education. We must ensure that women have access to the education which will enable them to enter into the workforce in well-paying occupations. This is, I think, the responsibility of all of us, along with our provincial colleagues and our school systems. We must ensure that this is happening at the junior high and high school levels.

Second, as my colleague said earlier, we must give women opportunities for training. Under the Canadian Jobs Strategy there have been some excellent measures undertaken for women. I have been involved with some of the job entry/re-entry programs. The job re-entry program has totally focused on women, and the job entry programs in which I have been involved in the north shore in British Columbia have been primarily for women. In fact, the over-all statistics show that under the Challenge '86 program, 51.5 per cent were women, and under the other job entry programs, 68.2 per cent were women. So progress is being made.

When I talk to the women who are in these programs—in fact, I am going to a graduation ceremony again next week, I believe—the question is, once they have done this training and are entering into the workforce, what is going to happen now? One of the problems I still see is that many of the women will still not have a high enough skill level to get jobs which are going to pay enough to really make that much of a difference, to enable them to look after child-care costs and really get ahead. I have made a recommendation to the Minister that in our job training programs we have to look at ensuring that the programs are long enough and the skill level is high enough for the mature woman re-entering the workforce so that she can look forward to getting a job which is going to pay enough to give her that start and provide some opportunities for economic equality.

The next area, of course, is access to employment, because unless women have full access to employment, they are never going to have economic equality. That, of course, is where the employment equity legislation, the first legislation ever introduced by a federal Government in this country, comes into play. I know that many companies are working on plans now. They recognize they are going to have to make changes. The Minister of Supply and Services (Mrs. Vézina), under her program, has already refused to sign contracts with companies which do not put in place employment equity programs. Employment equity programs will help to give women that start, that access into the job market, and provide them with fair treatment.

• (1550)

Of course along with that there must be equal pay for equal work. I had thought that it was no longer an issue in the country, but I was surprised to read recently the mid-1984 survey by the Geneva-based Economic Monde Forum, which rated Canada as being twenty-third out of 28 nations on the extent to which equal pay is paid for equal work. I think this means that a lot of work still needs to be done.

Of course the provinces are involved in that area, but we need not think that the challenge is over. We still need initiatives to deal with it.

Turning to child care, it is one of the top issues on the agenda of the Government and on the agenda of women. Until we are able to deal effectively with the issue of child care, women will not have the real freedom to make choices on whether to go into the workforce or will not be able to look forward to a well paying job. They will always have to compromise their potential if they do not have access to appropriate child care.

I was pleased by the efforts not only of the parliamentary task force but of the Minister of National Health and Welfare (Mr. Epp) and his provincial colleagues to address the problem seriously. It will not happen overnight, but it is important to start to put in place the elements which will provide for a fair child care system.

I should now like to turn to pensions. Certainly the older women in the country are facing a problem in this regard. We know that to be poor in the country is to be old and to be a woman. However, we have done a lot on the issue of pensions. We have made amendments to the Canada Pension Plan. We brought in spousal allowance for widows between the ages of 60 years and 64 years. We have amended the Pension Benefits Standards Act.

When we look at women in the workforce now, we recognize that there must be more flexibility and more portability in pensions. I have been working in the workforce for 26 years, and I do not have a pension. Each time I moved from job to job, the pensions were not portable. I think this is true for a lot of women. Because of changes in our family circumstances, we go in and out of the job market at different times in our lives. We need pension systems which accommodate that, in addition to the excellent RRSP legislation that enables women to contribute toward a pension plan.

I realize that my time is limited, but there are many things about which I want to talk, including the elements of further action on which I would like to see all of us working together. I think the Government has done a tremendous job, but the challenge is ahead of us.

That plan of action, first of all, would be to influence the attitude of youth toward economic and social realities and the permanent presence of women in the workforce. Second, the Government should act as a model leader and employer regarding employment equity and increasing appointments to boards ultimately to 52 per cent. It must take action on training needs and on child care. I think it should also take action to develop a better data base relating to the impact of broad fiscal measures on women.

In fact, there has been a suggestion that there should be a gender equality index which will provide Governments with a yardstick to measure the relative progress regarding the attainment of economic equality by women.

We should also reassess our income tax provisions in respect of child care, recognizing the contribution which women make in the home, and of a potential credit for women who work in the home through the income tax system. Some suggestions have been made that if we look at the value of a homemaker as being about $26,000 per year, we might look at a tax credit rather than a spousal deduction paid to women who actually gave rise to the tax benefits.

I think those are some of the issues on the agenda before us. With the commitment which the Government has shown over the past 2.5 years and will show as we proceed through our first, second, third, and fourth terms, I know we will see progress that will ensure that women not only have legal equality, which we basically have now, but that we will achieve the kind of economic equality that we all desire.

Ms. Mitchell: Mr. Speaker, I thank the Hon. Member for her remarks. I think I agreed with most of them, but I should like to make a couple of comments.

I could not help but note that when she talked about credits through the tax system she in effect supported a Liberal proposal rather than the proposal of the special committee on child care, which was for a refundable child care tax credit that would give some $200 per child per year to all women with young children who are in the home, and would not just be targeted to those with lower incomes. Perhaps she could comment on whether she really intended to support the Liberal proposal rather than the Conservative one, which would be quite interesting.

Also, the Hon. Member talked about equal pay for equal work. She did not talk about equal pay for work of equal value, which is a very different concept, as I am sure she must know. I was wondering why she talked about equal pay for equal work. Was it just an error? Most people concerned about the whole question would say that we require a real procedure for pay equity, as it is called now.

I think that we require a real procedure which would provide not only a case by case appeal forum through the Canadian Rights Commission but would build systemic change into the entire federal employer jurisdiction to start with.

I know that Yukon, Manitoba, and Ontario have moved into the area of pay equity Bills themselves. It seems to me that this is something at which we should be looking federally. We should have our own pay equity Bill. It is not implicit in the employment equity Bill. It would be quite different and in turn would require equal pay for work of equal value.

I think a dramatic example would be, since the Hon. Member is so interested in child care, that child care workers, many of whom have two years of post-secondary training to become care givers of young children, a very important job, are paid much less than truck drivers and zoo keepers, as a matter of fact.

Mrs. Collins: Mr. Speaker, when I talked about equal pay, I meant equal pay. We have legislation throughout Canada which says that it is illegal not to have equal pay. However, I found the survey which indicated that Canada ranked twenty-third out of 28 nations on the extent to which equal pay is paid. I have not had a chance to look into it.

However, as the Hon. Member knows, the equal pay for work of equal value issue is very controversial. I get feedback from all sides on that issue. People fear the role of the state in determining pay levels for different jobs, and I have some difficulty with it, although I support the concept itself.

I am not satisfied that we have a mechanism by which to implement it appropriately and effectively without intruding unnecessarily into the market-place. I think we must do more work on that.

As the Hon. Member knows, federally we have pay equity legislation under the Canadian Human Rights Act. There is more staff and more effort made through the Canadian Human Rights Commission to ensure that it is being implemented in the federal jurisdiction.

In respect of tax credits, I was not actually talking about the child tax credit. The child tax credit concept, as recommended by the parliamentary task force on child care, is an interesting approach. I know the Minister will be looking at it, along with other recommendations, to see whether it is the best way of giving people choices about child care while also ensuring that there are adequate child care spaces. I think we must balance those two things in the system.

I was really talking about another idea. We have been talking about homemakers' pensions or how we value the work of women in the home. Is it through contributing to the Canada Pension Plan? I see a lot of difficulties in that regard, some inequities and some problems, particularly for low income families and just how it would be done. Another idea which I heard discussed was that perhaps we could do it through a tax credit system to the spouse who is staying at home. Again, it is an idea which might be worth looking at, and I put it forward on that basis.

Mr. Riis: Mr. Speaker, I offer my hon. friend a suggestion. When it comes to equal pay for work of equal value and the argument that it is difficult to assess the relative value of different jobs, let me say that we do that in the corporate sector all the time. It is called "job evaluation studies", where in fact we bring in a team to evaluate every job on the basis of a whole set of criteria and give every job a certain number of points. This job, for example, in a totally unrelated area gets a certain number of points. Then we agree that if you reach so many points in these two jobs you should be receiving equal pay. The concept has been working for years and years in the private sector. I have been part of the teams that have done this in a variety of places in western Canada. The mechanism is there. It is perhaps a matter of applying it on a wider scale.

• (1600)

However, my question is unrelated to that. Having heard the Hon. Member talk earlier about the situation in B.C., I am concerned about the number of young women who are looking for jobs in British Columbia. Recognizing that youth unemployment in her province increased 157 per cent in the 1980s, the situation can only be classed as tragic. This is a tragic crisis situation particularly for young women who have a more difficult time than ever obtaining summer jobs now that students are looking for summer work because so many jobs in the resource sector tend to go to young male students.

Last year we had Expo in B.C. which was presumably to create a lot of summer jobs, which it did. We do not have Expo this year in British Columbia and the situation is worse than it was last summer. Given the crisis situation in B.C., did the Hon. Member accept the notion that the amount of funding for Challenge '87 should be the same this year as it was last year?

Mrs. Collins: Mr. Speaker, I would like to bring to the attention of the Hon. Member, as I am sure he is aware, that since our Government took office—this is the beginning of

April and I know that the figures have gone up substantially since 63,000 jobs have been created in British Columbia—well over two-thirds as many jobs have been created in the 30 months in B.C. since September, 1984 than were created between the 1980 and 1984 elections. The unemployment rate in British Columbia has fallen from 15.1 per cent to 13.6 per cent. Things are obviously moving in the right direction. Within that, however, there are disparities. The problem of youth is one concern.

I have found, just reflecting on my own riding, that unemployment has been up this year, partly as a consequence Expo. A number of people who were working at Expo are now on unemployment insurance until something else, hopefully, will come along. My Challenge '87 is up this year, and we are really looking forward to it. Maybe it is the way we have been able to carve out the jobs.

We have a lot of jobs in the private sector this year, which is participating and helping to pay for part of the program. I am very pleased by the tremendous response I have had from the federal Government, not only through Challenge '87. In the last few weeks I was able to announce $300,000 worth of jobs under Section 38, very important jobs for people on unemployment insurance who will now get back into the workforce, many in training and a lot of them in community organizations. Those programs, on top of the Canadian Jobs Strategy Program, a number of job development programs and the job entry and re-entry program, are making a significant impact in my part of the province. I would hope that my hon. colleague will have the same positive results in Kamloops.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Eglinton—Lawrence (Mr. de Corneille).

Mr. de Corneille: Mr. Speaker, I just wanted to ask a question of the Hon. Member. Is there time for a further question?

Mr. Deputy Speaker: Will the House agree to the Hon. Member for Eglinton—Lawrence asking a question and for the Hon. Member for Capilano (Mrs. Collins) replying?

Some Hon. Members: Agreed.

Mr. de Corneille: Mr. Speaker, I wanted to call to the Hon. Member's attention that since 1930, in the United States the concept of equal pay for work of equal value has been in effect. Criteria has been developed and, as my colleague has pointed out, in the private sector the criteria are four in number: skill, responsibility, effort and working conditions, in order to make an assessment of dissimilar jobs. Is the Hon. Member in replying to those who approach her about this matter, expressing sympathy for this kind of equality where women have equal pay for work of equal value?

Mrs. Collins: Mr. Speaker, I guess the way I would see it is that it is not just for women; it is hoped that one is paid the value of the job. The criteria that my colleague mentions are appropriate. I worked in personnel at one time many years ago and did job classification, and that was certainly the basis upon which we did it. If jobs are looked on in this way, the skills required, the education required, sometimes hours or other aspects that may be included, it will not make a difference whether it is men or women who are filling those jobs. I think in most cases that is what is happening.

There are obviously still some areas where that has not worked. We need to address those. I know many of the provinces are taking steps because most of these private companies come under provincial jurisdiction. The Province of Ontario, for example, is taking steps in that respect. It is something that has to be worked out with employers. It is not something you can impose, because it does not work if you do it that way. The public has to have a better understanding about the concept and the implications. That is my approach to dealing with the issue. If we do it in that way, we can be successful.

[*Translation*]

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, the subject before the House today is as follows:

> That this House condemns the Government for failing to recognize the real value of womens' work in the workplace, the community and in the home with tangible policies that would ensure adequate incomes, removal of barriers and full opportunities for equal participation in decision making and in the political life of Canada.

[*English*]

That is a serious resolution. I suggest that it is not trivial and it is not in any way something that is put forward simply as an act of partisanship. It is a serious subject. It is not one either which has suddenly been put forward, Mr. Speaker. We are talking about real people, and lest perhaps we get lost with the statistics, certainly of Members of Parliament, and I am sure my colleagues even on the government side, receive letters of complaint and concern from constituents about the problems they face, not the least of which is the kind of letter that I have received from a person who works in the Bank of Montreal, let me read it. I am not selecting that particular bank as being any different from any other bank. This person writes:

> The past year has been one of tremendous change at the Bank of Montreal. As employees, we have experienced the impact of radical organizational change. Some of the adverse consequences of these changes have been:
>
> Bank-initiated terminations;
>
> Reassignments from full-time to part-time jobs;
>
> Reassignments to lower-graded positions;
>
> Relocations to other branches.

In summing up concerns and those of other co-workers; the letter goes on to say:

> —the unequal treatment of men and women in hiring and promotion shockingly insensitive lay-offs and transfers as a result of technological change and growing work loads—.

This is not an isolated letter, and it is not merely about one bank. It is the kind of letter that I receive from people in many different organizations and companies over the kinds of problems they are facing, not of improvements for them in

their daily lives but a regression to problems that are increasingly hitting them, sometimes in middle life, which is a very critical time, when, as the last speaker so correctly said, they should be able to expect greater security, greater recompense because they are now in what is supposed to be their higher earning years.

We are talking about real people and about the kind of person who writes the kind of letter I have just read. We are talking about people we see often in schools or in hospitals when we go to institutions such as that and we see large numbers of women, the majority of whom are working in those institutions, working as ordinary workers but very few of them being given the opportunity to hold administrative positions. Even if they do hold administrative positions, they are not necessarily being promoted any further.

We are talking about real people in real institutions, banks, schools or hospitals where women still remain often the main workforce but are not being given the opportunity to move upward. Very often, women still say today that it feels like a man's world. We who are legislators must regard that inequality as a challenge.

• (1610)

I cannot accept the passive attitude that in the long run education will solve all these problems and that progress will eventually take place. I am concerned about the comment of the Hon. Member for Capilano (Mrs. Collins) who has said previously as well that she does not always see the value of forcing these issues through legislation. Rather, she feels we must educate people. Education is certainly important, but when it comes to human rights, there is no reason for people to waste their lives while we let time go by in the hope that education will change opinions and attitudes. It is not fair that people do not now have equal rights, and that should be our objective. We should not leave it for education in some future day. Human rights should be brought into effect now.

We may look at the situation statistically. I tried to cite examples of living people in real situations, people working in banks, schools, hospitals, corporations, factories and plants. However, the statistics must also speak to our thoughts. We must realize that statistics speak of real individuals. Women earn 65 cents for every $1 a man earns. That is a real statistic about real people with real names.

Of all Canadians who are working at the minimum wage, two-thirds are women. Women lose out economically when they leave work to have children because they lose seniority when they re-enter the workforce. We know that that happens to real Canadian citizens. From statistics, we know that 6.7 per cent of the women in the labour force earn more than $30,000, while for men that figure is 28.6 per cent. There are almost five times as many men as women who make more than $30,000. This means that women are not yet included in opportunities for promotion.

Still another fact is that two and a half times as many women as men are forced to work part time because they cannot find full-time work. Seventy-one per cent of all part-time workers in Canada are women. These are the realities faced by real people. These are real statistics about our children, cousins, neighbours, families, friends and people across Canada whom we do not know but about whom we should care.

We know that there is an incredibly high rate of poverty among elderly women. They represent the largest number of people who live under the poverty line. The fact that this is so relates back to just these kinds of economic realities. They cannot earn the kind of incomes they should for the kind of jobs they do and they cannot get the kind of pensions they deserve. Often pensions relate to incomes. Ultimately, that is why the greatest number of people living under the poverty line are elderly women.

One must ask if Government can and should do anything about this. We in the Opposition do not agree with the attitude so often expressed by government Members that these are matters which should be taken care of by the increasingly affluent economy, that if the economy is sufficiently well off, eventually enough people will be hired and the poor will become richer—the trickle-down theory.

During the 1984 election campaign, the Prime Minister (Mr. Mulroney) promised to develop a definition of part-time employment and to require employers to "include a pro-rated basis in all employment benefits". When he was electioneering, the Prime Minister was prepared to promise government action rather than to let things happen through education and over time. Of course, this has not been the case.

Louise Dulude, President of the National Action Committee on the Status of Women, has said that the Prime Minister has failed to honour his promises to part-time workers, most of whom are women. She says that she rates the performance of the Government so far as poor.

Lisa Avedon of the Canadian Congress for Learning Opportunities for Women has said the following:

> This government's philosophy is fine for those at the top of the system. But for those at the bottom, without access to higher education, it's the pits!

In short, the Government has a responsibility. It has a task to perform. We in the Opposition call upon the Government to do more than it is doing to meet the needs and concerns of women.

There has been a failure on the part of the Government to set an example. It calls upon the private sector to do things it is not prepared to do itself. For example, we know of the Government's record in hiring young people. Huguette Labelle of the Public Service Commission, a very respected person and a Deputy Minister, indicated yesterday that the number of Public Service appointments going to people aged 24 and under dropped in the past year. She pointed out that barely 4 per cent of public servants are 24 or under. During the summer, the Government calls upon the private sector to hire

young people, to take a chance on young people. Yet the Government itself is setting an example which fails young people and cuts down on the number of jobs for young people in the Public Service. It is saying: "Don't do as I do, do as I say".

I serve on the subcommittee of the House of Commons which deals with the disabled and the handicapped. Similarly, it has been brought to our attention that the private sector has provided 6 per cent of the jobs for the disabled and the handicapped, whereas statistics show that the Government has provided jobs for only 2 per cent of the disabled and the handicapped. The private sector hires three times as many handicapped and disabled people as the Government which, in its pious concern, expresses all this great emotion about the disabled and the handicapped with words. When it comes to delivering, it shows a very bad record.

The same applies to women. We also found out from Huguette Labelle that though the number of women in management jobs increased by 55, the number of appointments will have to be increased significantly in 1987 to meet the Government's target by the end of the first quarter of 1988. The Deputy Minister has expressed grave concern about the fact that the Government is falling short of its target for providing jobs to women in administrative and senior positions. At this rate, she feels it will fail to keep its promise, as it has failed in so many other ways to provide women with the kinds of jobs and the number of jobs they deserve to have. The Government is saying: Do not do as I do, do as I say.

• (1620)

We believe the Government can do certain things, and we call upon it to set an example with its own workforce. Let the Government deliver on the words we heard from government Members as they piously spoke about Mother's Day and their concern about equity for women. Let them provide the jobs in the Public Service that they should. That will be the best proof to the women of this country, in fact to all of us, that there is a determination by the Government to practise what it preaches.

We know there are other things that ought to do be done. We know they can be achieved by the Government. If the Government had the resolve, it could do what other countries have done concerning equal pay for work of equal value. For example, equal pay legislation was phased in from 1969 to 1975 in Australia. Over that time, average weekly earnings of women increased from 62 per cent to 80 per cent of men's earnings. That is a remarkable record. It demonstrates that if Government sets the example and brings in adequate legislation, progress takes place very rapidly. Women have the right to be treated as equals. They are entitled to equal access, equal opportunity and equal pay. If they can do it in Australia, it can be done here.

In Britain equal pay for work of equal value legislation has increased women's earnings by 10 per cent. Here in Canada the Ontario Government introduced a Bill to extend pay equity to over one million women over a three-year period. It is the most powerful and sweeping Bill of its kind in North America, and a Liberal Government brought it in. It will require employers to pay men and women the same salary for work of equal value. This proves, whether it be Australia in the 1960s, Britain in the 1970s, or Ontario in the 1980s, that if a Government wants to do something about it, it can. The challenge is there if the political will is there. The promise was made by the Prime Minister during the election campaign that he would deliver. We are asking him to do just that.

The Government had the opportunity; it was tested, and found wanting. It brought in a Bill, which was a good thing to do in itself, but it was so weak that one organization after another said it was worse than nothing and they would be better off without it. I am of course speaking about Bill C-62, an Act respecting employment equity. It should have been called an Act respecting reporting. It was introduced on June 27, 1986. We opposed it, not because we did not want a Bill, because we did, but we wanted one that would be effective. The Bill introduced was gravely defective. That is why most of the organizations concerned about the issue of equality expressed their disappointment with it.

I would like to give just four reasons why we in the Opposition were disappointed with the Bill. First, its scope was and is too narrow. It does not apply to federal Departments and suppliers as regulated by Treasury Board. In other words, the Government exempted itself from this Bill. When you look at the record of the Government and its failure to deliver on its promises to youth, the handicapped and women, perhaps that explains why the Government decided to exempt itself. Yet at the same time it called upon other organizations to comply.

The second reason is that we felt the Bill did not have enough teeth so that if organizations did not comply there would be some way to make them do what they are supposed to do. The Bill failed on that level especially. Neither did it include contract compliance, except at very high levels. The Bill would apply only to contracts of $200,000 or more. That meant it covered only about 500 of the over 54,000 contracts the Government issues each year. It provided little or no leverage for the Government to use to get companies who buy from the Government to comply. Finally, there is one last tragic fact, that the Bill is in any case a reporting mechanism. It does not provide any immediate relief for or correction of the situation. We will probably have to wait for three years before we have any results which can be firmly measured.

I will close my remarks by saying that while this is a nice time for us to pay lip service to these matters because it will soon be Mother's Day, while it is nice to talk about the wonderful distance we have travelled, we cannot look back and simply pat ourselves on the back because we have finally recognized the fact that women, the disabled, and the minorities are all human beings. We should now resolve that this is not good enough and we have to take very strong steps forward to legislate ways whereby women will receive equal pay for work of equal value.

• (1630)

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Louis-Hébert (Mrs. Duplessis).

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I welcome this opportunity to take part in the debate on the motion presented by the Hon. Member for Vancouver East (Ms. Mitchell), because the status of women is one of my major concerns, and also because I would like to tell Hon. Members a little more about what the Government has done to promote women's employment. I find it hard to understand why the Hon. Member for Vancouver East is presenting a motion of this kind. Since the Government was sworn in three years ago, it has seen the status of women in Canadian society as one of its major concerns. The Hon. Member wants tangible and compassionate policies for women. Mr. Speaker, the Government is doing everything it can to promote appropriate and effective measures.

The Hon. Member for Vancouver East also referred to equal participation in decision-making and in political life. These terms are so vague they can mean just about anything, but if it is a matter, as I believe it is, of offering women new opportunities, the best way is to have a paying job, and with the material benefits, the independence and self respect such a job provides.

Mr. Speaker, no previous administration has a record that can compare with what this Government has done to promote women's employment. Employment barriers as a result of systematic discrimination and prejudice have been revealed for what they are and torn down. Never before have Canadian women been present in such large numbers and on the same equal basis, in workshops, board rooms and the corridors of power.

Women would be the first to admit this is true.

Mr. Speaker, since we came to power in 1984, 337,000 women entered the labour market. During the same period, the unemployment rate dropped by 2.3 per cent. In fact, the number of jobs filled by women increased by 427,000, and 80 per cent are full-time jobs.

Let the Hon. Member for Vancouver East (Ms. Mitchell) try to denigrate the Government with her motion. Some 427,000 Canadian women who have paying jobs have proved they have confidence in the economy. Their improved employment situation is of course due to economic growth. And I think the Hon. Member will have to acknowledge that it was this Government's policies that contributed to that growth. By creating a climate conducive to investment, the Government made it possible for the private sector to create real, permanent jobs. Thanks to our efforts to reduce the deficit, we have restored the confidence of investors in our economy and lightened the tax burden on future generations.

Mr. Speaker, the workplace is undergoing a spectacular transformation, the increasingly important role of women is a striking example. Today, economic growth is highest in the small business sector, and women are responsible for a considerable share of that growth. Today, one third of Canada's small businesses are owned by women, and this share is increasing rapidly. At this rate, women may own 50 per cent in three years.

Now this is an outstanding change in relation with conditions which existed only a few years ago. Fifteen years ago, only 6 per cent of university graduates in business administration were women. In 1982, that proportion had risen to almost 34 per cent. During the same period, the percentage of women graduates from law schools in Canada had more than quadrupled from 9 per cent to 38 per cent. Women are beginning to carve out a place for themselves in the business world, in the courts, in medicine and in Parliament.

However, those statistics show more than the determination of women to play a full role in the social and economic life of the country. They also indicate the important part played by women in our economic welfare. Indeed, a number of them meet an economic need of our society. However, many other statistics give us a quite different view especially those indicating the problems of single parents who are women. A recent report of the National Council on Welfare shows that families headed by single women are usually five times poorer than families with two parents.

One of the main obstacles facing women on the labour market is due to the fact that they are concentrated in a few sectors and occupations which could be called occupational ghettos, that is in service industries or as salespersons or administrative support staff. As a result of conditions on the labour market today, most entry-level jobs in those areas will be increasingly sought.

This being so, to maintain and improve its position in our competitive world nowadays, Canada has to count on its most valuable assets, that is on our whole human resources.

Over the past two years, the Government has taken two major initiatives to help working women. If I may, Mr. Speaker, I would like to provide the House with a few details. First of all, there is the Employment Equity Act which was promulgated in June of last year. It applies to all employers under federal jurisdiction which have 100 employees or more, whether they are Crown corporations or private companies in the area of banking, transportation, and so on.

Under this legislation, all obstacles limiting or preventing the employment of women, Indians, members of visible minorities and the handicapped should be canceled and eliminated. Likewise, the employers are responsible for taking special steps to ensure that people belonging to these groups fully participate in the labour market.

The legislation does not impose any quota or stringent restriction or time schedule on employers to meet.

Our Government's objective is development and not dependency. It is making funds available to benefit Canadians and not bureaucracy.

We have also implemented the federal contract program to ensure that all contractors doing business with the federal Government are doing their share to train and preserve a representative and equitably distributed labour force. Moreover, we are trying to persuade all contractors big and small doing business with the federal Government to apply employment equity principles. They know that we are very serious about this.

Those two measures, the Employment Equity Act and the Federal Contract Program will impact on the work life of over a million Canadians. Those two initiatives offer both women and other members of target groups an opportunity to play a more important role on the labour market.

It is not enough to create openings, we must also ensure that those people can benefit.

What about the young for instance who, having dropped out of school, do not have the required skills to get a job? What about people at home and mothers who want to return to the labour market after a number of years, but whose skills no longer meet current requirements? What about women who cannot afford child care in order to get training, or who only can get part-time training?

Previously, no adequate steps were taken to effectively meet the needs of those women. Now, thanks to employment planning, we are tackling that problem and many others still.

Through employment job planning, goals have been set for participation of women and members of other minority groups, and excellent results are reported in that respect. But more importantly, in each program, women have an opportunity to acquire the skills needed to enter the labour market. Under the Canadian job strategy, subsidized training and work experiences are available for young women who have a hard time making the transition from the schooling system to the labour force, women who return to the labour force after just being homemakers for some time, women who have been unemployed for a long time, women whose jobs are threatened by technological change, women in communities who have suffered from economic hardship or long-time unemployment.

The rate of participation of women in the training and work experience project is representative of their percentage of the work force. Flexibility is one of the major assets of the job strategy. Women are encouraged to take part on a part-time or a full-time basis in various activitities and all training and other allowances have been increased to encourage more women to participate.

Moreover, allowances are now granted on the basis of the number of hours spent on those activities, which means that they can be paid to part-time participants.

In the case of women with dependents, the dependents' allowance is a fairer recognition of child care costs. As far as women in rural or isolated communities are concerned, training is more readily available for them as travel, commuting and food allowances have been increased.

Under the Canadian Job Strategy, we have come to grips with all the obstacles faced by women. For instance, the initiatives taken with respect to welfare recipients will benefit women with an urge to become full-time members of the national workforce.

We have been taking a number of steps this year to enable women to choose from a wider range of activities, in other words to help a larger number of women get non-traditional, better paid jobs. We have also been urging employers with greater insistence to promote activities that will make it possible for women to work in positions which were traditionally open to men only. The federal Government is also committed to a number of changes which will help women as their needs and the situation of the labour market change.

We must take a closer look at any question concerning the change in women's career orientation with a view to increasing their numbers in jobs where they are now under-represented. This question and the other one related to professional ghettos, that is limited opportunities for women, are two major concerns. However the Government alone cannot change individual attitudes nor remove social obstacles preventing women from gaining access to training courses or employment in fields traditionally reserved to men.

As I have already pointed out, employment growth forecasts reveal that within a few short years jobs will be concentrated in the service sector where women have always been more numerous. Many of the 10 professions which are expected to expand considerably between now and 1992 are professions traditionally occupied by women. Most of the others do not pay very well. Women who are anxious to sever all connections with professional ghettos may find these forecasts very discouraging. Essential though it may be for women to be able to venture into predominantly male professions, that is not enough. It is therefore imperative that they become skilful enough to change jobs and professions, and that the federal Government promote co-operation between academic circles and the labour market. As my colleague the Minister of State for Youth (Mr. Charest) pointed out yesterday, it is holding extensive consultations with provincial representatives in an attempt to draft a national education policy which would make it easier to prepare young Canadians, men and women alike, to join the labour force.

In this respect, Mr. Speaker, we cannot act unilaterally. Even with the assistance we provide through our programs, the federal Government alone cannot change individual attitudes and eliminate obstacles which prevent women from being active in the labour force and play their proper role in society. This is a challenge to all of us.

So far, Mr. Speaker, the Government is quite satisfied with the results. Last year under employment planning programs the participation rate of women was 46 per cent, up from 37 per cent under previous programs. In excess of 197,000 women throughout Canada underwent training and participated in

employment enhancement activities sponsored under Employment and Immigration Canada programs. However commendable these results may be, Mr. Speaker, the Government remains firmly committed to deal with the serious problems related to the status of women on the labour market. With that in mind, it is more than willing to examine any constructive suggestion likely to advance the cause of women, but it will not consider such vague and shallow opinions as this motion which does not lead anywhere.

• (1640)

[*English*]

Mr. Deputy Speaker: Resuming debate.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I want to begin by paying tribute to the people who have put the question of women on the agenda of this country. They are the people in all of our communities who are seeing to it that all the various needs and concerns of women are being considered, responded to and taken seriously by those who are in authority in those communities.

I begin by paying tribute to the National Action Committee on the Status of Women which is meeting here in Ottawa this weekend. As usual, it is bringing before Canadians a tremendous range of important subjects, some of which will disagree with what each of us in our political Parties represents. It will bring forward some policies which each of us presently holds but will attempt to present to us both the urgency and the specifics by which that urgency can be fulfilled in trying to create a measure of true equality between men and women in Canada.

It is important to stress that it is, in fact, not these national organizations that are primarily responsible for transforming the nature of political discourse at the local level, but the groups which are developing themselves, bringing women together and giving a force to their cry for change in our communities.

These groups include ones in my community such as the Immigrant Women's Centre, which works so effectively with new immigrants and refugees who enter the Windsor area. They make the case powerfully as a consequence of their detailed experience that there has to be fairness provided for those immigrant women to have equal access to training of immigrants in English or French as their male counterparts.

I also pay tribute to groups like the one in Windsor called Women Working, which has tried to bring the issue of equality in the workplace, both on the job and in training for jobs, and make it a powerful, effective force for thoughtful change throughout our community and Essex County and Windsor.

I also refer to the local day care association which has worked so hard in trying to take this issue before the people of Essex County in Windsor and demonstrate as clearly and powerfully as it can why it is necessary to make urgent changes in this area rather than continue on the path of study after study which has so marked the delay and lack of urgency with which the issue has been treated in the past.

I also refer to groups like the Women's Economic Forum in Windsor which has attempted to draw together professional women and give them a sense of solidarity as they face the very difficult day-to-day struggles which occur on the job to establish equality in promotions and social priorities throughout the community.

• (1650)

I wish to emphasize in tribute my strong regard for the Unemployed Help Centre which is headed by a very intelligent and articulate woman, Pamela Pons-Lauzon. She has been able to assist right across the country to see to it that women have at least equal access to the new job opportunities which we have been trying to create through government programs and which private businesses have also been trying to expand in the Windsor area.

To that group I would add the names of those involved in the various farm groups in our community, as well as the local of the National Farmers Union and the Essex County Federation of Agriculture, who are co-operating with me in conducting a full-scale survey across my constituency to try to identify and then to respond with urgency, concern, and sensitivity to the needs of rural women in southwestern Ontario.

I did not want to finish the debate by simply paying these strongly felt tributes to women's groups in my community. I should say that there are many others which I could add to the list. I want to deal with what I think will be an important economic challenge facing women, not just in my constituency or in the constituency of my colleague, the Hon. Member for Vancouver East (Ms. Mitchell), but in the constituencies of all Members of Parliament.

I think it is now clear that we are heading for an agreement of sorts on free trade. It is an agreement the contours of which it is very difficult to identify at this stage because of the secrecy which has surrounded the whole process. However, there are several things which can be said about the potential impact of that free trade agreement if it takes place, when it takes place, with respect to women.

In this respect I draw particularly on material which has been brought together by the National Action Committee, and especially by Marjorie Cohen who is an economist at York University. She has spent a great deal of time looking at this issue. I believe she has raised very important warning signs for the Government, and certainly for women, as they look at their reactions to this potential agreement.

Marjorie Cohen has said that the Canadian Government appears to have ignored the impact that free trade will have on the service sector and on jobs in that sector. That is of great concern to us because it is clear that if one talks about the sector of the economy within which women have often been caught, in which women have often been ghettoized, it has been the service sector in terms of communications, banking,

data processing, insurance and transportation. As the National Action Committee has said, there has not been consideration for the impact of free trade on public policy with respect to this sector. Until Canadians have a clear idea of what free trade will mean for workers in such industries, it would be foolhardy to proceed with free trade in services, so says the National Action Committee.

For the two countries which are now talking about such an agreement, the United States and Canada, if this agreement does come to be an agreement that extends to services, then it will be the first agreement with respect to free trade between two countries which will have touched the service sector. That in itself raises many questions. It raises questions of specific and important concern when the service sector in one country, the United States, is very much larger, better developed and, frankly, more cost-effective in many sections of its operations, than is the case in Canada. Therefore it is likely—indeed it is more than likely, it is probable—when one takes the fact that 80 per cent of the jobs that exist in the service sector are held by women, that one will find that a great many of those jobs will be badly disrupted.

Disruption is an easy word. It is a word which sounds intellectually neutral. In fact, disruption means the loss of jobs, transfers to new employment, the necessity to face often difficult training opportunities and often training opportunities which are just not there. This job disruption will be very much the challenge which women within the service sector will have to face.

Of course, it is not just the service sector which will be involved. In the manufacturing sector, as has been indicated by the National Action Committee, women represent almost two-thirds of workers in the most vulnerable of industries, including textiles, clothing, small electrical products, sporting goods, toys and games and leather products. Women in the manufacturing sector are highly concentrated in these vulnerable industries. In fact, these industries represent about 42 per cent of all women manufacturing workers. That is why women have a great concern about what has been happening in the free trade negotiations and why they resent very greatly their lack of involvement in the decision-making processes which have been associated with free trade discussions.

For this reason I hope, even if it is at this last minute, that the Government will finally get its act together. I hope that it will draw further into the discussions which should be taking place with groups such as those that I started out talking about in my speech today.

Mr. Deputy Speaker: It being five o'clock, it is my duty to inform the House that pursuant to Section 12 of Standing Order 82, the proceedings on the motion have expired.

This House stands adjourned until Monday, at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, May 11, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

CANADA POST—OPPOSITION TO CORPORATE PLAN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the pleasure and the honour to present to this House petitions signed by 533 constituents of Glengarry—Prescott—Russell. Those signatures, added to the 7,353 already presented, bring the grand total to 7,886 people who are not happy with the corporate plan of Canada Post Corporation.

[*English*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition signed by people of the Province of Manitoba, including residents of the City of Winnipeg, Snow Lake, Thompson, and other communities.

In their petition, they call upon the federal Government not to change the Patent Act relating to prescription drugs. They believe that the proposed changes will increase drug prices to Canadian consumers and unnecessarily restrict the ability of average Canadians to buy necessary prescription drugs.

The petitioners also believe that this attempt to change the law is yet another example of the Canadian Government making concessions to the United States, at the expense of average Canadians, and especially those people whose health needs require the use of prescription drugs on an ongoing basis.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would ask that all of the questions on the Order Paper be allowed to stand.

[*Translation*]

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

BUSINESS OF THE HOUSE

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, having regard to today's business, there have been discussions with the opposition House Leaders on to how we might proceed today, and I think you will find that there is unanimous consent to the following motion with respect to the timing for the consideration of the resolution standing in the name of the Right Hon. Prime Minister:

> That, notwithstanding any standing or special order of the House, the House sit as follows today, Monday, May 11, 1987, for the purpose of consideration of the Government Motion, in the name of the Prime Minister, dated May 6, 1987, respecting the Meech Lake Statement of Principles by all First Ministers:
>
> —The House continue to sit, without interruption for lunch break or Private Members' Business, provided that statements by Members will be at 2 p.m. and Question Period from 2.15 to 3 p.m.
>
> —The Speaker will adjourn the House at the regular hour of daily adjournment, without debate on the adjournment, unless otherwise ordered.

• (1110)

Hon. Herb Gray (Windsor West): Mr. Speaker, I was informed of this proposal just before the House opened. I attempted to send a message to the Government House Leader that while we would agree to have Private Members' Hour used for this debate today, we would prefer that the House sit into the luncheon hour only for the time necessary to complete the speeches by the three Party Leaders. I am sorry I could not get that message to my hon. friend personally beforehand, but this is our position.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, on behalf of our Party I would certainly agree with the proposition of the Government House Leader with the small amendment of the Hon. Member for Windsor West (Mr. Gray) that perhaps we sit through luncheon hour until the three Party Leaders have spoken; if there is time for a short break, take the break; and certainly waive the Private Members' Hour.

Mr. Mazankowski: Mr. Speaker, we would probably then have to draft another motion. My understanding is that there were discussions and I thought that it was clearly understood.

We can continue to have further discussions and perhaps bring forth an appropriate motion this day.

GOVERNMENT ORDERS

[*Translation*]

THE CONSTITUTION

MEECH LAKE AGREEMENT

Right Hon. Brian Mulroney (Prime Minister) moved:

That this House endorses the Meech Lake statement of principles approved by all First Ministers, April 30, 1987 as a basis for Quebec's participation as a full partner in the Canadian Constitution, and as a basis for the establishment, in a spirit of equality and fairness, of a process for considering futher constitutional reforms.—

He said: Mr. Speaker, on May 20, 1980, in a referendum on its political future, Quebec said yes to the rest of Canada. Some seven years later at Meech Lake, the rest of Canada said yes to Quebec.

Some Hon. Members: Hear, hear!

Mr. Mulroney: And out of this mutual affirmation of our willingness to live together came a Canadian federation stronger and more united than ever.

That is the essence of the Meech Lake Agreement.

It is about fulfilling the commitment I made on August 6, 1984, at Sept-Îles on behalf of the Party I am privileged to lead. And it is about a new vision of Canada in which, as I said on that occasion, "The Canadian federation is not a test of strength between the different governments".

It is about a country in which the provinces are active participants in national affairs.

It is about a new federalism in which, "we rebuild the bonds of confidence with the provinces," in a vital federal system that is adaptable to the legitimate aspirations of Canadians in every part of our country. It is about a country in which all regions contribute to a stronger nation. And, Mr. Speaker, it is about a country whose soul teems with inexhaustible resources. And it is about Canadians working together in a spirit of co-operation and harmony to fulfill this country's potential.

It is about our past, and about our future, joined together in a uniquely Canadian wilderness setting—Meech Lake.

[*English*]

One hundred and twenty years ago our forebears established on the northern half of this continent a noble experiment in federalism. Their objectives were clear in the letter of the British North America Act, namely, peace, order, and good government. What a characteristically Canadian statement that is. There is little poetry to it but a strong ring of Canadian common sense.

The articles of Confederation served the nation well, but the task of nation building did not end with Confederation. It continued with each succeeding generation; it continues to this very day, for we were born in colonialism, and only over a century and more have we achieved a full measure of sovereignty.

In Sir John A. Macdonald's lifetime the territorial integrity of the nation was assured by the building of the Great Pacific Railway and the settlement of the west.

In the First World War Canada won the right of representation at the international conference at Versaille. The price was a heavy one, paid in blood at places like Vimy Ridge that are inscribed in the history of valour.

In the Second World War the sons and daughters of Canada sailed from the shores of one of our mother countries, Great Britain, to participate in the liberation of the other, France, and then to all Europe. As long as the notion of bravery exists, the contributions of Canadians shall be remembered and honoured.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In the settlement and industrialization of our nation, in the epic struggles elsewhere of freedom against tyranny, we emerged as a fully independent state in all but name as our Constitution remained at Westminster. For more than 60 years Canadians sought unsuccessfully to reach unanimous agreement on making our Constitution a truly Canadian document.

[*Translation*]

Succeeding generations of Canadians have sought a more harmonious accommodation between our two principal language communities. Quebec's First Premier after Confederation, Pierre Chauveau, compared Canada to the double staircase of the Château de Chambord's.

"English and French", he said, "we climb by a double flight of stairs toward the destinies reserved for us on this continent, without knowing one another, without meeting each other, without even seeing each other except on the landing of politics."

More recently, Canadians were asking themselves how they could work towards reconciliation, how the legitimate aspirations of Quebec and the other provinces could be fulfilled within our federal framework. That brought us to the referendum of May, 1980, one of the most momentous pages in our history. From 1976 to 1980, we discussed the most fundamental questions of country in the most civilized manner, with the utmost respect for democracy and one another's opinions.

The experience was a difficult one, even painful for many, yet in the end it further awakened us to the blessings of democracy.

Soon after that, Canada repatriated her Constitution. And though it was no longer British law, deep down we all knew it would never be truly Canadian until Quebec had agreed to it. For the Constitution is more than a legal instrument; it enshrines a commitment of our hearts and minds to fundamental principles and aspirations. That's why I resolved to bring Quebec back into the Canadian constitutional family. For that to happen, there had to be changes, a new way of looking at things.

As I said at Sept-Îles: "If Quebec is weakened, then Canada is weakened. If Quebec is strong, then Canada is strong."

[*English*]

Yet we could not reopen the process, reopen the question, risking the consequences of another failure unless we were assured of some minimal conditions of success.

At Sept Iles I set for the Government the objective of convincing the Quebec National Assembly to give its consent to renewed federalism with honour and enthusiasm. I also stated that I would not undertake a constitutional path with ambiguity and improvisation. Once we had established the principles, we had to establish a process, one in which all partners in Confederation could feel that their interests were well served.

All provinces played an indispensable role in this regard. The Government of Quebec, led by Premier Robert Bourassa, drew up a five-point agenda based on its position paper, *maîtriser l'avenir*, which had been submitted to and powerfully endorsed by Quebecers in the 1985 provincial election.

• (1120)

All provinces then agreed at Edmonton last summer that this agenda represented a reasonable basis for discussion, and further agreed with our suggestion that we should settle the Quebec question first.

Ministers and officials worked diligently over the autumn and the winter. In March, I concluded that this stage of the process had gone about as far as it could go without the involvement of First Ministers and, accordingly, I invited them to Meech Lake on April 30.

[*Translation*]

Our task was to reconcile Quebec's distinct needs with the interests of other provinces, and with the national interest. Any agreement had to be good for Quebec, good for the other provinces, and good for Canada. And it is, Mr. Speaker, the Meech Lake agreement is all of those things. It is consistent with the principles of Canadian federalism.

Some Hon. Members: Hear, hear!

[*English*]

Mr. Mulroney: And it opens the door to a future in which Canadians are more united, in which we can address other concerns, such as Senate reform and fisheries, in a second round of constitutional negotiations. From a more unified Canada, I am convinced we will achieve a more prosperous Canada.

In that spirit, First Ministers came to Meech Lake on April 30. There were just 11 elected representatives in that room, Mr. Speaker, but they represented the interests of all Canadians. Each represented his own province but all, in my judgment, were motivated by the national interest. The more we discussed, the more it became apparent that we could reach an agreement in principle, an agreement that would meet the test of fairness, an agreement that would stand the test of time, an agreement that would open the door to a new federalism based on reconciliation and mutual respect. To their very great credit, the Premiers were determined that this opportunity should not slip away for they knew another like it would not soon present itself again.

[*Translation*]

With the positive signals Quebecers have sent us in recent years and through the open-mindedness shown by the other provinces, the distinct nature of Quebec society within our Canadian Confederation is now acknowledged.

The dream of millions of Quebecers is becoming a reality.

The accord also clearly recognizes the existence of a francophone Canada centered in but not limited to Quebec, and an anglophone Canada based in the rest of the country, but also present in Quebec. Our linguistic minorities, wherever they live, can therefore count on the solemn commitment of the Parliament of Canada and every provincial legislature.

At the same time, federal-provincial relations will acquire a new degree of flexibility, making it possible to defuse pointless tensions and turn our Constitution into an inspiring, creative force.

In the area of immigration, federal-provincial agreements can be drawn up with provinces that ask for one. Once signed, they will be fully protected by the Constitution. These agreements should address the specific needs of the provinces that sign them, but the federal Government will remain ultimately responsible for setting national standards and objectives.

We have agreed to entrench the Supreme Court in the Constitution, which I believe Members will agree is appropriate, especially given the pre-eminent role of the High Court in interpreting the Charter.

The current legal requirement that three of the nine justices of the Supreme Court come from Quebec will also be entrenched in the Constitution.

Some Hon. Members: Hear, hear!

Mr. Mulroney: And a joint procedure for nominating justices will ensure that they are acceptable both to the province involved and the federal Government, which I believe Members will agree conforms with the true spirit of federalism.

[*English*]

We agreed that reasonable compensation would be made available to provinces that do not participate in future national shared cost programs, provided they operate a provincial program or initiative compatible with national objectives.

Medicare could very much have been created under this arrangement. The 10 provincial medical programs today vary in a number of respects related to financing of the range of services, but they all meet the national objectives of providing high quality health care to Canadians within a framework of portability, universality and accessibility.

There is every reason to believe that child care can be achieved through the new spending power provision. As Premier Peterson noted in his Canadian Club address last week, this provision in no way inhibits the federal Government from introducing new national programs. The Parliament and the Government of Canada retain the right to act swiftly and strongly in the national interest on behalf of Canadians. That is our responsibility. That is our duty. That is precisely what we have done.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Which is not to say, Mr. Speaker, that there will not be discussions and dialogue, but this is very much in keeping with the true spirit of federalism.

We reinforced the equality of the provinces by placing all national institutions under the unanimity rule. Unanimity was achieved on unemployment insurance in 1940, old age pensions in 1951, supplementary benefits in 1964 and the Meech Lake Agreement in 1987. So it is difficult, very difficult, to sustain the thesis that unanimity would be a straightjacket.

Consider what the absence of unanimity—the absence of Quebec from the constitutional accord, for example—would mean for Canada if allowed to extend over years and then decades. Consider what the absence of Quebec from the Canadian confederation over decades would mean. Consider the corrosive and debilitating implications of that as one weighs the value of the strengthened unity that comes from the Meech Lake Accord.

As Eugene Forsey, a firm advocate of a strong federal Government and a noted constitutional authority has stated:

> If we want to get results and get Quebec and the other provinces alike satisfied, we have to pay a certain price. And, on the whole, it looks to me that the price that would be paid is not an unreasonable one.

There will be an annual First Ministers' Conference on the economy and other questions that arise in the management of a federation, a proposal already introduced and acted upon by this Government. There will be an annual First Ministers' Conference on the Constitution which will pursue Senate reform, roles and responsibilities in the fishery and other important questions.

Until Senate reform is achieved, there will be a joint federal-provincial procedure for new appointments. This should be taken as a sign of good faith on our part. Make no mistake about it, we are intent on Senate reform, Mr. Speaker. As I indicated in Alberta last week, we will be placing a specific proposal for Senate reform on the table at the First Ministers' Conference next year.

Some Hon. Members: Hear, hear!

Mr. Mulroney: There remains the important unfinished business of achieving a constitutional amendment on aboriginal self-government. Four First Minister's Conferences have been held in this matter. I have participated actively in two. I understand the challenge and the importance. I know this Parliament has contributed mightily in trying to achieve that vital accord that will bring justice to our native peoples. Regrettably, a consensus has eluded Canadians each time. I say to the aboriginal leadership and to the provinces, the Government of Canada remains prepared to work with you toward this objective, but, as with the Quebec issue, the conditions must be conducive to success for we dare not risk failure another time.

• (1130)

Officials have been working on a draft to be approved by the premiers at our next meeting. I have invited the Premiers to meet here during the first week of June. Assuming a formal agreement is reached, we will then table the appropriate resolution in Parliament at the earliest subsequent opportunity. I would hope that the provinces would do the same. Members of the House of Commons will then have ample opportunity to join in the debate on the resolution.

The Meech Lake Agreement represents a conscious act of nation building by all First Ministers, requiring generosity of spirit and a deep understanding on all sides. By recognizing the distinctiveness Quebec brings to Canada, we affirm our identity as a nation and strengthen our sovereignty as a people.

Some Hon. Members: Hear, hear!

Mr. Mulroney: By adopting new constitutional and institutional arrangements, we will also provide an opportunity for more harmonious relations between the federal and the provincial Governments.

[*Translation*]

By civilizing the use of the spending power, clarifying roles and responsibilities in immigration, which is an area of joint jurisdiction, and constitutionalizing First Ministers' Conferences, we create opportunities for concerted government action from which all Canadians will benefit.

Joint procedures for Supreme Court and Senate appointments will reinforce the legitimacy of federal institutions.

[*English*]

I have been heartened by the response of ordinary Canadians to the Meech Lake Accord. People on the street, school children, farmers in the fields of Saskatchewan, strongly

support this statement of national unity. That is what this is all about, nation building.

I pay tribute to the First Ministers whose leadership and resolve have strengthened our federation and enriched our citizenship. From every region of Canada, from all political Parties, the First Ministers came to Meech Lake and theirs were the voices of confidence and unity and of belief in the greatness of Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: Let no one say our national unity is undermined by respecting differences and incorporating them in a common entity in the custody of a central authority.

It would be astounding if the nation that succeeded in resisting disunity felt more threatened by unity.

Together we ventured out on a long and difficult road in search of our political indentity and constitutional sovereignty. Yet we never lost faith in ourselves, we never denied our tradition of tolerance and we never doubted that, somewhere at the end of our quest for democratic dialogue, a fraternal and honourable solution awaited us.

Success is now within our grasp.

I appeal to the civic spirit of every Member of this House so that we may put aside Party politics at this great moment in our history, this hour of strength drawn from our rediscovered solidarity.

Some Hon. Members: Hear, hear!

Mr. Mulroney: This is what our fellow-citizens expect from us, from one end of this country to another in a great spirit of hope. We will do honour to ourselves not to disappoint them.

[*English*]

From Macdonald to Laurier, from King to Diefenbaker, from Meighen to Pearson, from Bennett to St. Laurent to Trudeau, the overriding objective of all Canadian Prime Ministers has been a strong and a united Canada. The Meech Lake Agreement contributes to that unity and is a statement as well of a vision of Canada, a vision that is rooted in our love of this country, our pride in its people, our respect for its traditions, our joy at its promise. But that promise shall be realized only in unity, only in the unity that comes from English and French Canadians, east and west, new Canadians and old, together, finally together in a strong and united Canada.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are embarking today upon what is one of the most important discussions or debates any nation can face, the revision of our Constitution. Canadians are familiar with constitutional discussions and with constitutional differences. We have been talking about it in earnest for at least two decades and this is why I welcome the opportunity to restate my views once again this morning.

When the Constitution was patriated in 1982, the agreement contained one tragic flaw. In our attempt to break away from our colonial past, one of our most important and founding provinces was missing in that agreement, Quebec.

[*Translation*]

Since patriation, Quebec's absence has been deeply felt by all parties, and we have focused all our efforts on finding the fairest and most equitable way to complete this unfinished task.

I am proud to lead a Party that has always been in the forefront of constitutional thinking and debate.

Last year, I was the first to present a set of recommendations for enabling Quebecers to sign the Canadian Constitution with pride and dignity. These proposals were enthusiastically received by the Government of Quebec.

We were thus able to raise this debate above partisan considerations and to create a genuine climate of mutual understanding and generosity, the impact of which has surely contributed to the success of the meeting at Meech Lake.

[*English*]

I would like at this time to recognize and pay tribute to my caucus and my Party for pursuing this issue with vigour and commitment. Following the election of the Bourassa Government in Quebec, there was a new spirit of co-operation and a political will to participate fully in our confederation. I am very pleased that that spirit has been given some substance in the agreement we are discussing today. I know from my own participation in the Victoria conference in 1971 that the process of constitutional reform is long and difficult.

• (1140)

I also must pause and congratulate all the First Ministers on reaching an agreement on a process which may in fact see Quebec brought into the constitutional agreement.

[*Translation*]

The question of Quebec's place in the Canadian federation lies at the very the heart of our existence as a nation. The political history buffs among us are aware that ever since the end of the 18th century, attempts have been made to provide for a political structure that would allow Quebecers then referred to as "Canadiens", to protect their rights and safeguard their identity.

The beginnings of parliamentary democracy in our country were difficult, both in Upper and Lower Canada. The 1837 rebellions and the morass in which the Government of Union found itself led the British authorities to conclude that it was utopian to consider imposing or forcing on Canada a uniform system of government.

Clearly, what was needed was a political framework that would leave room for developing views and maintaining

identities, while involving all participants in the building and development of a great nation.

Despite the hope that the fears of the past would prove to be unfounded, subsequent events soon showed Quebecers that when the majority spoke, Quebec's appeals could meet a wall of indifference. The Riel affair, the Manitoba schools question, Regulation 17 in Ontario, conscription during the two World Wars and the battles for provincial autonomy are some of the events in this century that were instrumental in convincing Lester B. Pearson, as Prime Minister of Canada, to set up the Commission on Bilingualism and Biculturalism. The Laurendeau-Dunton Commission sent out a clear and unmistakable signal: the country would fall apart if there was no thorough reform.

Many of these tensions were of course centred in Quebec, but they existed elsewhere in Canada since the very beginning: regional tensions, mostly in the west but also in the north and the Maritimes, which often complained they were not equal partners.

[*English*]

The Government of Pierre Elliott Trudeau heard the alarm signal. In Victoria in 1971 we tabled a proposal which remains a model and inspiration for anyone looking for a definition of a political consensus in this country.

[*Translation*]

Mr. Speaker, I had the privilege of being Minister of Justice at the time. The feeling was one of euphoria. The Official Languages Act had just been passed by the Parliament of Canada. The 10 provinces had given their agreement in principle to a formula that recognized the linguistic duality of this country: bilingualism in Quebec, Ontario, New Brunswick and even Newfoundland. The amending formula gave veto rights to Quebec and to each of this country's regions.

Despite this very considerable progress, the Government of Quebec finally withdrew its agreement under increasing pressure from public opinion in that province. It was clear that feelings were running so high they could no longer be ignored.

The Parti Québécois rode the waves which were to carry Quebec to its own destiny after severing its links with the rest of the country. Indeed, concerted efforts were made throughout this decade to revamp our institutions and adjust Canada's orientations to the heartfelt aspirations of Quebecers. But the referendum process had already been launched and nothing would be possible until such time as Quebecers would be given an opportunity to have their say about their Canadian partnership.

The majority of Quebecers said yes to Canada, and it is because they sent this signal that the reform process began through the Constitution Act of 1982. The statement of principles which is now on the table of the House raises the fundamental question about the kind of country, the kind of Canada in which we want to live. The question is two-fold. What guarantees of cultural security are offered to Quebec? What is the role of the Canadian and provincial Governments with respect to the linguistic duality of our country?

In other words, what common values do Canadians share, what institutions will interpret them?

Some people believe that Quebec must be a province like the others, for any concession on anything whatsoever opens the door to separatism. They see Canada as a solid block, unable to reflect various aspirations yet party to the same principles of freedom and democracy.

Quebec seeks certain guarantees concerning its distinctive character, its population growth, its presence within federal institutions, its freedom to use as it sees fit its legislative powers as described in the Act of 1867 and, especially, its participation in the Canadian whole.

[*English*]

Quebecers do not want to lock themselves into a ghetto. History has demonstrated that they are an essential part of the Canadian identity. They represent a unique fact in Canadian life.

[*Translation*]

History indicates as well that Canada cannot exist without Quebec and that Quebecers must be an integral part of the life and institutions of Canada.

Nor is the Canadian Government's role restricted to that of a passive observer, for it rightfully assumes responsibility for ensuring the presence and expansion of the French fact throughout the country and elsewhere in the world.

It must constantly define this responsibility and adjust it to new conditions and more exacting challenges. Such is the major outline of today's debate on the agreement in principle hammered out at Meech Lake.

Mr. Speaker, the motion under consideration today is premature because we have yet to see the final legal text of the Meech Lake agreement. Even so we take a positive and constructive approach towards any constitutional proposition aimed at making Quebecers full-fledged partners in the Confederation of Canada. Mr. Speaker, this is why we endorse this motion.

[*English*]

I believe that the motion before us, Your Honour, is somewhat premature since we have yet to see any final wording or precise text. However, we in this Party intend to respond constructively and positively to any constitutional proposal which will make Quebec a full partner in our Confederation.

Some Hon. Members: Hear, hear!

• (1150)

Mr. Turner (Vancouver Quadra): That is why we support this motion. However, in doing so, I want to make it perfectly

clear that we do not interpret this motion as a blind endorsement of the statement of principles agreed upon at Meech Lake. We have serious concerns about some aspects of that statement and will certainly have suggestions for improvements, now and when we see the final text.

We view this motion as seeking our agreement to continue, as the motion puts it, a process to bring Quebec into the Constitution. We certainly do and will support any efforts to that effect. It is indeed a good day for Canada and for Quebec. I have always believed that it was essential to the future of this country that Quebec be a major and leading partner in our Confederation and a full-fledged participant in its evolution. I personally support the motion because Quebec's participation will be necessary for any future evolution of the country.

I believe that the constructive work done by my Party contributed substantially to creating the favourable atmosphere in Quebec and throughout the country for this discussion. We have steadfastly refrained from politicizing this question in the House of Commons or across Canada. We have purposely avoided embarrassing the Government on this issue during the course of the negotiations. We knew that the provincial Premiers and the representatives of the Government of Canada were studying the views set forth by Quebec and that the interests of the country take precedence over any partisan views.

The key words in this motion, Mr. Speaker, are that this House accept the statement of principles tabled by the Prime Minister (Mr. Mulroney) last week "as a basis" for further discussion. In the absence of anything else, we believe that the statement of principles is as good a place to start as any.

At the same time, I view this as a general framework for discussion, not the final solution. As Premier Pawley stated, we must all ensure that the legal wording does not distort either the intentions of the Meech Lake Accord, or indeed the intentions of the Constitution itself.

I also want to emphasize that we will insist upon full committee hearings of the final text which will be produced by the Government of Canada, and a full debate in this House when we see the final results, preferably before the issue goes to the Premiers. Parliament has a right to see this text in final form before it is again negotiated with the Premiers. This is too important an issue for a one-day debate. This is the Constitution of Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Turner (Vancouver Quadra): Of course Hon. Members recall that in 1981 the Trudeau Goverment tabled in this House the final text of the constitutional resolution and this was the topic of a debate. But before receiving the approval of the House the text was analyzed, scrutinized and, let us admit it, improved as a result of the work of a joint committee of the House and of the Senate which sat to give it exceptionally serious consideration over a number of weeks. Mr. Speaker, I believe that if the House sees fit to strike a parliamentary committee to review, analyze and improve all its legislation, surely we ought to take as serious an approach towards amendments to the basic law of the land, the Constitution.

[*English*]

To do less in this case would be to abdicate our responsibilities as legislators. It is critical that what we do for ordinary Bills in this House, that it, clause by clause review in committee, we should certainly do for the most fundamental law in our country, the Constitution of Canada.

We as legislators must be as precise as possible in our language. We must give the courts clear guidance and an indication as to how we want our Constitution interpreted, what principles we want them to adhere to when adjudicating individual cases. We do not want the Supreme Court of Canada to act as a legislator. That is our role. That is why I believe we need clear and precise language in our Constitution. That is why I believe Parliament has a right and a duty to inspect that language at an early opportunity. We must ensure that, as far as is humanly possible, we look at each provision and try to predict the consequences of them.

On balance, what we see in this statement is positive both for Canada and for Quebec. However, it can remain positive only if its spirit and intent are accurately translated into legal terms.

I believe that the purpose of this debate today—which we welcome—will be to provide to the drafters our advice and guidance on what should or should not be in the final resolution. Our Constitution is the foundation on which our federation spells out how certain powers and obligations are shared, which are exclusive to either level of jurisdiction and, in the case of the Charter, which powers are beyond the reach of either level of Government. Constitutional change is not something which should be done in haste, in a single day before the national forum. It is not something which should be entered into without taking full account of all the implications.

With the provision to constitutionalize two yearly meetings of First Ministers, one on the Constitution and one on the economy, are we not creating yet another level of government, one that meets behind closed doors away from the public eye to change the course of Canada without the prior authority, approval, or even inspection of Parliament?

Will this mean, for example, that we will have abandoned a regional role for the Senate, a body which we believe should be elected? We believe an elected Senate could serve the role of representing the regions on an ongoing basis in an open and public manner. We must be fully aware of the choice we are making and what that choice means to the future of our country. Our role, Mr. Speaker, in this House, in the absence of the precise language which the First Ministers may have in mind, is to look at each statement of principle and try to interpret the impact of these statements and to make improvements where possible.

We are talking about a process. We are asking the Government to give us the thinking behind some of these provisions. We need greater detail than we have heard so far. What are some of the ramifications of these provisions? Let us begin at the beginning of the statement of principles.

[*Translation*]

First, the distinct society. Mr. Speaker, since our convention last November, more than 90 per cent of the Liberal delegates have acknowledged the distinct character of Quebec, with its language, its culture, its specific features such as the use of the Civil Code, and even to a certain extent, its humour, its way of life, is different from other Canadian provinces. We think that is one aspect of the rich heritage left to us by the founding fathers of our great country.

We described, with some inspiration I believe, Quebec as the major, but not exclusive, source of the French language and culture in Canada, for it is the major source of energy, of cultural and linguistic inspiration for our French speaking community.

However, Mr. Speaker, we have also taken great care to recognize in our resolution all the distinctive features of our diversified society, including first the linguistic duality of our country which we hope will not only be maintained, but also reinforced in every region of Canada.

We should add to that—and I am disappointed that the Meech Lake draft agreement does not—the multicultural character of our society, and in particular the respect of the various origins and cultures as well as the various regional specificities which all combine to make the Canadian society.

We also suggested that the contribution of native people in Canada should be included in the opening section of our constitution, and I can only regret the fact that native people were ignored in the Meech Lake statement drafted by the Premiers and the Prime Minister.

We therefore want, Mr. Speaker, to repeat that we recognize the distinct character of Quebec, as well as of all the dynamic entities of our society.

• (1200)

[*English*]

Our Party has overwhelmingly endorsed the concept of a distinct character for Quebec recognized in our Constitution and we will continue to support that concept. In our November resolution we outlined our firm belief that Quebec is the principal but not the exclusive source of French language and culture in Canada. However, we took great care in recognizing not only the linguistic duality of our country, but also the multicultural nature of our society and the contribution of our aboriginal peoples. We believe this Accord could be greatly improved with the inclusion of both these elements.

We also need to know more precisely what the two phrases "distinct identity" and "distinct society" mean. Our proposal in November was that this reference would appear in the preamble to the Constitution. However, Senator Lowell Murray has stated that those phrases will appear in the body of the Constitution. In my view, that has the potential to change the interpretation of that particular section a great deal. We look forward to hearing the Government's interpretation of that situation.

Already, the Government of Quebec has stated that it will examine the possibility of proposing that the phrasing be strengthened. Others have suggested that it can lead to a constitutional interpretation that language rights of francophone minorities outside Quebec may not be sufficiently protected. It is for these reasons that we believe the language must be clear and precise.

Let me turn to immigration. Again, in our November proposal, we supported the right of Quebec to participate in the selection of immigrants as set out in the Cullen—Couture Agreement. The reason being that we believe Quebec, more than the other provinces, has a special interest in protecting its linguistic character.

Our reading of the Constitution Act of 1982 is that the composition of the Supreme Court, that is, its size and the requirement that three of the nine judges be from Quebec, is already entrenched in the Constitution and can only be changed with the unanimous consent of the provinces. We therefore have no objection to spelling it out in more detail.

I have always believed that appointments to the court should be made after real consultation with national and provincial bar associations and, in the case of the Supreme Court of Canada, the provincial courts. I sincerely hope that the entrenchment of provincial consultation will enhance that process.

With regard to the spending power, the Government is introducing a new concept. It would enshrine in the Constitution the right of every province to reasonable compensation for not participating in a national cost-shared program in a provincial area, provided that the province has its own program which is compatible with national objectives.

Also, the statement of principles now provides that provinces will be reasonably compensated for opting out of any constitutional amendment affecting provincial jurisdiction, not just in areas of education or other cultural matters as is now the case under the Constitution Act of 1982.

We are very concerned that this dilution of the federal spending power could limit the ability of any future Canadian Government to initiate a national program on matters which generally fall within provincial jurisdiction.

We are deeply concerned, despite what the Prime Minister (Mr. Mulroney) said this morning, that a medicare program might well have been impossible under the arrangement now contemplated. John Robarts, as the Premier of Ontario, was against that program, and under this provision he would have been able to block a national medicare system. We are

concerned that the national child care program might now be rendered impossible, as well as a guaranteed annual income. These are priorities for our Party.

Also, we are now assured by the Prime Minister that this Parliament will decide what is meant by a "national objective", but I think it is important that we understand how that process will come about. Will it be a parliamentary process or will it be left to the courts, with the Supreme Court of Canada being the final adjudicator? I suggest that the wording of this section needs to be very clear.

I will now deal with the amending formula. I am troubled by the rigidity in the new arrangement in terms of the unanimity required under the proposed amending process affecting federal institutions. We still believe that the 1971 Victoria formula is the best one, because it offers the necessary flexibility to face changing situations, while ensuring that regional interests and those of Quebec are fully protected.

By reverting to the unanimity rule on changes in the Senate and the addition of new provinces, are we not in effect moving backward rather than forward and ruling out any changes in those areas?

I think we are entitled to ask in the House whether we will ever have Senate reform in practical terms under these provisions. When I asked the Prime Minister last Monday if this provision meant that an elected Senate would now be impossible, he said, as reported at page 5684 of *Hansard*:

> Not unless you want to make the assumption that the First Ministers are incapable of coming together in good faith to resolve matters of this kind.

I submit that the decades of constitutional impasse that we experienced in this country under that unanimity rule is precisely what we may experience now. We did not then have a workable amending formula. Constitutional reform was impeded because we had an implied unanimity rule. We should be seriously concerned that this particular change will move us backward to that situation prior to 1982.

The Prime Minister has conceded Senate appointments to the provinces until there is Senate reform, but there is no definition of what Senate reform might be. I suspect that some provincial Governments, having gained the power to appoint their own Senators and having guaranteed themselves yearly constitutional meetings with the Prime Minister, will be a lot less likely to move toward an elected Senate.

I am also concerned with the unanimity requirement for the admission of new provinces. While I agree that provinces should indeed have something to say about the admission of new ones, this rule did not apply to current provinces brought in after Confederation, the most recent being the Province of Newfoundland. Therefore, I believe an exception should be made in the case of Yukon and Northwest Territories and they should be governed by the current formula, seven provinces having 50 per cent of the Canadian population.

I am also very disappointed that the First Ministers did not seize the opportunity to recommit themselves to inserting the inherent rights of our aboriginal peoples into the Constitution. As I said in the House prior to the meeting of First Ministers, and as indicated in our November amendment, we believe that the rights of our aboriginal peoples should be recognized in our Constitution.

Why did the First Ministers also not pursue the inclusion of a recognition of the multicultural nature of Canadian society? In particular, we must give due recognition to the many origins, creeds, cultures and different regional identities which shape our society. I suggest to the Prime Minister that we now have a unique opportunity to improve greatly and strengthen our Charter of Rights and Freedoms in two particular areas, as outlined in our resolution in November.

[*Translation*]

Mr. Speaker, we regret the fact that the Prime Minister of Canada did not take advantage of the favourable climate of the Meech Lake meeting to improve the scope of our Canadian Charter of Rights and Freedoms. We believe that he might have asked the provinces to grant official linguistic minorities the control and management of their publicly funded teaching institutions and to remove from the Charter, from the Constitution, the words "where the number so warrants" used in Section 23.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We would also like to take advantage of this opportunity to delete from Section 33 of our Constitution the word "notwithstanding" in order to give every Canadian man and woman throughout the country equal rights which can never be tampered with by any other level of government.

[*English*]

I would like to remind the House that under the terms of Section 33, the Legislatures in this country, including this Parliament, may limit, if they so choose, freedom of conscience and religion, of thought, belief, opinion, the press, peaceful assembly, association; and restrict the right to life, liberty and the security of the person; deny the right not to be arbitrarily arrested; waive due process of law; waive the right not to be subjected to cruel and unusual punishment and deny equal protection from discrimination based on race, national or ethnic origin, colour, religion, sex, age, or mental or physical disability.

I am sure most Hon. Members would like to see that provision removed, and I urge the Government to make its removal and the changes to Section 23 that I have just mentioned part of the current discussion with the provinces and with Parliament.

I repeat that I believe we have a historic opportunity to bring Quebec into our Constitution. We should take this opportunity to demonstrate to the people of Quebec that we want them in and we want them to play a significant and full partnership role in a better and more progressive Canada. It is what we all want in this country and what we have all been working for in this Parliament.

As I said at our November convention, Quebec on two recent occasions said yes to Canada. Now is an opportunity for this country and the House of Commons to say yes to Quebec.

Some Hon. Members: Hear, hear!

• (1210)

[*Editor's note: Interruption from the Gallery.*]

Mr. Mazankowski: Mr. Speaker, further to my submission this morning, I think perhaps you will now find unanimous agreement of the House to the following motion with respect to the conduct of today's business:

That, notwithstanding any standing or special order of the House, the House sit as follows today, Monday, May 11, 1987, for the purpose of consideration of the Government motion, in the name of the Prime Minister, dated May 6, 1987, respecting the Meech Lake statement of principles by all First Ministers:

—The House continue to sit on this debate through the time normally provided for Private Members' Business, and that the Speaker adjourn the House at the regular hour of daily adjournment, without debate on the adjournment, unless otherwise ordered.

The motion is presented with a proviso that if the Leader of the New Democratic Party (Mr. Broadbent) extends his speech beyond the normal lunch hour—

Mr. Broadbent: I think we are safe.

Mr. Mazankowski: —he tells me we are safe—he would be given sufficient time to complete his remarks.

Mr. Gray (Windsor West): Mr. Speaker, on the assumption that this motion responds to comments I made earlier that we will adjourn for lunch at the usual time, unless time during the lunch hour is needed to complete the speech of the Leader of the New Democratic Party (Mr. Broadbent), and that the debate will continue through Private Members' Hour and then the House will adjourn, we are ready to agree to this motion.

Mr. Nystrom: Mr. Speaker, we also agree. I do not think the Hon. Member for Oshawa (Mr. Broadbent) will speak beyond one o'clock.

Mr. Speaker: The House has heard the terms of the motion and I take it there is unanimous consent. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the historic meeting at Meech Lake with the Prime Minister (Mr. Mulroney), and the Premiers of all the other provinces, produced what can only be described as a remarkable document. I had the opportunity on that occasion, on behalf of my colleagues, to congratulate the Prime Minister and the Premiers for reaching an agreement, an agreement achieved by all of Canada's political parties representing all the regions of our country, and at this time obtaining the signature of the Province of Quebec, which is something about which all Canadians should rejoice.

I made that statement at that time and I repeated it again to the Prime Minister. I added then on behalf of my colleagues simply the words, which I repeat, that we, of course, want to see the final wording —and the Prime Minister understands that—on some important clauses. However, the purpose, the general principles of what has been achieved, is something which should be endorsed by all Canadians in all regions of our land.

Today, rather than make a celebratory speech at this point, because I hope there will be another occasion before long when we have the final document before us, I have chosen to address a different kind of framework this morning.

I have chosen to try to lay out what I think would be the appropriate framework in which the House should put itself in assesssing a constitutional change and what that will mean or can mean for a nation, and then come quite specifically to some of the concessions in the document we have before us and raise certain areas of problematic concern with I hope will be addressed in a quite persuasive way by those who are now working on the final document.

Free societies are not those which seek unanimity. It is quite the contrary. Free societies are those which institutionalize conflicting opinion, reason and desire. Well functioning free societies are those in which these institutions, once established, contribute to a greater sense of harmony not merely for years but for decades and, indeed, for generations.

[*Translation*]

The opposing forces out of which harmony may result, in a country like ours, can unite to lay the foundation for durable harmony or they can do the exact opposite. They may succeed in creating no more than a temporary peace, a peace sought perhaps with a great deal of conviction but nevertheless, a peace that raises false hopes.

I believe that here in Canada, we must pay particular attention to this moment in our country's history, which we could call Phase II of the constitutional negotiations of the eighties.

I say this because I believe the Canadian people and our major political groups are all in favour of constitutional peace, which represents a tremendous opportunity for us in the short term. However, there is also a long-term risk involved for this country if we are not extremely careful. On the positive side, the fact is that the vast majority of the people of Quebec and those outside Quebec want the province to participate fully in the Canadian Constitution and to pursue its major role in shaping our national destiny. All the other provinces signed the Constitutional Accord in 1982. Only Quebec was excluded. We all know this situation is undesirable and that it must cease.

During the Referendum, Quebecers said yes to Canada. We now have a responsibility, here in the House of Commons and

in all the provinces, to say yes to Quebec. That is the reality today.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, we all know that the fundamental objective of the Meech Lake meeting was to develop a set of proposals that would satisfy Quebec's aspirations. However, these same proposals had to be acceptable to the other provinces, which have their own claims, and consistent with the need for the federal Government to maintain its power to ensure leadership in its quest for the unification of this country, not only in obtaining an agreement, but in meeting future responsibilities.

Unless I am sadly mistaken, I feel that virtually all political forces and Parties which thoroughly believe in a federal Canada share the same aspirations as the Canadian people. They are anxious for an agreement, as demonstrated at the Meech Lake meeting and here in the House of Commons the very next day.

All the political Parties representing the various Canadian regions have expressed the hope that once properly analyzed, the Meech Lake Agreement will satisfy the requirements of Canada, those of Quebec and those of all other provinces.

• (1220)

[*English*]

I said a week ago, Mr. Speaker, that my initial response to the document was positive, and it seems that the Meech Lake Agreement does indeed provide the requisite opening to the Province of Quebec. It does meet the concerns of other provinces, and it seems it does indeed maintain a strong unifying role for the federal Government.

In the final analysis, much depends upon the final wording of the text. The present wording, in certain key respects, I say frankly to the Prime Minister—and I suspect that he is aware of it and, as I understand it, many of the provincial Premiers are aware of it—in a number of particular sections, leaves much to be desired.

Today I want to talk about the wording used in two of the most important sections of the Agreement, the recognition of Quebec as a distinct society and the provision on the federal spending authority.

[*Translation*]

This is a happy moment in our history as we are about to recognize officially the unique character of Quebec society.

I am happy that the three federal political Parties have at last recognized this uniqueness one way or another.

The fact that the language and culture of most Quebecers are French not only enriches the life of that province, but represents a common wealth which all Canadian men and women may share. It is time for this uniqueness to be enshrined in the Canadian Constitution.

It is also important, however, that the vocabulary used be as precise as possible. Every time we add new elements to our Constitution, we are giving our courts a more active role to play.

In all fairness to our judges and the future generations of Canadians, we must give our courts the clearest direction possible. Otherwise, Mr. Speaker, they would have to create everything from scratch, and I do believe that the fundamental creative role in a democratic society should be played not by judges, but by politicians.

[*English*]

I come now to a particular case in point. Paragraph (1)(b) of the Accord notes, and I quote:

—that Quebec constitutes within Canada a distinct society.

In Clause (3) it stipulates that "the legislature and Government of Quebec" have a role to "preserve and promote the distinct identity of Quebec referred to in Paragraph (1)(b)".

The problem, Mr. Speaker, is that nowhere in Paragraph (1)(b) is a definition of "distinct society" to be found. There is simply the assertion that Quebec "constitutes . . . a distinct society".

Surely those advocating the idea of distinctness had in mind the fact of the French-speaking majority and English-speaking minority in that province. Certainly, it is the view of my Party that the distinctness, the uniqueness, if you like, of the Province of Quebec is to be found in the fact that it is the only province in Canada in which the language and the culture of the majority is French, with the minority being English.

However, we differ, it seems to me, on other aspects of the Constitution. All three Parties in this House have now accepted, and accepted positively, this uniqueness, this specific quality of the Province of Quebec.

If that is the case, Mr. Speaker, it seems to me important that this be spelled out in the document we have before us. I believe it should be set out in Paragraph (1)(b) as part of the definition of the distinct character of the Province of Quebec.

I say this because it is essential that we send to the judges who will be asked to rule on the meaning of Clause (3) some message as to the meaning we had in mind.

If we do not do this, it seems to me to be entirely open to the judges to give paragraph (1) (b) almost any meaning they like. They may or may not refer back to paragraph (1) (a) for guidance, paragraph (1) (a) being that portion of the Accord which describes the linguistic majority being French in Quebec, with the minority being English speaking, and vice versa outside of the Province of Quebec.

Unless we provide some very specific definition with reference to the linguistic groups, those making judgments on the operative clause, Clause (3), will have no basis upon which to reach a decision about the meaning of the distinctiveness of Quebec, in respect of which a mandate is given to the Legislature of Quebec.

If we do not pin it down, the judges may well seize upon any particular definition they wish as to what the uniqueness and distinctiveness of Quebec is all about.

I do not want to be glib. The point is of fundamental importance in terms of constitutional law. We in this House do not want to leave open to the courts the opportunity to go burrowing about, only to find out that, in looking at a perhaps arcane aspect of the history of Quebec, it is some other consideration which they seize upon in giving definition to "distinctiveness" or "uniqueness". Therefore, I think we are obliged, in terms of giving positive force to what we all want to achieve—

[*Translation*]

Most francophones living in Quebec and most other Canadians living in other provinces accept the fact that this notion should be clearly defined in our Constitution.

[*English*]

It is for these reasons, Mr. Speaker, that I believe that clarification would be most usefully made in paragraph (1)(b), so that when a decision is rendered on Clause (3), the operative clause, the judges will at least have a bench-mark in assessing what we intended in saying that Quebec's legislature and Government have the authority to preserve and promote the distinct identity of Quebec.

It is for this reason I believe that the words "in that it is the only province with a French-speaking majority and an English-speaking minority", or words conveying the same idea should be added to the end of paragraph 1(b), so that the clause would then read:

> (b) the recognition that Quebec constitutes within Canada a distinct society in that it is the only province with a French-speaking majority and an English-speaking minority.

I wish to stress, Mr. Speaker, that while they are specific words, what is important to me is not necessarily those specific words; what is important is that the idea contained therein be attached to Clause 1(b) so that the judges—not just the judges who are living with us now, but the judges in generations to come—will have a clear understanding of what we had in mind when we talked about the distinctiveness of the Province of Quebec.

I now turn to the federal spending power section of the Agreement. The wording of this section was intended to ensure the right of the Parliament of Canada to innovate, with its spending authority, new areas of policy with national programs thought to be of advantage to the whole country.

This has happened in the past, as we know very well, with medicare and hospitalization. At the same time, it is thought by modern federalists to be desirable, both from a constitutional distribution of powers point of view and from a recognition of the different circumstances in the different regions of our country, to allow, and indeed to encourage, provincial latitude in building such national programs.

• (1230)

Such can be done. That is, we can have effective programs nation-wide and at the same time have provincial decentralization. What is key is that the programs so established with regional variation are equivalent in their essential elements. If this is what the phrase "compatible with national objectives" means, then that is good and the people who got together at Meech Lake did a fine job.

However, once again it seems to me that the phrase used is subject to a judicial interpretation which could see a provincial program that is "compatible" with one established by the Parliament of Canada but falls short in a number of its details of what was intended by the Parliament of Canada.

If a program with five, six, or seven elements established by the Parliament of Canada, as I see it, is confronted with a province which wants to opt out and still receive compensatory financial assistance, it could provide a program with perhaps two or three elements only and, as we normally use the word, it could be compatible with the national program.

In replying to questions in the House of Commons last week, however, the Prime Minister—and I am pleased to note it—was as unequivocally clear as he was today when he spoke in affirming that it was the Parliament of Canada which would decide what were the national objectives that a province needed to be compatible with and to qualify for compensatory funding for its own program. Last week in the House the Prime Minister said: "with regard to who would set the national objectives, the Parliament of Canada". Again the Prime Minister said that a provincial program had to be "compatible with the national objectives set forth by this House".

I am pleased to see the Prime Minister and Deputy Prime Minister (Mr. Mazankowski) nodding affirmation and support of the idea once again today.

It is very important for today's Prime Minister to say this about today's agreement. However, I also believe—and I am sure the Prime Minister will not misunderstand—that it is much more important for the same idea to be found in wording in a Constitution which will hopefully be around long after we have long since departed this Chamber.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In short, it is more important for the future that this principle be included in the Constitution. Therefore, I think the following wording: "as established by the Parliament of Canada", which are the Prime Minister's own words, or their equivalent, should be added at the end of the existing wording in the clause. However, if the whole clause is now being rewritten to achieve this intent, we in this Party will of course find that acceptable.

Once again, the precise wording is not what my colleagues and I are after here. We are in pursuit of clear wording which

sends a clear constitutional message to Canadians today and to future generations of Canadians.

I took a little time on two important clauses in the resolution, because I thought at this stage in the proceedings, before we are confronted with a final document, it indeed is important for all participants in the process, including the Government of Canada, the provinces, and the opposition Parties, to make some constructive suggestions, and to put it very bluntly, including wording, at a time when it is perhaps a matter of just a few days before final documents can be circulated and discussed by the Premiers.

Obviously I want to say a few words about some other sections of this important document. I think the proposals on immigration are consistent with what has been done before in the Province of Quebec. It is now proposed to embed that in the Constitution, extending a similar right and principle to the other regions. It is a very constructive move.

Similarly, on the question of the Supreme Court, we in this Party believe that in a federal state there is a legitimate role to be played in the proposing of judges who will ultimately make decisions in interpreting the nature of the Constitution. We will have more things to say about that particular provision, but we certainly think that it is a move in the right direction.

On the question of other meetings, I think on the whole that the suggestion that the Prime Minister meet with the Premiers to talk about the fishery, Senate reform, and the economy are all important steps—it goes without saying. I simply want to add what I said the day after the Meech Lake Accord was reached. All Parties were represented there. I do not know what led to it or what factors were taken into consideration. I simply find it an unfortunate result that the people who came together with such seriousness of purpose, and seemed to achieve so much, left out the scheduling of, or specifically putting in the agreement for, meetings to deal with the aboriginal peoples of Canada.

To say the least, those of us who come from European ancestry or from many other parts of the world owe a great debt to the original people of the country which we now inhabit. I hope, at the next meeting to discuss the final wording of the document, that the Prime Minister and the Premiers will rethink the question of our obligation to the aboriginal peoples and will build into the agreement continuing meetings to discuss various issues—in particular the question of aboriginal self-government and the issue of comprehensive claims—with the aboriginal peoples until an agreement of some kind is reached.

I also want to say something on the question of the Northwest Territories and Yukon on which I had occasion to comment just after the Agreement. I want to say in the House what I said at that time. I think it regrettable that the Premiers and the Government of Canada have now decided to impose conditions on that part of Canada, our North, which were not applied to the other regions of Canada before they became provinces. With a little ingenuity—and it should not take too much—and by looking at the operative clause, the Government of Canada and the provinces should be able to make an exemption and come back to at least the previous amending formula, which simply required seven provinces and 50 per cent of the population to make a decision about the possible bringing in on a provincial status of either the Northwest Territories or Yukon. I say that constructively, hoping that all the Premiers out there are listening to or will be reading this and that the Government of Canada will respond as well.

There is one section which I want to mention briefly, and that is the new amending formula. If there is one part which I think is almost irretrievably bad in this document, it is the new amending formula for federal institutions. Unlike the Prime Minister, I am not optimistic about the flexibility which will be permitted with this clause; in fact, quite the contrary. I do not normally indulge in Utopian politics, so I do not think there is much prospect for changing it. All those people came together and agreed on many other matters of great importance, and I suspect one of the conditions was that there was unanimous agreement and they came up with this formula. I regret to say that we will probably, to put it in pretty ordinary language, be stuck with it. All I can say is, thank God it does not apply to other parts of the Constitution.

However, perhaps there is some possibility of taking another look at the amending formula. I simply say on behalf of my colleagues, I am sure, and I would think on behalf of the majority of the people of Canada if they understood the implications of this very rigid formula, that the Premiers and Prime Minister should take another hard look at the amending formula. However I do not, I say candidly, anticipate that that will be done in this area.

I want to conclude in the way that I opened. It is a tough task to govern a nation, especially one like ours. It is a much greater task for those whose responsibility it is from time to time to charter the framework for future generations. We are embarked on that right now in this House and in the provinces. Although we need an agreement, and as a person who was here a few years ago and felt deeply that the Province of Quebec did not join in, I know I speak for all of us here on both sides when I say that one of the great joys of the accomplishment has been to see that the Government of the Province of Quebec has now decided to support and become a full participant in the constitutional process and, therefore, will reassume her important historical role. That is good.

• (1240)

Some Hon. Members: Hear, hear!

Mr. Broadbent: I do want to say that all of us in this Chamber ought to have the occasion to look at the final wording of this important step in constitutional change. In fact, an extreme effort should be made for a non-partisan approach by us all to achieve the goals and principles which the Prime Minister addressed today, none of which we disagree with but positively support. Let us simply end up with

wording in the Constitution which carries out the very good intent that has been expressed in the Meech Lake document.

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am very proud and privileged to participate in this historic debate. Just before I get into my remarks, may I make some personal references that I believe are appropriate. I think this country owes a great debt of gratitude to the Prime Minister (Mr. Mulroney) and the leadership he has shown in bringing together an accord which at last will bring Quebec into the mainstream of our country through the Constitution. That is not in any way to denigrate the role played by the provincial Premiers, which was also diplomatic, historic and very much in keeping with the sense of what I see in Canada today as a desire that we move together in unity with Quebec as an important part of our country.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: I say that as a western Canadian. I could not feel prouder about the role that was played by our Prime Minister. I could not feel prouder about the way in which all Premiers participated constructively.

I listened with great interest to the remarks of the Right Hon. Leader of the Opposition (Mr. Turner) and those of the Leader of the New Democratic Party, the Hon. Member for Oshawa (Mr. Broadbent). The message they gave was one of support for this proposition. It is a non-partisan issue, as they pointed out, and I believe that firmly. While there may be questions, suggestions and criticisms to approaches taken, I hope the discussion in the House will always be one of which we can be proud, and we can say that we moved Canada forward historically.

I understand there have been discussions between the House leaders of the Parties concerning the disposition of this motion. I think it important for us in this House to speak with a unified voice at the beginning of a very important process. For instance when the Prime Minister was Leader of the Opposition, almost in his first week here in this Chamber I recall, if I am not mistaken, he seconded a motion put forward by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) on behalf of the Liberal Government with respect to the Manitoba language issue. That to me was the essence of non-partisanship. We were able to deal with that motion and have it accepted as part of the decisions of this House. I hope opposition Members will show the same sense of co-operation in this matter, particularly after they have declared themselves in favour and in support of this motion in principle. I do hope the discussions will carry on until six o'clock tonight.

My message today is a simple one. The Meech Lake Agreement constitutes a sound legal blueprint for the constitutional amendments now under consideration and for the further evolution of the Constitution, the fundamental law of this land.

The Meech Lake Agreement was unanimously supported by the 11 First Ministers and thus meets the strictest requirements of our Constitution's amending formula. All of the elements of the Agreement have been carefully examined from a legal and constitutional perspective. As Minister of Justice, I am fully satisfied that they constitute sound positive changes to the Constitution of Canada.

[*Translation*]

The Meech Lake Agreement is a major accomplishment which is in the best interest of all Canadians and marks the beginning of a new era for a Canadian federalism based on co-operation, harmony and mutual respect. This agreement is the result of an enormous collective effort on the part of the federal and provincial Governments.

[*English*]

We succeeded because of our willingness to recognize each other's legitimate concerns and to work toward a balanced resolution of those concerns. In this effort, it must be remembered that the First Ministers' meeting at Meech Lake was the culmination of a long process. It began in earnest with the Prime Minister's statement in Sept Iles and with Quebec's clear statement of its constitutional conditions. Months of discussions and legal analysis built on that base.

The final agreement was not a last minute inspiration. It flowed directly from carefully constructed proposals that were well understood by all the participants. Everyone was satisfied that all legitimate interests had been taken into account and sufficiently protected. That is not to say, Mr. Speaker, that every possible application of the principles agreed upon can be clearly predicted with certainty. If that were possible, we would not need courts to help us resolve disputes when differing interpretations arise. Courts do play a central and critical role in federal systems of government. That is why it has been generally recognized for some time that the Supreme Court of Canada should be expressly entrenched in the Constitution. This is another major accomplishment that will be realized when the Meech Lake Agreement is implemented.

The entrenchment of the court will have the effect of clearly giving it constitutional status as the national court of ultimate appeal for Canada. This will highlight its status and function as the final, independent and impartial judicial arbiter of federal-provincial, citizen-state and private disputes of national importance. The Agreement also provides for entrenchment of the current statutory requirement that at least three of the nine justices appointed be from the Quebec bar. This is in continued recognition of Quebec's distinct civil law system. It ensures that the court will always have the necessary expertise to deal with civil law issues, whether they arise as pure matters of Quebec's internal civil law system or as an integral part of a broader public law issue.

[*Translation*]

Moreover, the agreement provides that, where there is a vacancy at the Supreme Court level, the federal Government

will appoint a person which it feels acceptable from a list of candidates proposed by the provinces.

[*English*]

This joint selection procedure provides for an important measure of provincial involvement which is appropriate for the court of last resort in a federal system. The agreement reached regarding the Supreme Court of Canada entrenches the court along with a new process for selection of candidates. This is in keeping with the nature of the court as an institution that must resolve questions relating to federal and provincial jurisdiction as well as important issues such as aboriginal rights and the scope of the rights and freedoms under the Charter.

• (1250)

In agreeing to share authority over the nomination process for Supreme Court judges, we believe we have acted wisely and in the best interests of the country, the court and indeed the Constitution. This reflects the new spirit of federalism which is visible throughout the Agreement. As a result, we shall strengthen the legitimacy of the court as the body which must adjudicate federal-provincial disputes and interpret the Charter of Rights for all Canadians.

As a western Canadian, I am particularly pleased that there will now be an ongoing opportunity in the constitutional context for a full and frank discussion of issues which are of concern to western Canadians. I am convinced that this process will ensure the institutional equality of all provinces within the Constitution.

In seeking this agreement with the full and essential participation of all the provinces, we all carried out the national will. We were not struggling against one another, we were struggling together to obtain something for our mutual benefit. There were no losers. The nation, with its strengthened constitutional fabric, is clearly the winner.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: I would like to say a word about the aboriginal peoples of Canada. In 1982, we recognized and affirmed the rights of the aboriginal peoples of Canada. We ensured that constitutional interpretation of the Charter be consistent with the preservation and enhancement of the multicultural heritage of Canadians.

The Governments committed themselves to promote equal opportunities to strengthen the regions of Canada, but one fundamental characteristic of Canada was not recognized in our Constitution. We had to come to the realization that the distinctiveness Quebec brings to Canada strengthens our identity and indeed our sovereignty. It is time we recognize this. As Victor Hugo once wrote, nothing in this world is so powerful as an idea whose time has come.

The Meech Lake Agreement provides for the recognition of this reality in a context that is perfectly appropriate for the political and legal challenges it is designed to meet. The elements of the provision were carefully drafted in an effort to set out the reality of Canada and of Quebec within Canada without adversely affecting our traditional and fundamental constitutional arrangements. They will form part of the background against which the whole Constitution will be interpreted. It will ultimately be for the courts, and particularly for the Supreme Court of Canada to apply this new clause.

A sense of balance was also brought to bear on the other aspects of the Agreement. It is there in the elements of the agreement on immigration and spending power and indeed on the amending formula. The absence of Quebec from the constitutional process, an absence which very happily will be remedied by the agreement, has been a serious bar to the effective evolution of our Constitution. Constitutionally, we could probably not have effectively reformed the Senate without Quebec. Now we can and we will.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: We will do it on the basis of an amending formula that recognizes the constitutional equality of all the provinces.

If unanimity was reached at Meech Lake, where six complex issues were on the table, it can and will be reached again. As the Prime Minister has pointed out, unanimity is not a strait-jacket. The Meech Lake Agreement will result in a constitutional requirement for an annual First Ministers' Conference to seek agreement on Senate reform, fisheries and other agreed upon matters. Those tasks should not be more difficult than the ones we are now completing.

While success in our future ventures is not necessarily guaranteed, success need not necessarily surprise us. It is within our capabilities, if we in fact preserve a sense of goodwill and a desire to build an even greater country.

[*Translation*]

Mr. Speaker, this agreement is perfectly consistent with our political traditions. We may use this opportunity to demonstrate how proud we are of it. We are convinced that the Canadian people will clearly understand the benefits of this new system.

[*English*]

The bold multicultural experiment called Canada continues not only to survive but to succeed. We know that there are many outstanding issues that still require our attention. As I indicated earlier, we have not forgotten nor will we ever forget matters of concern to aboriginal citizens or any of the other fundamentally important matters that will continue to merit our best efforts in the ongoing evolution of our country. Meetings continue to take place to develop a consensus in order to make progress in a constitutional sense in our commitment to these very important issues. It is with a full knowledge of the challenges ahead that I am confident the agreement we have reached will provide the constitutional bedrock for the country's future growth and development.

After the Meech Lake Agreement becomes part of our Constitution, we will have new institutional arrangements to foster greater federal-provincial co-operation and harmony. The challenge Canadian leaders will then face will be how best to make use of those new arrangements to serve the national interest and to ensure the general prosperity of all Canadians in all parts of the country.

I would like to conclude my remarks within the time allotted to me so that there can be full participation in this debate. There are certain areas each of us may wish had been dealt with at this time. However, I think it should not be lost on those of us who come from regions of Canada other than Quebec or Ontario that this Accord is probably the most important step forward in the recognition of regions like western Canada that has been passed in any constitutional amendment since Confederation, and I will tell you why, Mr. Speaker. It recognizes now that we are equals in Confederation.

Under this arrangement, we are equals with respect to important national institutions as opposed to what we would have been under previous proposals put forward, like the one referred to by the Right Hon. Leader of the Opposition. It was once proposed that the veto power should only lie with certain provinces, a proposal which in its time was of some attraction to the First Ministers. It had a very serious flaw, however, in that it absolutely left out western Canada. We have remedied that and I think the Prime Minister and the First Ministers should be applauded by all Canadians for recognizing that there are no second-class citizens in Canada.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: I would like to conclude by once again congratulating all the participants for the way they approached this matter. This is a time for leadership on the part of parliamentarians. I hope that we can work together at this time by supporting and passing this resolution, in whatever way possible agreed to among the House Leaders, in order to give the leadership that is required at this time in history. We must go forward and work in a constructive way with our ideas and suggestions for other constitutional matters and the matters before us at this time.

We welcome the opportunity to discuss these matters, whether it be through an Opposition day motion of which there are some 13 available to the Opposition in this time period, or with our own time. We have demonstrated that we are prepared to make this matter a priority by using a Government day for an important debate. I hope we will find new opportunities to debate this important issue in the House, and I say to all Hon. Members that I am very proud, not only to be a Member of this House but to be a Canadian at this time in history.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, it is now one o'clock. Would the House be prepared to adjourn now, with the understanding that the Minister would be subject to the usual 10 minute period for questions and comments?

[*English*]

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

POLLUTION OF NIAGARA RIVER BY CHEMICALLY CONTAMINATED MIST

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, University of Toronto researchers estimate that as much as 60 tonnes a year of three chemicals, PCBs, chloroform, and chlorobenzenes, evaporate into the air from Niagara Falls. The total amount of chemicals released could be as high as 175 tonnes a year. According to the researchers, about half the chemicals come out of the mist at the Falls and the rest are released by wave action in the river.

In 1987 the Government reduced the strength of Environment Canada by 106 people. Since September, 1984, Environment Canada has lost $64 million in spending power to inflation.

Can the Government take any initiative to protect the health of Canadians living downwind of the Niagara River?

In November, 1984, the Government cancelled the funds necessary to develop the Guelph-Toronto Toxicology Centre intended to examine the threats posed to health and safety by toxic chemicals in the Great Lakes Basin. We call on the Government to reverse its decision of November, 1984, and give the green light to the establishment of the Guelph-Toronto Toxicology Centre to study this latest toxic threat to human health.

POLICE WEEK

TRIBUTE TO WORK OF POLICEMEN AND WOMEN—CALL FOR PUBLIC SUPPORT

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, in recognition of Police Week I would like to draw the attention of the House to the excellent police services provided to Canadians. We are all extremely fortunate and grateful for the competence, dedication and fairness shown by Canada's policemen and women. At the same time I would like to remind Hon. Members and all Canadians that crime control is everybody's business.

We all have a responsibility and a capacity to assist Canada's police forces in maintaining the peace and combating crime in our communities. While Police Week provides a special opportunity to show our appreciation to Canada's police forces, I am hopeful that each of us and our constituents will take this opportunity to explore with our respective police forces the ways in which we can assist in preserving peace and order in our communities.

* * *

CAPITAL PUNISHMENT

OPPOSITION OF NATIONAL ACTION COMMITTEE ON THE STATUS OF WOMEN

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, this past week-end delegates to the 15th annual general meeting of the National Action Committee on the Status of Women, Canada's largest women's organization representing over 500 groups from coast-to-coast, spoke out strongly against the return of capital punishment. Their resolution notes that capital punishment is legislated murder by the state and is the ultimate in violence.

These same women voice their deep concern at the possibility that the motion shortly to be voted on standing in the name of the Hon. Member for Grey—Simcoe (Mr. Mitges) entrenching the rights of the foetus in the Constitution poses a profound threat to Canadian women. The sponsor of this motion has said that women seeking abortions in Canada whose lives are not threatened, and the doctor who performs the abortion, should be charged with murder and executed. That is shameful.

Let us join with the women of Canada and Members of Parliament like the Hon. Member for Lisgar (Mr. Murta) and the Hon. Member for Bourassa (Mr. Rossi) who have shown great courage in this debate in rejecting their earlier position on this issue and the cry for a return to the death penalty.

S. O. 21

SCIENCE AND TECHNOLOGY

YOUTH SCIENCE FOUNDATION—SPONSORSHIP OF SCIENCE FAIRS

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, during the past month the Youth Science Foundation has sponsored 85 regional science fairs across Canada, including one in Ottawa—Carleton. The innovation and creativity demonstrated by the more than 400,000 young Canadians who participated is most impressive.

The 400 regional winners meet this week at the Canada-Wide Science Fair at Erindale College in Mississauga to compete for national honours. Some of Canada's future scientific leaders will be among the participants.

The Youth Science Foundation seeks to promote an appreciation and understanding of science in every young Canadian. It encourages young people to pursue careers in science and technology. It helps to develop the great potential Canada has through its youth to become an international leader in science and technology.

The Youth Science Foundation is supported in part by the federal Government and is important to all Canadians because of the manner in which it develops the skills of young Canadians.

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INDIAN AFFAIRS

POST-SECONDARY EDUCATION—EFFECT OF GOVERNMENT POLICY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, education, particularly post-secondary education, is an investment in the future. The link between higher educational attainment and better employment and economic development opportunities is undeniable. Why, then, is the Government cutting back on post-secondary education for those for whom the benefits are needed most and who would reap the greatest results? I refer to the Indian people of Canada.

Study after study has documented the social, economic and educational disparities between Indians and non-Indians in this country. In recent years more and more Indian students have been staying in school and returning to school and they are graduating. Yet the Government has decided to stem this growth in achievement. It has limited its post-secondary program, capped the number of students it will sponsor, and restricted resources to Indian educational institutions.

Under the previous Government the principles of universal access and opportunity prevailed. This Government has crushed those principles and once again deficit reduction is occurring on the backs of those least able to bear it.

S. O. 21

[*Translation*]

EMPLOYMENT

GOVERNMENT'S PERFORMANCE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, this Conservative Government always favoured the creation of long-term jobs. Since we came to power, the Canadian economy has been constantly improving. We gave private enterprise the tools needed for its economic recovery. Interest rates went down, major investment projects were set up across the land, and the hope of soon having access to a new, 250-million people market stimulates Canadian entrepreneurs.

Mr. Speaker, Statistics Canada's figures for April, 1987 show the unemployment rate is at its lowest in five years. Canadians have elected a Government that is building a strong, healthy economy that will make our native land the land of our children.

* * *

• (1405)

[*English*]

STATUS OF WOMEN

NATIONAL ACTION COMMITTEE DELEGATES' LETTERS TO PRIME MINISTER

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, yesterday delegates wrote many letters to the Prime Minister (Mr. Mulroney) including the following:

> The Government's decision to ignore the long-scheduled lobby of the National Action Committee on the Status of Women reinforces the public perception that anything is more important than the concerns of women in Canada.

Another reads:

> Is this your idea of giving priority to women's issues? Your Government does not respect its commitment to women of all ages.

[*Translation*]

This lack of respect for and commitment to our representations will not be tolerated.

[*English*]

Another reads:

> Once again women's voices are silenced. Obviously women across Canada cannot trust you and your Ministers to hear women's concerns.

Still another reads:

> I am nine years old . . . . I feel very sad about the fact that you do not listen to my granny and all the other women that wanted to talk to you tomorrow.

A further letter reads:

> I can no longer believe that you will honour your commitments or promises . . . . A disappointed potential supporter—

Yet another reads:

> NAC represents more than 3 million voting women in Canada—we have the right to be heard and treated with respect.

[*Translation*]

EMPLOYMENT

RECOMMENDATION THAT STUDENTS REGISTER AT CANADA EMPLOYMENT CENTRES AS SOON AS POSSIBLE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to urge students who are looking for summer jobs to apply as soon as possible to Manpower Canada's student centres. Again this year, through Challenge 87, this Government will create 90,000 jobs in Canada, 25,000 of which are in Quebec. That program's goal remains very clear. It is to make easier for young people the transition to the workplace. Those jobs are financially interesting and allow them to get job training and experience. For example, the Department of National Defence will be in a position to offer jobs to 7,000 students in Canada, 1,606 of which in Quebec.

I remind that Manpower Canada's student centres help students find jobs and allow employers to hire workers during the summer season. Last summer, more than 425,000 students across Canada were placed that way.

In conclusion, I wish good luck to all students in their search for a job, and I remind them to apply now!

* * *

[*English*]

NATIONAL PARKS

BANFF NATIONAL PARK—OPPOSITION TO SUNSHINE VILLAGE EXPANSION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, earlier today the Minister of the Environment (Mr. McMillan) met with representatives of the Canadian Environmental Network. During that meeting many concerned environmentalists called on the Minister to reject proposals by the Sunshine Village ski resort to expand beyond its current lease area inside Banff National Park. I want to reiterate the NDP's opposition to this expansion.

To allow Sunshine's proposed expansion to go ahead would fly in the face of the 1978 decision to establish Sunshine's current lease area and limit further expansion. It would fly in the face of Parks Canada policy and it would fly in the face of *In Trust for Tomorrow: A Management Framework for Four Mountain Parks* which the Minister published last year.

In addition, any expansion of Sunshine Village would make a mockery of the Minister's proposed amendments to the National Parks Act to limit such areas within national parks. Most important, Sunshine's proposal, particularly plans to increase summer use dramatically, could destroy Sunshine Meadows which Parks Canada has identified as one of the most threatened areas in Banff National Park.

Too often in the past Parks Canada policy has been altered or simply ignored to serve short-term political or economic

expediency. How the Minister deals with the Sunshine Village expansion proposal will be an important test of the Minister's personal commitment and that of the Conservative Government to protect and preserve our national parks.

* * *

• (1410)

THE CONSTITUTION

RECOGNITION OF QUEBEC AS DISTINCT SOCIETY

Mr. Alan Redway (York East): Mr. Speaker, on the very first Canada Day in 1867, the Quebec newspaper *La Minerve* said: "The new Constitution recognizes the French Canadians as a distinct and separate nationality. We constitute a state within a state. We enjoy the full exercise of our rights and the formal recognition of our national independence".

By recognizing Quebec as a distinct society, by giving it and other provinces a first right of refusal over changes in the House of Commons, Senate and Supreme Court of Canada, by limiting the federal spending power in areas of provincial jurisdiction, and by giving the provinces a formal voice in immigration policy and Supreme Court of Canada appointments, the Meech Lake Accord has acknowledged and confirmed the principles set out in *La Minerve* in 1867. Those are principles on which Quebec understood that it had entered Confederation in the first place. Those principles have had their opponents in the past and they still have them today, but without those principles there would be no Canada.

* * *

CHILD CARE

POSITION OF LIBERAL PARTY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, society has changed dramatically in the past 20 years. Today, less than one in six Canadian families fits the traditional family pattern of the wife at home with the children and the husband out working. Many families are headed by single parents, most of whom are young mothers.

Inadequate child care is not just a woman's issue. It is not just an issue for parents. It is an issue for all of us, including parents, employers, Governments—all Canadians. I believe that all of us have a responsibility and a duty to be part of the solution.

We in the Liberal Party believe that an adequate, affordable, accessible, quality child care system must be based on two principles: sharing the burden, and providing choices for the pre-schooler as well as the latchkey school-aged child.

Our Party has put forward a realistic and responsible solution in the Liberal pocket paper on child care which can be obtained from our office or the office of the Member for Outremont (Mrs. Pépin).

Liberals view child care as a support to good parenting, not a substitute for it. In our program, the parent's role is paramount. It is time that the federal Government showed some leadership on this issue.

* * *

STATUS OF WOMEN

EMPLOYMENT EQUITY—GOVERNMENT'S EMPHASIS ON TRAINING FOR WOMEN

Mrs. Mary Collins (Capilano): Mr. Speaker, once again I want to emphasize to the House the great importance that the Government places on the achievement of economic equality for women. A major step forward in this regard occurred last November at the First Ministers' Conference in Vancouver. At that time, the Prime Minister (Mr. Mulroney) and Premiers endorsed a labour force strategy which has a particular emphasis on training for women. Next month, federal, provincial and territorial Ministers responsible for the status of women will be meeting with Ministers responsible for labour market matters to elaborate on this strategy.

Our Government is also addressing women's employment needs through the Canadian Jobs Strategy. For the first time ever, our national employment and training strategy includes targets for the participation of women and a particular emphasis on women re-entering the job market. These two measures, along with many others introduced by the Government, will go a long way to promote the full participation of women in all sectors of economic activity.

* * *

PORNOGRAPHY

VANCOUVER GROUP'S OPPOSITION TO PROPOSED LEGISLATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, over the week-end in Vancouver I met with a group called The Coalition on Pornography. It is made up of representatives of the Anglican Church, University Women's Club, Justice Institute, the Junior League, the North Shore Women's Centre, and the Periodical Review Board.

This group was formed to fight pornography and get the Government to bring forward legislation against it. Ironically, they now find themselves fighting the legislation because it goes too far and has, in effect, as its basic premise, that all sex is dirty. I want to bring their representations to the House and urge the Government to bring forward reasonable legislation that combats real pornography but recognizes that sexuality is a part of life in Canada.

[*Translation*]

THE ADMINISTRATION

PARTICIPATION BY WOMEN—GOVERNMENT POSITION

Mr. Marc Ferland (Portneuf): Mr. Speaker, our country has everything to gain from the full participation of women in the various aspects of Canadian society. That is why when we came to power, and because of the urgent need to act, our Government agreed to double from 15 per cent to 30 per cent the number of women on the various federal boards, commissions and offices.

In the Throne Speech of October 1, 1986, we confirmed our intention to increase the participation of women in the various stages of the decision making process. And the figures are there to show that we are living up to our commitment to Canadian women.

Only half-way through our mandate, over 27 per cent of all the Government's discretionary appointees have been women. By appointing a greater number of women to key positions, the Government wants to show the way to the private sector and the Canadian people generally.

* * *

[*English*]

CANADA LABOUR CODE

CHARTERED BANKS OPPOSED TO UNIONIZATION OF EMPLOYEES

Mr. Rod Murphy (Churchill): Mr. Speaker, I believe it is time that we changed the Canada Labour Code with respect to the certification of employees who wish to become members of a union. Some of the major employers in this country which have made huge profits, namely, the banks, also pay low taxes. They have been very successful in preventing their employees from organizing into unions. Most of these employees are women and receive low salaries despite the fact the banks make high profits and pay low taxes.

• (1415)

When there have been attempts by these workers to organize, the banks have used every means at their disposal to make sure these workers do not become part of a union. Time after time the Canadian Labour Relations Board has ruled against the banks but the end result is that these people do not get to remain in unions. I believe that is one reason these people receive low salaries, which helps to create the spread between male workers and female workers.

It is time the Government conducted an investigation into this matter and ensured we have a labour code which adequately protects the rights of female workers.

NATIONAL CAPITAL COMMISSION

CEREMONIAL ROUTE—ABANDONMENT OF PLAN TO USE COLOURED PAVING

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Government has shown one more time how it can be weak-kneed when confronted with even a slight bit of controversy. A few days ago the National Capital Commission announced it no longer intended to proceed with the planned coloured repaving of the designated ceremonial route in the Ottawa area. Since the NCC had repeatedly affirmed its commitment to this project in the past, I have concluded that its change of heart was caused by none other than the Deputy Prime Minister (Mr. Mazankowski) responding to the whining and moaning of a few disgruntled backbench Tory Members of Parliament.

With this kind of weak-kneed approach, our national railways, our government-run airlines and even the construction of our War Memorial would have never proceeded. The Parliament Buildings would probably have never been built. The National Capital area is being very poorly served by the present Tory Government. They shall remember.

ORAL QUESTION PERIOD

[*English*]

TAX REFORM

REQUEST FOR ASSURANCE TAX WILL NOT BE IMPOSED ON FOOD

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, single mothers and, indeed, many Canadian families are having difficulty putting food on the table these days. Over the past week-end, the National Action Committee on the Status of Women at its meetings here in Ottawa expressed grave reservations about the possibility of a national sales tax on food as well as a tax on other necessities.

My question is a simple one. Will the Prime Minister do a very simple thing right now and assure Canadians that there will never be a national sales tax on food?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was absent when the Minister of Finance addressed this matter in the House in the last couple of days. However, in regard to the spirit of tax reform, the idea is a greater degree of fairness for Canadians in the tax system in a very special way, a greater degree of fairness for those on the lower levels of the income scale and a greater degree of relief for them and their parents, including the individuals to whom the Right Hon. Leader of the Opposition referred.

The details of this will be spelled out when the White Paper is published on June 18. My right hon. friend, as a former Minister of Finance, will, of course, want to wait for the publication of that document.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I will wait, but I have noted that the Prime Minister failed to give me the commitment I sought with respect to a national sales tax on food.

[*Translation*]

CENTRES FOR BATTERED WOMEN AND THEIR CHILDREN—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Canadian women have learned that they can no longer rely on the Prime Minister's word. In the Speech from the Throne, the Government had promised once more to address the immediate and long-term problems of battered women and their children. Instead, existing shelters for battered women throughout Canada have had to close down because of the budgetary cutbacks in spending and the lack of a national social housing program. When is the Prime Minister going to keep his word in this respect?

• (1420)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in response to the question of the Right Hon. Leader of the Opposition, the Prime Minister is keeping his word. One need only look to the changes made to the Canada Assistance Plan.

While that plan was based on financial need, as he will be aware, the argument we put forward is that persons could have needs other than financial, and the plan has been expanded. There has been close co-operation between the federal Government and the provinces in that respect.

In respect of social housing, the Minister responsible for CMHC has also been looking at this area and has in fact advanced further numbers of spaces for transition homes, and again this has been done in co-operation with the provinces.

The program is well in place. As the Right Hon. Member knows, these programs also have to be bolstered by education and awareness, and we are working on that as well.

Mr. Turner (Vancouver Quadra): Let me say to the Minister that on Friday last I was in contact with the Downtown East Side Women's Centre, and certainly his programs are not evident at that particular centre, or other centres for battered women in Vancouver. I hope there will be some action on this.

WAGE GAP BETWEEN MEN AND WOMEN

Right Hon. John N. Turner (Leader of the Opposition): My final question is for the Prime Minister.

For the first time in 18 years, the wage gap between men and women in this country has widened.

If the Prime Minister's programs for women are so good, why has the wage gap between men and women in Canada widened?

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, the figures published on the wage gap were obviously of great concern to us, as well. I should point out that the lag on the statistics is such that they do not reflect the effects of the Employment Equity Bill and the Canadian Jobs Strategy, nor do they reflect the effect of the training program that came out of last fall's First Ministers' Conference.

None of the programs we put in place to address that problem were in motion at the time these figures were published.

It is something that we intend to keep a close eye on, because that is exactly what we are trying to achieve for women in the workforce.

* * *

[*Translation*]

HUMAN RIGHTS

NEW REPRODUCTION SCIENTIFIC TECHNIQUES—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Prime Minister. The new reproduction technologies are becoming more and more part of our daily life. Whether in the area of *in vitro* reproduction, sperm bank creation, ovum transplant or surrogate mothers, the Government should certainly act expeditiously and quickly.

Could the Prime Minister advise the House whether he is prepared to set up a Royal Commission of inquiry on the new reproduction technologies?

[*English*]

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, within this Government, and certainly at the Family Conference sponsored by the Advisory Council on the Status of Women, this issue has been addressed in some detail. It is something in which the Department of National Health and Welfare is actively engaged.

I do not know that we need a Royal Commission, when we have a department of Government that is working very hard on this topic, a topic that is of great importance to women.

* * *

[*Translation*]

HEALTH

DISTRIBUTION OF DEPO-PROVERA—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): My supplementary question is for to the Minister of National Health and Welfare. Is the Minister prepared to confirm the news that his Department reportedly approved last week the distribution throughout

Canada of the Depo-Provera drug, in spite of the strong opposition of women's groups because of the drug's secondary effects? Could the Minister tell us whether or not he has approved this drug for distribution?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased to take this opportunity to dispel another rumour that is going around, namely, that approval for Depo-Provera has taken place.

There has not even been a recommendation in that respect that has come to my desk.

* * *

[*Translation*]

DAYCARE CENTRES

REQUEST FOR GUARANTEE DAY CARE LEGISLATION WILL BE PRESENTED BY JULY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. This morning, during the constitutional debate, the Prime Minister indicated that the Parliament of Canada can set up a daycare program.

Will the Prime Minister guarantee that a Bill for that purpose will be introduced before July?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Prime Minister and the Premiers, at the First Ministers' Conference in Vancouver, gave a very direct mandate to their respective Ministers of Health in this regard, and we have been working co-operatively with the provinces on a child care proposal.

• (1425)

We think that work is progressing very well. There is a date in June when we want to put that in the hands of the Prime Minister and the various Premiers. Whether or not it will be legislation or in the form of legislation in June would depend upon those discussions, and I could not commit myself on that point at this time.

PROVISION OF MORE CHILD CARE SPACES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question is directed to the same Minister. As the Minister knows, one could deal with this matter either from the point of view of legislation or simply direct federal Government spending to provide increased daycare spaces.

Since the Minister, before the week-end, expressed dissatisfaction with the majority report brought in by a House committee, the majority of whose Members were from his Party, will he now give assurances to the House that when the measure is brought in, hopefully before the end of June, the major amount of money in it will be used to provide additional child care spaces?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, with regard to the reporting of the speech that I made at Guelph on Thursday and the point that I made about the report of the special parliamentary committee, I indicated that the choices that committee had put forward were a very good approach to child care.

I also said that in order to have advanced child care we would also require more spaces. It was in that respect that I thought the report would have to put more emphasis. That is what I said in Guelph on Thursday.

In respect of the configuration of the approach which we will take, that will be announced at the appropriate time. I take the Hon. Member's point as representation. It is not new, nor unique. We are dealing with it as well.

Mr. Broadbent: It is neither new nor unique but long overdue in Canada, and I hope the Government will act on it; that is the point.

REQUEST FOR GOVERNMENT FUNDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since in his earlier answer the Minister alluded to the possibility that there may not be action before the end of June, depending upon what happens in the discussions with the provinces, will he at least give assurances that the federal Government will live up to its commitment to increased child care spaces by taking action, before the end of June, to provide money to increase the number of badly needed spaces?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I do not want to leave any wrong impression that the provinces are not co-operating. In fact, quite the opposite is taking place. There is very close co-operation in the discussions between the provinces and our federal responsibility.

I accept what the Hon. Member says in terms of the urgency. The Prime Minister has very clearly indicated that. He has put his personal imprimatur on it. It is that mandate that we are following.

* * *

COMMUNICATIONS

TELEVISION—PARTICIPATION OF WOMEN AT PRODUCTION LEVEL

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, broadcasting has the power to shape attitudes, values, and provide role models for our children. However, according to recent statistics, men outnumber women two to one as prominent television characters in prime time programming and four to one in children's programming. Not only are

women under-represented, they are often misrepresented on television, performing a limited number of stereotyped roles.

My question is for the Minister of Communications. Will the Minister introduce broadcasting legislation to increase the number of women at the production level as well as on the screens of the Canadian broadcasting system, so that there will be a fairer portrayal on Canadian airwaves?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, as the Hon. Member fully knows, we are in the midst of reviewing the Broadcasting Act and preparing for the introduction of new legislation. She is one of the hard-working members of the committee. I take her representations at this time as something to be considered as we come forward with a new Broadcasting Act.

I also want to mention that the CRTC has recently put forward guidelines for sex role stereotyping which should also be considered in the revision of the Broadcasting Act.

APPLICATION OF EMPLOYMENT EQUITY ACT—ROLE OF CRTC

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my supplementary question is directed to the same Minister. Notwithstanding the important step forward in terms of sex role stereotyping, I would like a stronger statement of commitment, if possible.

Since the current Employment Equity Act lacks an effective enforcement mechanism, will the Minister ensure that employment equity obligations apply to all broadcasting licencees regardless of size and that the CRTC is mandated to supervise and enforce employment equity provisions as a condition of licence?

• (1430)

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I was very pleased to see that in a recent rulings of the CRTC it did make compliance with the guidelines on sex role stereotyping one of the conditions of licence when the application comes forward for renewal.

I think there are advances in this field, and I am very pleased with the way in which the broadcasting community is addressing itself to the provisions of the present Employment Equity legislation in order to ensure greater equality in our broadcasting industry for women and for minority groups.

* * *

CHILD CARE

DEVELOPMENT OF SERVICES

Ms. Margaret Mitchell (Vancouver East): My question is for the Minister for National Health and Welfare. It has to do with child care concerns raised by the National Action Committee on the Status of Women. The Minister knows that study after study has shown that non-profit child care is consistently of higher quality than commercial child care.

Will the Minister put aside his own market-place ideology and assure the women of Canada that their children will not be used for profit and that new public funds for child care will go to develop non-profit child care services?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member puts forward an argument which she knows does not do any justice to families who decide what type of child care they want, whether it is non-profit, commercial, or informal child care. I am not going to be a Minister who will stand in this House and demand that parents do this or that.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): What I promise the Hon. Member and the House is that when the Government puts forward its proposal there will be a wide range of choices, which I think is an approach more in keeping with what Canadian parents want.

Ms. Mitchell: Mr. Speaker, we are talking about the appropriate use of tax dollars for child care. Appropriate use is not for profit-making child care.

USE OF GOVERNMENT FUNDING

Ms. Margaret Mitchell (Vancouver East): Another related overriding concern of women is the quality of child care, Mr. Speaker. They are very concerned that the Minister may extend or agree to extend Canada Assistance Plan funding. Will the Minister guarantee that the Canada Assistance Plan funding, which is a welfare program—we want child care to be for everybody—will not be extended to fund profit-making child care either now or in the future?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again the Hon. Member forgets, for example, that the present Ontario Government recognizes that over 50 per cent of its spaces are in the very types of configuration which she condemns; in Alberta around 70 per cent are and, in Atlantic Canada, which does not have the kind of financial resources that some of the other provinces have, the percentage is also very high. Simply to condemn, then to lose those spaces and to say we have done more for child care is to argue the preposterous. What I am saying to the Hon. Member is what I said in my first answer, that there will be a choice, and she will have to wait for that day.

Oral Questions

PORNOGRAPHY

CONTENT OF BILL

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Justice. It concerns Bill C-54, the pornography Bill. When the Government began to encounter criticism of the Bill the Minister suggested that he would be flexible and would accept constructive amendments to it. Over the week-end, the Minister of Consumer and Corporate Affairs in Calgary suggested that the Bill could not please everybody and that the Government would move ahead with it.

Was the Minister of Consumer and Corporate Affairs speaking for the Government or is the Government prepared to accept constructive amendments to get away from this idea that all sexuality is pornography?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the question on this important Bill. I think that I have to take issue with the Hon. Member's generalization about the legislation. His generalization is just the opposite from the actual fact.

If the Member reads the Bill, he will see that we have attempted to bring a balance with respect to this whole question. I do not believe that there is anyone in the House who thinks it is an easy proposition to define these matters. I can tell the Hon. Member that this Bill is light years ahead of present law and it is receiving very substantial support across the country.

His own Party has been calling for strong legislation on pornography and the importation of this type of material into our country. I hope the Member will not change the policy of his own Party in order to carry out the wishes of the editorial board of *The Toronto Star*.

[*Translation*]

REQUEST THAT GOVERNMENT DIVIDE BILL IN TWO

Hon. Bob Kaplan (York Centre): I have a supplementary, Mr. Speaker. I should like to ask the Minister whether he would be prepared—because it is true that the Liberal Party supports such a legislation—to bring forward a Bill dealing with violence, degradation, child pornography and leave aside that encroachment on Canadian life standards; in other words, is he prepared to divide the Bill, to introduce legislation dealing with the parts on which we agree and waive the remainder pending a more thorough study?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not quite understand what the Hon. Member is saying. He knows what the present state of the law is. The highest courts have determined that depictions as I have set forth in this legislation are currently considered to be obscene under the present law. If the Hon. Member is suggesting that we want to expand and loosen the present standards to allow for pornography to be available in the corner confectionery stores across the country and in various neighbourhoods, I wish he would stand up and say so.

I think it is important to put this in perspective. I appreciate constructive suggestions. I would be prepared to listen to them but, on the other hand, I do not want generalizations which are inaccurate to be the basis of those suggestions.

POSITION OF NATIONAL ACTION COMMITTEE ON THE STATUS OF WOMEN

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is also for the Minister of Justice. This past week-end the National Action Committee on the Status of Women, Canada's largest women's group, voted overwhelmingly to reject the Government's proposed Bill on pornography. Will the Minister now agree to scrap this dangerous and Victorian legislation? Will the Minister bring forward instead a Bill which clearly distinguishes between violent and exploitive degrading pornography on the one hand and images of consensual adult sexuality on the other, as strongly recommended by the Fraser Commission? Will the Minister not understand that basic distinction, Mr. Speaker?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not take issue with the resolutions that have been passed. People have different points of view. The President of the National Action Committee on the Status of Women on the tabling of this legislation I thought had a very supportive statement when she asked this House to move quickly on this important legislation. This legislation, I think, represents a balanced approach. It is in accordance with the values and traditions which the overwhelming majority of Canadians hold respecting acceptable material.

If the Hon. Member has suggestions about the Bill, I would like to hear them, I think at committee stage, but I do not want to take his generalization that we should simply open the doors and have no provisions at all with respect to pornography. I do not think that is a fair position for the New Democratic Party to take, quite frankly.

CARING RELATIONSHIP QUERY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the President of NAC speaks for her organization in overwhelmingly rejecting this legislation.

The Minister has said that images of caring relationships will not be affected by this Bill, and yet the definition of erotica in the Bill includes only nudity and nothing more. Does this mean that for a Tory Government a caring relationship is an exclusively non-sexual relationship? Why has the Government rejected the Fraser Commission's recommendation, that the Government has no right to invade the bedrooms of the nation to tell adults that they cannot view consensual adult sexual activity? Why this puritanical anti-sex approach, Mr. Speaker?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would answer the question if it were a correct proposition. Is the Hon. Member reflecting the position of his Leader? Is this the position of the New Democratic Party on this matter? I think it is important to know where the New Democratic Party stands. If the Hon. Member does not understand that this particular Bill does bring a balance with respect to the whole question of sexuality—

Mr. Cassidy: A Victorian balance.

Mr. Hnatyshyn: —that it only attacks hard-core depictions—

Mr. Cassidy: Nonsense.

Mr. Hnatyshyn: The Hon. Member wants to throw it wide open, Mr. Speaker, and have all women depicted as love slaves or something of that sort. That is not the position which this Government takes.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Here comes his Leader. Come back Ed.

Some Hon. Members: Oh, Oh!

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: It took me to bring him back.

Some Hon. Members: Oh, oh!

Mr. Turner (Ottawa—Carleton): Ed, you better phone Svend again and calm him down. Here is a quarter.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Cochrane—Superior.

* * *

• (1440)

INDIAN AFFAIRS

LACK OF SUFFICIENT HOUSES ON RESERVES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Minister of Employment and Immigration. Is the Minister aware that many Canadian native women who have had their Indian status restored as a result of Bill C-31 are unable to return to their communities because there are not enough houses? Housing construction in Indian communities has nearly been paralysed because of the Minister's refusal to use the Jobs Strategy Program to provide the labour component of the construction of houses.

Is the Minister prepared now to tell the House that he will adjust his policy so that Indian women and their children who want to go home will be able to find houses when they do so?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the question raised by my colleague was drawn to my attention some time ago. Moreover, I have met with the Minister of Indian Affairs and Northern Development on two or three occasions. However, my colleague should know that funds earmarked for the Canadian employment strategy are distributed in an equitable fashion among various Canadian groups and generally speaking, native people have received sums corresponding to their needs. However, I recognize with him that the training problem and the implementation of the employment strategy represent a special problem in the case of native people since on reserve training and even off reserve training gives rise to a particular problem. This issue is now under consideration and I shall be in a position to give an answer in that respect in the days or weeks to come.

[*English*]

CANADIAN JOBS STRATEGY—USE OF FUNDS FOR INDIAN COMMUNITIES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the Minister knows that Indian communities lost $8 million from what they had under the Canada Works Program because of the change in his policy. Will the Minister confirm to the House that his colleague, the Minister of Indian Affairs and Northern Development, made a very specific request, having recognized the gravity of this situation, for a fair share of the Canadian Jobs Strategy funds so that Indian communities can have houses built now when the construction season is getting under way? Will the Minister confirm that he received that request and will he tell the House that he is prepared to respond to that request quickly and positively?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I told my friend that I met with the Minister of Indian Affairs and Northern Development two or three times. The requests of the Minister of Indian Affairs and Northern Development are always fair, but I am not ready today to say when I will be ready to give that answer. It will be a good and a fair answer but we have to take into account that this money has to be expended with fairness for all Canadians.

* * *

TAX REFORM

BUSINESS TRANSFER TAX—OPPOSITION OF NATIONAL ACTION COMMITTEE ON THE STATUS OF WOMEN

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I address my question to the Prime Minister and it is with reference to his statement that the new sales tax and tax reform will be

fair. He knows that the National Action Committee on the Status of Women representing three million Canadians has declared its unequivocal opposition to proposals for a business transfer tax or some other form of sales tax that would impose a tax on essentials such as food because of the impact it would have on working families and on poor families, most of which are headed by women.

Could the Prime Minister clarify the confusion left by the Minister of Finance last week and tell us specifically if the Minister of Finance was reflecting government policy when he said that only low-income families would receive some kind of a sales tax credit to offset this proposed new sales tax on food?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, last week the Minister of Finance indicated that the Government of Canada would be setting out its views in regard to tax reform in a White Paper on June 18. He indicated the components of that and the philosophy behind it. That philosophy is one of greater fairness, the elimination of tax avoidance, and a greater degree of fairness and assistance for those who are at the lowest level of the income pole. This will be accomplished in a number of ways, all of which will be set out in the White Paper to be presented on June 18. My hon. friend would no doubt want to wait until he sees the integrated package before he asks me to comment on any hypothesis.

SALES TAX CREDIT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Prime Minister aware of the fact that the existing sales tax credit, modest as it is, is given only to families earning less than $17,000 per year and therefore not only excludes large numbers of working families just above the poverty line but also excludes many thousands of families that are actually below the poverty line? Is this the model for the proposed sales tax credit on food? Does this not mean that the Government intends to make working families pay this sales tax on food of $300 per year while many families in poverty will pay the sales tax as well? Is that his policy?

Right Hon. Brian Mulroney (Prime Minister): No.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE ACT

POSSIBLE AMENDMENT—GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Employment and Immigration. There have been reports that the Minister has now decided not to proceed with any reform of the Unemployment Insurance Act despite unanimous recommendations to the contrary made by the Standing Committee on Labour, Employment and Immigration. Is that correct? Is it true that the Minister has now dropped any reform of the Unemployment Insurance Act?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the other day my colleague, the Hon. Member for Nickel Belt, said that we do have a reform of $1 billion. I told him that he did not have good information. Today I told my friend that there will be an announcement next Friday on unemployment insurance reform.

MATERNITY AND PARENTAL BENEFITS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, while there were some differences between the Standing Committee report and the Forget report, there were also some major grounds of agreement including what should be done with maternity benefits and parental benefits. Would the Minister not at least legislate in those areas where there is agreement between the two reports?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Government has received and will continue to receive a number of reports on a problem as special as unemployment insurance. There is no question of the Government considering only one aspect of a report. We have to define whether the current unemployment insurance system is now meeting the needs of Canadians. And in accordance with the reviews which will be made and reports which we have received, we will table next Friday what the Government intends to do about unemployment insurance.

* * *

[*English*]

INDUSTRY

PROPOSED SALE OF CADILLAC FAIRVIEW TO UNITED STATES FIRM

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Prime Minister. Just weeks after the Dome sale was announced, another large Canadian firm, Cadillac Fairview, is now being sold to a U.S. firm, putting malls and office buildings right across the country in U.S. hands. What does the Government intend to do to promote the Canadianization of the economy and to reverse this growing shift to U.S. control of key firms across the economy?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, the first thing I want to tell my colleague is that the company concerned did not submit an application to Investment Canada. Besides, when reviewing such applications, we always make sure, before anything else, that Canadian interests are protected, and they have been in those instances, when we take into account the Canadian participation in the management of that corporation; second,

the increase in Canadian productivity and third, the technology ownership.

That is how, each time we review such transactions, we look after Canadians' interests.

[*English*]

REVIEW BY INVESTMENT CANADA

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would point out to the Minister that this firm has even refused to sell public shares to Canadians. I hope that will be part of what his review will look at.

Will the Minister assure Canadians that the Investment Canada review that will take place will permit communities right across the country to have input on this takeover since these changes in ownership will be of such importance to those communities and the country itself?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I will only repeat what I said. Every time we have to review such transactions—and since the enactment of the new legislation on Investment Canada, that corporation has reviewed more than 2,200 of them—we have always safeguarded Canadians' interests and we will continue to do so, Mr. Speaker.

* * *

• (1450)

[*English*]

AGRICULTURE

WHEAT FARMERS—1987-88 CROP YEAR—REQUEST FOR DEFICIENCY PAYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Prime Minister. A couple of weeks ago in this House he said if he received a plea for help from western farmers he would respond. Although he did not respond, while in the west last week, to the request by wheat producers and their organizations facing the worst financial crisis since the 1930s, now that he has been to the west and met with some farmers will he respond positively to their pleas for a deficiency payment for the 1987-88 crop year?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I met with western farmers throughout that area in a very good series of meetings last week. They were obviously concerned about the future because of the drop in commodity prices. They were very grateful for the $1 billion cash infusion which was the largest deficiency payment in the history of Canadian agriculture, designed by this Government. They were concerned about the future and so we resolved to work with them and their organizations, as well as the provinces, to alleviate as best we can any concern regarding next year.

REQUEST FOR INTRODUCTION OF NEW DEBT RESTRUCTURING INSTRUMENTS

Mr. Maurice Foster (Algoma): Mr. Speaker, the farmers would be more pleased if they could get a commitment on the floor of this House today. Not only are they receiving the lowest prices since the 1930s in constant dollars, but are also suffering the worst devaluation in land values amounting to about $100,000 for the average economic sized farm.

Since the Prime Minister lifted the moratorium on FCC foreclosures will he make a commitment today to bring in new debt restructuring instruments to assist farmers facing foreclosure? Men and women who have worked for years and years and years now face the loss of their farms because no proper debt restructuring instruments were put in place by the Government to cope with this crisis.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the point raised by my hon. friend I find especially troubling. The thought that anyone who has worked the land with his family should, for whatever reason, lose that land or his right to it is something I find very troubling. I have examined with my colleagues, and will be examining with the provinces, further instruments whereby we can be helpful in that regard. I met specifically with a farmer and his son in Lethbridge, and then other farmers and their families outside Saskatoon, where this particular matter was discussed. I shall be working very closely with them in that regard.

I should tell my hon. friend, because I know he will be happy to hear it, that the farmers, while concerned about next year, are very grateful to this Parliament for the fact that aid to western agriculture, since this Government was sworn in, has increased by 350 per cent. They asked that their gratitude be conveyed to all Members.

LONG-TERM SOLUTIONS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Prime Minister. Having come back from western Canada after talking to some of our farmers I hope he now feels more personally the crisis that exists in western Canada. Whether he went to Alberta, Saskatchewan or Manitoba, surely the question that came up and again and again was what sort of long-term solutions is the Government working toward. Can the Prime Minister tell us what sort of long-term solutions the Government is prepared to offer to ensure that dozens of farm families will not go bankrupt? What long-term solutions is the Government thinking of and is prepared to offer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, not only did the farmers raise the question of long-term solutions, they know full well there is no quick fix to the problems inflicted on western agriculture. They know no one in this House is responsible for the decline in commodity prices. They know full well that over the longer haul the answer is not greater and greater deficiency payments. They have increased their productivity and they do not want hand-outs. They want

to be treated with dignity and respect and that is exactly what we are trying to do.

They also know, and discussed this very clearly with me, the work begun by this Government which for the first time raised agriculture at the level of the industrialized countries' summit in Tokyo last year.

A follow-up meeting is taking place right now at the OECD where the Minister of Finance and the Minister of International Trade are specifically dealing with international agricultural subsidies. That will be followed by a meeting convened in Canada of the Cairns group. That will be followed by meetings that the Secretary of State for External Affairs and I shall have with farm leaders before we take to the Venice Summit this very debilitating issue of the trade war and agricultural subsidies between the U.S. and the ECM. This is killing our western farmers. They do not deserve this kind of treatment and the Government is resolved with them to solve this long-term problem in the economy.

GOVERNMENT POSITION—REQUEST FOR ANNOUNCEMENTS

Mr. Simon de Jong (Regina East): Mr. Speaker, western Canadian farmers recognize that the problem is the trade war between the U.S. and the ECM. They also recognize it will take a few years before that is resolved. They recognize as well, as one farmer is quoted as saying, that all the Government has come up with is short-term band-aid solutions. What they want to know is what thinking, if any, the Government is putting into finding a solution to keep them going and prevent thousands of farm families from going under until an international agreement is reached. Neither the Prime Minister nor his Government has given us any indication that some long-term thinking is being done. Is he prepared to make some definite announcements to Canadian farmers in the very near future if not today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is now asking quite a different question. The first question dealt with the long-term problem and I think we have attempted to deal with that. He is now turning his question to the problem of tomorrow as it affects the ordinary farmer in Saskatchewan. That, too, is absolutely vital.

What have we done? We brought about a reduction in interest rates of four percentage points, each of which saves farmers about $150 million in payments to financial institutions. We helped them reduce input costs. We increased direct support. We arranged for a degree of diversification. We brought about the largest single deficiency payment in the history of Canada.

We shall work with the farmers to make sure that they get through this critical period. As I said in western Canada, and I will tell my hon. friend again, with this Government, when western farmers cry out for support, there is someone here to answer them.

EFFECT OF UNITED STATES FARM BILL

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to follow up on the answers of the Prime Minister. He said the Government is taking all measures possible to deal with the immediate crisis in the West and the international trade problems.

The U.S. Government in the last two weeks has substantially expanded the U.S. Farm Bill to provide export subsidies to markets traditionally supplied by Canada. The U.S. is proposing further changes which would cause a further drop in prices. If the Government is interested in doing something for the western farmer is it prepared to take immediate action to forestall those actions which will have an even more damaging effect in the next six months on the farm economy of western Canada?

• (1500)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member's question was whether the Government has intervened with the United States administration with regard to various actions it is taking which are harmful to the interests of Canadian agriculture. The answer is that it certainly has and will continue to do so.

A discussion on precisely that matter occupied a large portion of the lunch convened by the Prime Minister for the President at 24 Sussex Drive in which the Prime Minister made clear, in no uncertain terms, Canada's grave concerns about the implications for Canadian production, and indeed for world trade in agriculture, of the U.S. Farm Bill. I will be carrying that message to San Francisco later this week when I meet with Secretary Shultz again.

CANADIAN ACTION INTERNATIONALLY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. He just said that the matter was raised at a luncheon with the President. A week after that luncheon the President of the United States authorized his own administration to expand substantially farm exports in order to challenge Canadian traditional markets in both the Middle East and the Soviet Union. It must have been a hell of a luncheon discussion to get that result.

The point is that the Americans are continuing to move into those markets using their subsidy programs. What further action will we take to stop that kind of invasion of those markets and that use of the Farm Bill?

Has Canada responded to the proposal which was put forward by GATT several months ago for us to put our agricultural negotiating position on the table so that we know clearly what initiatives and priorities we have in agriculture? Are we going to do something deliberate to stop the United States taking that action? Have we put our proposals in front of GATT?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, you know my natural modesty. I hesitate to suggest to the Hon. Member that he read the speech I gave to the Canada Grains Council in his own city about a month ago in which I set out quite precisely the five principles which Canada has advanced into the OECD and GATT which, if agreed to by other partners involved in international trade in agriculture, could begin much more quickly than in 10 years' time some movement away from the cycle of subsidy which we are now facing.

We intend to press this issue and the interests of Canadian farmers in international negotiations at every opportunity. We have been doing that and intend to continue to do that.

Mr. Speaker: I would like to advise the House that there will be a question and a supplementary question from the Hon. Member for Churchill followed by a single question from the Hon. Member for Drummond. That will close off Question Period.

* * *

STATUS OF WOMEN

FREE TRADE—IMPACT ON WOMEN

Mr. Rod Murphy (Churchill): Mr. Speaker, during the First Ministers' Conference last year the Prime Minister promised that there would be a full study of the impact of government policies on women. Has the Government undertaken a study to learn what the impact of the Government's free trade position is on women?

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, the way in which the Government is approaching trade will result in the future of jobs and opportunity in Canada being very positive for women. Women do best in an atmosphere of growth, competition, and productivity. That is where women get real economic opportunities.

Allow me to point out that poor countries do not have a good record with regard to women. We want to ensure that there is prosperity, competition, and productivity in this country.

GOVERNMENT STUDY—REQUEST FOR PUBLICATION

Mr. Rod Murphy (Churchill): Mr. Speaker, I am sure the women of Canada appreciate the rhetoric, but I think they want to know whether the Government is going to live up to its promise to have a full impact study of its economic policy on free trade and how it affects women. Will that be made public?

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, no Government has done a better job for women than has this Government. There are 427,000 more women working today than there were on the day of the election.

Some Hon. Members: Hear, hear!

Mrs. McDougall: That is because we are looking forward and not to the past. We have employment equity, job training, trade which will expand job opportunities, more women working fulltime, and tax reform coming. All these things will work for the benefit of women in this country.

* * *

[*Translation*]

TEXTILE INDUSTRY

GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): My question is for the Minister of Regional Industrial Expansion and deals with the textile industry. Last Friday night, one of our companies, Dominion Textiles, which manages its production in a very modern way, won the Regional Industrial Olympiad. Could the Minister guarantee the House that the textile policy will be followed, to allow the industry to continue and prosper in Canada.

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I would like, first of all, to congratulate that company on behalf of the Canadian Government.

Secondly, you may recall that the textile policy has been in effect since July 30th, 1986 and that its main objectives are to limit imports and to allow for a better control. According to information received from industry representatives, the industry is very pleased with the Government's policy which has led to a consolidation of employment and a streamlining of operations.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

MEECH LAKE AGREEMENT

The House resumed consideration of the motion of Mr. Mulroney:

> That this House endorses the Meech Lake statement of principles approved by all First Ministers, April 30, 1987 as a basis for Quebec's participation as a full partner in the Canadian Constitution, and as a basis for the establishment, in a spirit of equality and fairness, of a process for considering further constitutional reforms.

Mr. Speaker: When the House rose at one o'clock p.m. the Hon. Minister of Justice (Mr. Hnatyshyn) had completed his speech. I will now recognize Hon. Members who wish to question the Hon. Minister of Justice or comment on his speech. If there are none, we will resume debate.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to direct my question to the Minister of Justice (Mr. Hnatyshyn). With officials of his Department, he is preparing the final legal text of constitutional changes agreed upon at the Meech Lake meeting. Could the Minister tell the House when this text will be ready? Could he guarantee the House that we will have an opportunity to debate the proposed resolution before it is submitted for approval to the provincial Premiers?

[*English*]

Mr. Hnatyshyn: Mr. Speaker, my Department has been working, on an urgent priority basis, on the wording which will be submitted to the First Ministers. As the Hon. Member will appreciate, the process will involve discussions among the participants and those First Ministers who must take that step in a constitutional sense to ensure that the wording is satisfactory for First Ministers to take to their respective legislatures. We are working on it on a very urgent basis.

Bilateral discussions are, of course, taking place. We are quite prepared, through participation in this debate, to hear points of view. It is very helpful to hear comments of all Members of Parliament.

With regard to the manner in which this whole proposition can be dealt with, I think that would be best left to discussions between the House Leaders to find the most appropriate methods of dealing with the matter.

Mr. Gauthier: Mr. Speaker, my question really deals with the legal text. Will the Minister give his undertaking today that he will table in the House the legal text before—and I emphasize "before"—it is brought to the Premiers for their approval so that we can discuss the legal text in this House?

Mr. Hnatyshyn: Mr. Speaker, I do not quite understand what the Hon. Member is suggesting. The Hon. Member may not have meant that we should somehow ignore the First Ministers with regard to discussions about the text, but that would be the result of his proposal.

I believe there will be opportunities for Hon. Members to study the legal text at the appropriate time. I do not want to suggest for a moment that we are going to ignore the First Ministers. The matter will be discussed with them to ensure that we have something with which we can move, on the same basis as we arrived at the consensus which the Hon. Member, his Leader, and his Party have indicated in this debate that they support absolutely.

Mr. Caccia: Mr. Speaker, the Minister and his Government have made provision for this House to debate for days, weeks, and perhaps even months, the death penalty. We are debating this proposal for one day. Would the Minister of Justice (Mr. Hnatyshyn) care to comment on the strange sense of priority which allows the Government to find a lot of time for the death penalty debate and only one day for debate on this very important measure?

• (1510)

Mr. Hnatyshyn: Mr. Speaker, I do not know if I can give a satisfactory answer to the Hon. Member. I think the position on the capital punishment debate is that Members on the government side are prepared to have this matter go to a vote right now and that the opposition Members want to talk on this for quite a long time. I am not disputing the right of the Hon. Members to have—

Mr. Gauthier: It is supposed to be a free vote.

Mr. Hnatyshyn: I am just giving my view of life in the House of Commons and why, when Members ask me a question, they sometimes do not mean what they purport to say. I am trying to put this into perspective.

I can tell the Hon. Member, as I said in my remarks, that I think it is important. I believe he would agree with me because he is a man of principle who stands up regardless of pressures, some that are even brought on him by colleagues in his own caucus. He would understand that this is a matter of very important leadership. It has been in the public domain and I do not understand why we cannot have a vote at the end of the day showing that we all support it, because everyone has stated they are in favour of it. It is important to us that the principle is decided.

The Hon. Member knows that the opposition Parties have many opportunities to raise this issue in whatever context they want. Allotted opposition days are always available to them. I believe, in terms of the time that should be made available for this very historic occasion, his House leader should meet with the Government House Leader; I am sure they can come to an understanding about what is appropriate in dealing with these matters.

Personally, I believe the principle is important, one on which we should have a vote to show the unanimity with which we accept Quebec in the Constitution, and the prospect of a continuing role for other provinces in western Canada and Atlantic Canada to bring matters onto the agenda, as well as the two central provinces. I believe this is a wonderful day in Canadian history, and I am glad the Hon. Member's Party is supporting this Agreement.

Mr. Robinson: Mr. Speaker, I want to ask the Minister of Justice (Mr. Hnatyshyn) a question with respect to an important element of this Accord that has not yet received a great deal of attention, the element with respect to the naming of appointees to the Supreme Court of Canada.

The Supreme Court of Canada is one of the most important institutions in our land now and, of course, has increasing importance in Canada in view of its powers the Charter of Rights and to interpret the provisions of the Constitution itself.

Will the Minister explain why the Government gave away the power of the Prime Minister of Canada (Mr. Mulroney) to choose the best possible man or woman from the provinces or the regions to sit on that court? We strongly support consultation with the provinces before Supreme Court of

Canada judges are named, but what will happen in the event that the nominees of the province or a particular region are unacceptable to the Government, yet the particular province insists it wants to maintain that list? How will this deadlock between the provinces and the federal Government be broken?

Finally, if the Prime Minister (Mr. Mulroney) wants to appoint a particular outstanding man or woman from one of the provinces but that person is not even on the list that has been submitted by the province, the federal Government's hands are tied.

Why has the Government accepted a proposal which could very seriously weaken the Supreme Court of Canada?

Mr. Hnatyshyn: Mr. Speaker, I find that to be an incredible proposition on the part of the New Democratic Party. I must ask the Hon. Member again, as I do on so many occasions, if his question reflects the position of his Leader and Party. If he is speaking as an individual Member, I understand, but if the New Democratic Party is suggesting that Premier Pawley should have no role in terms of the appointments of a Supreme Court judge, I do not accept that proposition.

I suggest that in this country the Government has at least demonstrated the ability to work in a co-operative federalism with a view to having real consultation. I say to the Hon. Member that naturally it is a decision to be made by the federal Government in the final analysis, but to be made on the basis of names put forward. There will be a real sense of participation, partnership, and discussion in the process of appointing judges to the Supreme Court of Canada.

I know the Hon. Member believes that it is important to ensure that all regions of Canada are dealt with equitably. Both of us are from western Canada and he would want to make sure that western Canadian premiers and Governments duly elected by western Canadians can send a strong signal as to the composition of the court and its western representatives.

I do not look at this in a negative sense, but as a positive way in which we can develop and encourage co-operative federalism. I do not anticipate a deadlock situation, quite the contrary.

Mr. Robinson: Mr. Speaker, after the bafflegab of the Minister, perhaps he could answer the very specific question. What happens if Grant Devine or Bill Vander Zalm submit to the Prime Minister of Canada names of people who are clearly not acceptable to sit on the Supreme Court of Canada, the federal Government returns those names to the Premier but the Premier insists on putting those names forward? What mechanism will there be to break a deadlock between the federal and provincial Governments in the naming of the judges to the highest court of the land? How will that be done?

Mr. Hnatyshyn: Mr. Speaker, it is a hypothetical situation. In this case, as in so many cases, my own experience has demonstrated that, by and large, the whole appointment process is one in which it is possible to have sane and legitimate discussions with provincial Premiers and Governments.

I do not think it is appropriate to assume that these matters of national interest begin with the lowest common denominator. I do not believe that is the Canadian way. It is inconceivable to me that the federal Government and the western premiers could not find some consensus with respect to the name of an appointee to represent western Canada. I suggest that it has not happened and will not happen. I believe we will be able to find support for a representative person who has the prime criterion of competence with respect to the Supreme Court of Canada.

I hope that we do not consider this constitutional discussion on a negative basis because constitutional building involves a very substantial element of understanding and trust. Our present Constitution contains many concepts that are not precisely defined, but they have not impeded us from having an outstanding country and one in which we can carry on, to the benefit of Canadians. I simply say to the Hon. Member that that is the attitude I take in this process. I hope the Hon. Member will agree.

Mr. Kaplan: Mr. Speaker, I want to return to the important subject raised by my colleague concerning the procedure that will be followed. We were asking whether we could debate the resolution before it is formally approved by the 11 First Ministers. The Minister of Justice (Mr. Hnatyshyn) suggested in his answer that somehow this would not be possible because the resolution that would come here will be drafted in consultation with the 11 First Ministers. Surely there is no inconsistency. Once the formal approval is applied to that resolution, it is very difficult for the Government to seriously consider practical suggestions that might be made by our Party or the New Democratic Party.

I hope there will be consultation in the preparation of the final resolution, but will the Minister of Justice undertake that however the final resolution is prepared, before it goes to the level of First Ministers' approval there will be good faith by the Government to present that resolution to us in the Chamber to allow the Leader of the Opposition (Mr. Turner), our Members, and Members of the New Democratic Party to make the kinds of suggestions that were given in 1981 when the Opposition participated fully in the constitutional proposals? Will we have a similar opportunity to make constructive suggestions for consideration by the Government before the First Ministers meet and put on the seal of approval on the final package?

Mr. Hnatyshyn: Mr. Speaker, first, I think we should remember that constitutional amendment was created by the 1982 enactment and proclamation. It was a Government, of which the Hon. Member was a distinguished Member, that brought us to the reality that in order to bring about a Constitution, we must have the assent of First Ministers; in certain cases a percentage of the provincial Legislature; and in some cases we must have a unanimous proposition. Right now we have the prospect of a unanimous approach by all Premiers representing all political Parties of our country and the federal Government. I simply say that we have to take these matters in logical step.

• (1520)

The Hon. Member's House Leader can discuss with the Government House Leader and the House Leader for the New Democratic Party the appropriate way to deal with this matter. We must have a starting point. Unless we can come to some arrangement with respect to the wording with the First Ministers, there is nothing very useful for us to discuss. We have to be able to get that agreement.

I am saying to the Hon. Member that we have a proposition which will allow Hon. Members to declare themselves. It is not a question of keeping it from the House. The House will have a chance to declare itself. We have taken the first step to talk on this occasion on a statement of principle, to hear from Hon. Members, particularly from opposition Members, as to where they stand on the issues and to have their suggestions as to what should be included or not included. We are listening and we are going to try to do the very best job we can. I think our record in this area is pretty good. We have had unanimity and I hope we will continue to have the support of the Hon. Member's Party.

Mr. Speaker: I would like to advise Hon. Members that the time for questions and comments has expired. I am in the hands of the House. Is there agreement to extend?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: Debate.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Over the years, Mr. Speaker, this House has certainly been the scene of major debates which, in more ways than one, have highlighted the history of our country. The one we are launching today is one more such debate, for the main concept underlying the Meech Lake constitutional agreement reflects the very heart of the country which Canadian men and women choose to build every day. As the Right Hon. the Leader of the Opposition (Mr. Turner) said in the House of Commons last May 1 after the Meech Lake agreement was announced, and I quote:

> It is a happy day for Canada and for Quebec, particularly for all those who believed that our country would remain united by respecting the diversity of its regions and the equality of its citizens.

At the outset of my remarks I want to tell the House that I intend to support the general thrust of the Meech Lake agreement as endorsed by the 10 Provincial Premiers of Canada. I would also advise the House that, in accordance with the position set forth by the Leader of the Opposition, I will vote in favour of the motion submitted for the consideration of the House by the Prime Minister (Mr. Mulroney).

Mr. Speaker, I would also add that, after consulting most of my colleagues from Quebec and the other provinces, we are looking at a process which, although it may contain certain difficulties, constitutes an orientation which enables us today to support the Meech Lake constitutional evolution. Need I recall that one of the reasons which prompted me to return to active political life, this time at the federal level, was to fight to find a way to make the adjustments required so that Quebec would at last sign the 1982 constitutional agreement? Despite my profound Quebec and francophone roots, and despite the diverging views we might entertain on some of the aspects of the Meech Lake agreement, I trust that nobody will question my dedication to fight for Canadian unity.

When I was a Cabinet Member in the Government of the Province of Quebec, my provincial Liberal colleagues and I fought against the independence movement then advocated by Pierre Bourgault, Gilles Grégoire and, finally, René Lévesque.

I defended Canadian unity in the Quebec National Assembly, in the universities, and in discussions at CEGEPs, at a time when even families were divided on the question of whether Quebec should be part of Canada.

I remember how shattered many Quebecers were, and with them the Bourassa Government's young Cabinet, when they heard our colleague, Pierre Laporte, had been killed. Pierre Laporte, a great Quebecer and a nationalist, lost his life in circumstances that are now history, in the defence of Canadian unity. I remember the tense social climate in the province at the time of the constitutional conference in Victoria, only a few months after Mr. Laporte's murder. When people ask why the Bourassa Government at the time was reluctant to support the Victoria Charter, my answer is this: Remember the political and social climate in Quebec after the October Crisis in 1970.

It would have been easy for me and for so many people of my generation to give in to popular pressure and succumb to the mass movement like so many young Quebecers who were entranced with the idea of political sovereignty for Quebec. Like so many colleagues in the Quebec Liberal Party and the federal Liberal Party, however, I did not give in to those pressures because I believed that the independence option was an illusion and that the greater interests of francophones in Quebec and elsewhere in Canada would be far better served within Canada, within a "renewed" Canada, than by an independence formula that, sooner or later, would have isolated Quebec, both economically and culturally, linguistically and socially. The hopes of Canadian federalists who stood up for national unity in Quebec rested on a "renewed Canada". A new federalism that would meet Quebec's aspirations, that was the message members of the Trudeau Government brought to Quebec in 1980.

That was the concept we defended during the referendum, and because the majority of Quebecers believed in the concept of an evolving federation, they voted no in the referendum. And I say to my anglophone colleagues on both sides of the

House that they should never forget this fact, because it is fundamental to the debate we have begun today.

The then Prime Minister and the provincial Premiers who took part in the referendum debate clearly indicated their desire to do everything they could to find a balance that would be acceptable to Quebecers within the Canadian federation, in recognition of the fact that because of its language, its civil code, its history and its traditions, Quebec had a distinct identity within the Canadian federation.

Thanks to the 1982 Constitutional Accord, this country was able to achieve several objectives which I supported at the time and still do. The entrenchment of a Canadian Charter of Rights and Freedoms in the Canadian Constitution and the patriation of the Constitution to make Canada a fully sovereign state, capable of changing the basic laws of our country right here, without having to go to a foreign parliament—these were major, positive steps.

I have always thought, and I still do, that although the 1982 Constitutional Accord did not meet the legitimate aspirations of Quebecers who support national unity, it was because at the negotiating table, a separatist Quebec government was seeking formulas that would support its concept of independence, not the unity or enhanced unity of this country.

The 1982 Constitutional Accord was an unfinished symphony, and to finish it, it was necessary to approach the Quebec question in such a way that the parties concerned would accept the premise that no solution would be possible without recognition of Quebec's distinct identity within the Canadian federation. Quebec would also need the assurance that the rules of the constitutional game would not be changed with respect to the fundamental tenets of the federation, without the consent of the province of Quebec.

Therefore, in addition to the recognition of the distinct character of Quebec, the new constitutional balance was to provide security to Quebec at two different levels; first, at the level of immigration and second, at the level of the amending formula. The Meech Lake Accord positively answers the immigration issue. I do not intend to deal further with this matter on which there seems to be a general consensus. Moreoever, the resolution that was passed by the Liberal Party of Canada at its convention in November, 1986, stated somewhat the same idea which is to entrench in the Canadian Constitution the Cullen-Couture agreement.

As for the amending formula, I readily admit that I would much rather have the Victoria formula than that contained in the Meech Lake Accord. The Leader of the Official Opposition stated this morning some reservations which I share not only with regard to the amending formula but also about the meaning of some words appearing in the Meech Lake Accord. The intent of the legislator should be clearly indicated. Otherwise, the problems which were supposed to be solved could be compounded in the future. For example, there are some sincere and honest concerns about the capacity of the Government of Canada as a result of the Meech Lake Accord to intervene in regional economic development.

• (1530)

I do not think that we can brush aside these concerns simply because they are voiced by people from Atlantic Canada, Manitoba or Quebec. In my opinion, as we deal with this problem, we must bear in mind that the wording should be precise enough so that the text of the Constitution does not say things that are not intended and does not cause unnecessary division. I shall take spending power as an example.

I could go into a fiery plea against the limitation of spending power and argue that Quebec should never have accepted this text, since for the first time in the history of our country, it shall be written in the Canadian Constitution that the Federal Government has the right to intervene in matters of exclusive provincial jurisdiction. But I do not believe that such is the intent, as some would see it, since the argument of those who are against the limitation of spending power is the exact opposite.

I therefore submit that it should be possible to give a precise wording to what was the intent of the Prime Minister and the Premiers who met at Meech Lake. In my view, it is simply a question of coming to an understanding which will avoid unnecessary disputes in the future.

Coming back to the amending formula, I can say that given the circumstances and taking it for granted that what is essential has been preserved, since Quebec, as the other provinces of Canada, shall have a right of veto with regard to those institutions which are fundamental to the Canadian federation, I feel that the compromise which has been reached is essentially adequate and reasonable and that it deserves to be supported.

That is why, inasmuch as the legal wording that the Government will bring forward at the end of May does translate in a clear and precise fashion the basic principles contained in the Meech Lake Agreement, I shall support the agreement, Mr. Prime Minister, Mr. Speaker, not only in this House but also in Quebec and all across Canada.

[*English*]

The Meech Lake Accord, Mr. Speaker, represents a conception of Canada that may depart from the vision of some. I understand the view expressed by my colleague from Saint-Henri—Westmount (Mr. Johnston). The kind of Canada he is dreaming of is the one that Sir John A. Macdonald advocated leading up to 1867. It was not possible then, and it is not possible today.

The idea of uniting Canada's two founding peoples, peoples with varying regional and cultural interests, under the umbrella of one all-powerful central Government is an old and long-enduring dream on the part of some. In fact, the dream of a centralized governed Canada started as a pragmatic policy as early as 1822, when the merchant class of Upper Canada suggested that, in order to spread the cost of building the first

St. Lawrence Seaway the Government of the two Canadas, Upper Canada and Lower Canada, merge into one unit.

I point out to the Hon. Member for Saint-Henri—Westmount that that dream was one supported by the Lower Canada English elite, not because they had a stake in the commercial success of Upper Canada, but because they wished to protect their rights through the creation of a country in which they would no longer be a minority and in which, in the long term, they could assimilate the French-speaking population of Lower Canada in 1822.

I understand the opposition to the Accord of such fine Canadians as the Hon. Member for Saint-Henri—Westmount, who oppose the intent of the Meech Lake Accord on the basis of their view that a strong central Government, a Government speaking for all Canadians in every field of human activity, is best for Canada.

But history tells us that Lord Durham's recommendation of 1839 did not work the way it was expected to, due to the strong resistance of the Quebec French Canadian population to unitary rule. The solution was then found in having the two majority systems of Government applied to the Government of the country under the new union.

The idea expressed by my colleague, the Hon. Member for Saint-Henri—Westmount, is no different from that expressed by the English-speaking Quebec minority of the early 19th century. It did not work then; it will not work today.

In 1867, Nova Scotia also expressed a desire for a certain degree of regional autonomy. In fact, the first separatist Government to be elected in Canada was in Nova Scotia. Joseph Howe's Government, not Réne Lesvesque's, was the first separatist Government in the history of this country. The Nova Scotia election of 1867, and not the 1976 Quebec provincial election, was the first to put a separatist Government in power, to promote regional interests.

Unfortunately, Mr. Speaker, a 20-minute speech does not permit the recounting of all of the facts of Canadian history. One thing is clear, and it is that this country was built on the idea of the division of power between the provincial and federal levels of Government; it is a country that was built on the idea of two languages, French and English, which were later joined by new languages and new cultures.

According to one argument, the Meech Lake Accord is a step backward from the nation-building project which to date has led to a rich and vibrant society on the northern part of this great continent.

[*Translation*]

Mr. Speaker, some people are suggesting that the Meech Lake Accord is a step backward as far as setting up a strong and prosperous nation is concerned. It seems to me that this idea is not supported by the experience of our past history. Quite the contrary, I believe that Canada will be a strong nation to the extent that the regional aspirations of the various provinces are met.

There are also those who object to the notion of enshrining Quebec's distinct character in the Canadian Constitution. I can understand that this idea might bother a number of Canadians. I can also understand their concern, but I ask all my colleagues in the House and all other Canadians: How is it possible not to recognize such an evident fact?

As Mr. Richard Rohmer stated in the May 5 edition of the *Toronto Sun*, and I quote:

[*English*]

> So, who in English-speaking Canada can quarrel with the proposition that Quebec is, in fact, a distinct society with a distinct identity?

And Mr. Rohmer continued, and again I quote:

> If you've never been to Quebec (outside Montreal—or inside it for that matter) you might have problems putting your mind around or accepting the reality of Quebec's distinctiveness. Put it this way: There are now more than 6 million direct descendants of the 60,000 French in Canada when Gen. Wolfe did his thing on the plains of Abraham.

Mr. Rohmer continued:

> And can you also believe that a substantial percentage of those French descendants (we now call them Francophones) don't speak a word of English! And why should they? They are a distinct, proud race who are as completely Canadian as any other race that has come to this vast nation.

That is what Mr. Rohmer wrote in the *Toronto Sun* of May 5, 1987—and I agree with him.

The recognition of the distinct character of Quebec is only recognizing a fact of life.

• (1540)

What can one do when confronted with a fact such as Quebec's specificity? One can try to escape from it, but it would not change the reality. In fact, the same people who refused to recognize Quebec's distinct character know so well that it expresses the fact that they refuse to recognize it precisely because they are scared to encourage Quebec's specificity to serve as a basis for Quebec separation. What a lack of confidence in Quebecers' attachment to Canada!

This attachment has been confirmed without a doubt when one examines the referendum results. Why should the rest of Canada doubt Quebec's good will and attachment to Canada, we being the only ones to vote for Canada? Does Quebec not lead the way in respecting the rights of our two founding peoples? Does Quebec refuse to fund schooling for religious minorities? No. Does Quebec refuse the right of English-speaking Canadians to speak their language in the Legislative Assembly of the Province of Quebec or to use the English language to defend themselves in court? No, no, no. The answer to all those questions is no.

Please, let us not use this ill-structured argument to initiate doubts over Quebecers' loyalty to justice, to federalism, to Canada.

Some Hon. Members: Hear, hear!

Mr. Garneau: Let us, instead, recognize the distinct character of my province within Canada, a society which in

turn helps make all our country so different and, I would say, so much richer than our neighbour. Rather than erasing differences, let us benefit from our rich cultural heritage and continue to make this a caring, humane, understanding, and tolerant society, a model for all the world to admire and follow.

[*Translation*]

I agree that the Meech Lake Accord is not perfect. But it can be seen as an extremely important step in the process begun with the Constitutional Agreement of 1982. This step should make it possible for Quebec to adhere fully to the Canadian Constitution and for the Constitutional process to continue its development and adapt to the constantly changing conditions in both Canadian society and the outside world.

[*English*]

As Sir Wilfrid Laurier put it: "We are divided into provinces, we are divided into races, and out of these confused elements it is not always the ideal policy from the point of view of pure idealism which ought to prevail but the policy which can appeal on the whole, to all sections of the community".

Canada is a nation of diversity and compromise. This, some might argue, is its weakness. I say that it is its strength.

[*Translation*]

Personally, I rely on Canadians and trust in the good faith and generosity of the provincial Governments and the Members of this House for many, many years to come. On the basis of common sense, I am willing to wager that Canadian unity will be better served if we respect regional differences and if one level of Government does not try to impose its will on the other.

I, for one, feel that Canada is an arrangement which expresses the will of Canadians to live together. It is also a balancing act which has to be corrected every day and which needs constant protection and adjustment to new conditions. Historian Michel Brunet was right when he said that "All Canadian anti-federalists make the mistake of ignoring the past. If Canada is a difficult country to govern, it is not because it is a federal state; it has developed federal institutions because it is a difficult country to govern."

It is this balancing act which makes it possible for our federal state to adapt its institutions to the needs of the francophone minority today, and later on to the needs and interests of the various Canadian provinces.

[*English*]

I have only a minute remaining in which to finish my speech. May I have the unanimous consent of the House to continue?

The Acting Speaker (Mr. Kempling): Does the Hon. Member have unanimous consent?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Garneau: Mr. Speaker, as a newspaper reporter said, the Meech Lake Agreement is neither a miracle nor a mirage but, in my opinion, it is an opportunity. The Agreement includes elements of the resolution passed by the Liberal Party of Canada during its November Convention. There are differences though. Our resolution was more comprehensive than the Meech Lake Accord and I too would have liked to see more provisions included. We have this opportunity today because provincial Premiers and the Prime Minister of Canada have tried to meet, as we have tried to do it on this side of the House, the concerns of the Province of Quebec and the demands made by its Premier, Mr. Robert Bourassa. Mr. Bourassa's demands have not come out of a hat. They have been the subject of extensive consultations and have led to the election of that Government in December, 1985. Thanks to the provincial Premiers who tried to act in a positive manner and to the Liberal Party of Canada who tried to make a positive move in its November Convention, it is possible today to have a debate on the Meech Lake Agreement. I think this is an important step. Federalist as he may be, Mr. Bourassa strongly believes that Canadian unity will be best served if the fundamental law of this country recognizes the distinct identity of Quebec whereby its society is entitled to some guarantees in terms of immigration and development of federal institutions in this country.

[*English*]

The Meech Lake Accord, as I said, represents for me an opportunity which was in no small part assisted by the resolution passed by the Liberal Party of Canada at its November, 1986, convention. I am proud to be part of this House and to share this moment with my colleagues in all political Parties. I believe that the Meech Lake Accord is certainly following the right path, a path for a renewed and united Canada.

[*Translation*]

Mr. Speaker, I am very pleased to live in this House a very important event for Quebec, an event that transcends Party lines because I think that Quebec's adherence to Canada is for us on this side of the House both a rational and emotional issue. We have worked hard. My colleagues under the Trudeau Government have worked hard to reach that goal. Unfortunately, the political situation in Quebec at the time did not allow them to make that step. Today, we have a Conservative Government, but I will not indulge in partisanship and will not deny the speeches I made in the Quebec National Assembly, during the campaign of 1984 as well as within my Party because the solution in which I believe has been introduced by a Conservative Government.

[*English*]

Mrs. Finestone: Mr. Speaker, I want to thank my colleague for the depth of his emotion and the thoughtfulness of his address. I would agree and concur that we are all delighted

that a mechanism has been found so that Quebec will become part *de facto*, as it has already been *de jure*, of Canada.

In recognizing the distinctive character of Quebec in the larger portrait of Canada, I am looking forward to an active participation. I was certainly very involved in the referendum and, as my hon. colleague knows, I was an Yvette, moved and actively concerned about maintaining Quebec in Canada. From that point of view I am delighted.

I have one concern which I wonder whether my colleague can answer for me. As we look at the linguistic duality, which I hope is the concept behind the Accord, I wonder whether he could advise me whether the linguistic protections will be promoted for the anglophones of Quebec and equally for the francophones *hors Québec*. This is one matter that is of concern in its many dimensions.

Mr. Garneau: Mr. Speaker, I think in all good faith that the intention was there, but I do not think that it is clearly indicated in the Accord. I wish, as I said in my speech, that the legal text would clarify those things.

I met with some English-speaking Quebecers during the week-end and they indicated that they were anxious about this. To avoid any confusion, the legal text should be very clear and precise so that the problems we think we are solving now will not create other sorts of problems in a few months when the judges of the Supreme Court will have to interpret the Bill. This is why I hope the legal text will be much clearer so that no confusion will exist.

• (1550)

Mrs. Finestone: Mr. Speaker, I thank the Hon. Member and I am looking forward to reading the fine print as well. I bring to your attention, along with my colleague, the fact that the multicultural communities want to know if they are perceived as part of this distinctive characteristic of Quebec. Is that covered in "distinct society" as well as "distinctive character"?

Mr. Garneau: Mr. Speaker, I thought that the 1982 agreement on the Constitution recognized the multicultural aspect of Canada. It is in the body of the Constitution. I think it is well protected there.

Mr. Hawkes: Mr. Speaker, it is a pleasure for me to listen to a speech in this House that obviously comes from the heart, coupled with good thoughts from the mind as well. I would simply like to congratulate the Hon. Member for Laval-des-Rapides (Mr. Garneau) for what I think is a first rate speech.

The Hon. Member will know I am a Member from Calgary, Alberta. I sat many long hours on the Constitution Committee some years ago and recognized a kind of kindred spirit of feeling among the many minorities in this country, which is a magnificent and very large country.

The French speaking people in the Province of Quebec are in the majority within that province but a minority within Canada. Many of us in western Canada, particularly from my province, feel that far too frequently we are viewed as a minority within the Canadian context, because we come from a province which is so far from the centre of Canada and sometimes there is a tendency to overlook and to forget.

I wanted to make that comment more than anything else but also to ask the Hon. Member if he or the Members from Quebec within his caucus have a sense of just how joyous and how pleased we are from that minority in the Province of Alberta with this undertaking. We think our joy is perhaps equal to that which the Member himself seems to feel. Is there any sense of that existing within his caucus about how pleased we are with this undertaking?

Mr. Garneau: I think it is a loaded question, Mr. Speaker. I would certainly agree and tell this House without any restriction, that in my caucus, and even my colleague, the Hon. Member for St. Henri—Westmount (Mr. Johnston), who expressed a certain reserve about the Accord, everybody agrees it is a good thing that Quebec is back in the Constitution. We understand that in 1982 a certain number of steps had been taken not only for Quebec but for other regions too.

We have to recognize that in 1982—and I note that the Hon. Member is from Calgary—the Constitution was amended and rewritten partly because of the question of natural resources. It was done at the request of the then Premier of Alberta, Mr. Lougheed. It is a symphony that must be adjusted all the time, *une symphonie inachevée*. Nobody will believe for a moment, when and if the Meech Lake Accord finds its way into legal text, that everyone in this House will vote for it. The task is not finished. We will have to adapt the Constitution to any new situation that may arise, from the environmental point of view defence, or for any other reason. I am sure this will have to be done all the time because the federal system is a living institution. It is like a pendulum that swings from one side to the other. Sometimes the pendulum swings to the provinces and sometimes it swings back to the central Government.

I concluded my speech by saying that this matter should not be based on partisan politics. I want to remind the House that Liberals and Conservatives have been on both sides of the issue since the beginning of Confederation. Sometimes, and for years, the Liberal Party has been the Party of the regions. Why was the problem of Manitoba considered solved? It was because Laurier decided to respect the power of the regions.

The change of attitude was made after the war. During those earlier years the Tories were representing the national policy. It was the idea of John A. Macdonald. Then things switched. The Liberals became more centralized and the Tories became more regionalized. This is not a Party matter. I am pleased and I understand that all regions of Canada will be pleased if we can find good legal wording for the Meech Lake Accord. I would not like to—

[*Translation*]

—as we say, we should not put the cart before the horse, and find ourselves in a situation where my agreement of today would turn into a disagreement because of nit-picking about the meaning of words.

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, as this century draws to a close and we, as Canadians are seeking to redefine the values we share and confirm our common identity, we realize that Canada's unity is closely linked to our respect for diversity. And I therefore support the motion of the Right Hon. Prime Minister (Mr. Mulroney), the master builder of the historic Meech Lake accord.

Mr. Speaker, I would like to remind all Canadians that in a speech at Sept-Îles in August, 1984, the Right Hon. Prime Minister said that the very existence of this country was the result of a commitment by men and women of diverse cultures, languages and religions to resolve their differences, to harmonize their interests and to let the values of respect for others and a firm belief in one's own potential prevail.

Mr. Speaker, are we seeing the dawn of a new beginning in this country? I have often wondered whether my Quebec nationalism would be compatible with a pan-Canadian context and status. I believe that in the final instance, my feelings of pride are not so different from those of my colleagues in the Atlantic provinces, western Canada and Ontario.

It seems to me that today in Canada, in every part of this country, there is a common desire to affirm our various identities, to respect all aspirations and the potential for pursuing the most ambitious ideals.

Like so many fellow Quebecers, Mr. Speaker, I took part in the process that brought us here today with occasional feelings of reluctance, a feeling that we were being asked to give up too much, that there was a general lack of understanding for our position and also that we as Quebecers would not feel at home in this country. We sometimes had the impression that to some politicians, this country was a purely utopian dream that would never come true. Mr. Speaker, I think it is useful to recall that these fears and hesitations are part of this country's history and part of the reality on which we must build for the future.

Confronted with geographical, linguistic and cultural differences, we needed time to find our common ground, our common political aspirations. As a result of frank and forthright efforts at conciliation and the recognition of the basic tenets of a hard-won but ever vital reciprocity, today we are nearing the goal already pursued in 1864 by the Fathers of Confederation.

• (1600)

Mr. Speaker, I am one of those representatives, one of those who have not always looked at the situation as we see it today, which gives us a much broader perspective of our country. We have all seen its regional particularities, its linguistic singularities, its cultural identities and, of course, its divisive elements.

Quebecers—surely because of language considerations mostly, but for other reasons as well—have been forced to proclaim, sometimes with infinite patience, their basic rights and their fair demands. In this sharing exercise which makes a great nation, they long harboured the impression that they were losers and they hesitated for a long time. They even went as far as proposing different options, Mr. Speaker, and I would suggest with all the consideration this issue commands that we can now appreciate some of the realities of 1980.

After seven years, Mr. Speaker, history no longer passes judgment on people. History can only confirm the facts and assess realities, and it will be up to those who will follow us to define and weigh these choices of 1980. At that time of deep reflection my own political convictions were torn between my attachment to this country and my pride in and allegiance to the other homeland, a double adherence which typifies each Canadian residing in this country. I know now that at the time many Quebecers were intent on continuing their exhaustive quest and deep interrogation with respect to the prospects for Canada and to the common and reciprocal will to build a home where living together is possible indeed but also pleasant and livable—pleasant in the sense that it pleases each and everyone, livable in the sense that one feels at home, and in the sense that one can fulfil one's personal life aspirations.

When I agreed to come to Ottawa to serve the interests of my region, first and foremost I wanted to echo the sentiments of Quebec within the Canadian confederation. I had to cope with a number of facts which until that time in my life did not have the rallying power they have gained since then.

[*English*]

I have expanded my horizon from sea to sea. I became an active Member of the House and I am pleased to serve as a member of the Cabinet and to participate in the decision-making processes of the Government of Canada.

[*Translation*]

I have learnt a lot from all those teachings, but I have nevertheless always felt that I belonged with that society which is now being recognized as a truly distinct one by the whole country.

This sensitivity, this openeness shown by our 1987 Canada, show me that I, as a great Quebec nationalist, can be a full member of this great—

Some Hon. Members: Hear, hear!

Mr. Bouchard: Mr. Speaker, let us think of those who have come from Quebec to Ottawa since 1867; let us pay tribute to those who, in a sometimes hostile environment, stood up for Quebec in the federal arena; let us think of my present colleagues, honorable members of this House who came from Quebec in 1984 to represent their fellow citizens and defend their basic rights to equality and a fair share. I sympathize

with them, and I think of those who work on the same objectives, but in the Province of Quebec. God knows how difficult and painful the exchanges have been over the years between those two political worlds. However, the concept of a united Canada was on its way. But for that concept to become a reality, there had to be a gradual recognition of the possibility for Canada to become a modern country at long last, to become a full-fledged economic, political and cultural entity.

A former Premier of Quebec, Jean Lesage, said: Adapting to one's environment is a basic law of life, it is a necessity for any living organism, and that goes for institutions as well as individuals. To live on, the Canadian Confederation must develop, and to develop, it must be able to reconcile the conditions of a specific point in history with its underlying principles and unswerving spirit.

Mr. Speaker, most of the position of Quebec with respect to Canadian federalism has been repeated consistently and unanimously by almost every premier of that province.

Mr. Speaker, the right to be ourselves, to ensure the permanence of our roots and institutions, to achieve individual and collective self-fulfillment, this right which we see as fundamental through the centuries and through all those men and women who shaped our history, this right is not a passing whim, but the noble and sound reality of Quebec nationalism, a nationalism, Mr. Speaker, which in our province is passed on from generation to generation and which is not, as some people might believe, the offshoot of passing idealisms. This nationalism has never failed even though it has expressed itself in different ways in different eras. This same nationalism, which has made us different from others within a same country, is now reflected in a positive way by this constitutional agreement which recognizes Quebec as a distinct society.

Today we know that when the Prime Minister spoke to the people of this country and the people of Quebec, particularly in terms of national reconciliation, he was thinking of the adhesion of Quebecers to a workable project.

We know also that the Prime Minister was speaking the truth when he expressed his will to have Quebec join the Constitution, and that he will be remembered in our history; beyond partisanship, beyond good and bad times, beyond words, we have to recognize in this man the immense understanding he has always shown in his own cultural duality for the distinct reality of Quebec, and his deep commitment to it.

I have personnally worked for this agreement, this historic agreement, since I belong to a generation which was always there when things were changing. In the course of this extraordinary development, I have managed to define my nationalism, my deep and vital sense of belonging to Quebec. But I have also felt with the same intensity that all my action was aimed at an opening onto "another homeland".

[*English*]

I have also seen an extraordinary thing happen, and I think all Canadians are aware of it. Over the many years of constitutional equivocation, we often saw the Province of Quebec claiming its role within Confederation and asserting what it maintained were fundamental rights. Quebec spoke of a division of power, of increased powers over immigration, of opting out, and of its own identity.

I am proud to say today that the intense reflection of Quebecers over all those years resulted in an openness from which all the provinces are now benefiting. That is the true spirit of this Confederation. That is the initiative which the Prime Minister (Mr. Mulroney) saw as necessary in order to lead the country toward what I referred to earlier as modernity.

[*Translation*]

At Meech Lake, for the first time in Canadian history, the 11 First Ministers reached an agreement that must now be officially worded and signed.

We must not disappoint Canadians, we must make this a matter of honour. And I say, in a strong, unequivocal voice—Quebec's concurrence to the Constitution is possible.

We saw those First Ministers leave Meech Lake with the conviction it was possible. We heard them, back into their provinces, report to the people on an agreement in principle that meets their vision of the country and their genuine aspirations.

It is important that I should put this new agreement into the perspective of a Department of special concern to me—Immigration.

There is in that area an opening warranted by representations and projects, that will enable new Canadians to find substance for their material, and cultural needs. And there is above all an opening under which Quebec can ensure the new Canadians it is receiving can adapt rapidly to the language and culture patterns of French-speaking Quebecers, without thereby losing their own.

• (1610)

[*English*]

The various communities that live in this country make such a contribution that we must take the necessary steps to guarantee all of them full and complete well-being and development. As you are aware, Canada has a reputation as a generous country that welcomes immigrants. In order to continue this course we must unite our efforts so that nothing is spared in providing a welcome characterized by fairness and sharing. The respect for ethnic groups lies at the very heart of the vitality and dynamism of a country such as ours. To have a sense of this remarkable wealth, of these remarkable riches that come to us from elsewhere and that contribute so tangibly to our personal and collective development is to have at the same time a renewed and reassuring awareness of one's own nationalism.

[*Translation*]

My experience with the various communities, when I was at the Department of the Secretary of State, led me to a major

realization. Quebec's cultural reality can fit into a federalist outlook where, thanks to a conjunction of languages and cultures, the essence can be deepened, the vital element retained and riches obtained. This is how modern nations are built. This is how Canada will be built, within a multiplicity that can respect entities.

I know it is with renewed conviction and enthusiasm that we will take all steps and initiatives needed to ensure nobody is hurt by our constitutional exercises. In this country, reciprocity is a requisite for reconciliation—the latter is not possible without the former. We can now feel that this reciprocity is understood and wanted, strongly flowing from the Meech Lake agreement. All we need do now is to translate this new confederative pact into concrete measures.

I have the impression that this country exists in plenitude, that we can acquire the desire to live in it. I know very many Canadians are making exactly the same reflection as I am making. Some made it before, our great predecessors, the visionaries of our country. To them we owe gratitude. But what interests me even more is that others after us will do the same thing because this country, Mr. Speaker, now seems to me to be headed for an irreversible accomplishment.

In conclusion, here is the part of the Sept-Îles statement I keep in mind: Canada is the challenge of men and women of various cultures, languages and religions to resolve their conflicts, harmonize their interests and actively promote the values of respect for others and surpassing oneself.

Mr. Speaker, in Quebec there are injuries to heal, concerns to allay, enthusiasms to rekindle, and links of faith to restore. Canada offers plenty of room for the affirmation of all identities, the respect for all aspirations, and the quest for all ideals.

We are at the dawn of a genuine fresh start if we can substitute the prejudice of the agreement for that of discord. Renewal is the very principle of a democracy, its own way to regain vigour, to purify itself and to take a new expansion.

I have the deep conviction that we are witnessing one of those privileged moments when a whole country opens a new page of history, a page which will be written in a new style of dialogue and exchanges among all the artisans who are building a country.

[*English*]

The Acting Speaker (Mr. Kempling): Questions or comments? Debate.

[*Translation*]

Mr. Robert Toupin (Terrebonne): Mr. Speaker, first of all, I would like to take this opportunity to congratulate the Prime Minister of Canada (Mr. Mulroney) and the provincial Premiers on their open attitude to Quebec at the recent meeting at Meech Lake. This is of course a very important moment in Canadian history, now that we are finally about to recognize Quebec's distinct identity. It is time that formal recognition was given to the fact that the language and culture of the majority in Quebec is French and that the concept of a distinct identity was entrenched in the Canadian Constitution.

However, Quebec's distinct identity must be more clearly defined in the forthcoming constitutional text. In fact, there is no definition, or at least none was given in the agreement in principle. For the sake of present and future generations, we must clarify this concept as much as possible. We cannot afford any confusion in this respect. In fact, I am concerned about a statement by Senator Murray, the Minister responsible for Federal-Provincial Relations, who said that "distinct society" does not give any more powers to Quebec, and by the Prime Minister himself, who said on English language television that at Meech Lake, Quebec had not gained any powers it did not already have.

The forthcoming constitutional text must be clearer and more precise, because otherwise, it will be a matter for the courts to decide, while in our democratic society, the basic responsibility for drafting laws lies with our elected representatives.

Mr. Speaker, all Canadians want constitutional peace, and they want a lasting, not a temporary peace. If the Meech Lake agreement in principle leads to confusion, if the constitutional text does not reflect this need for clarity, we can expect to see many more of those long, drawn-out constitutional debates that have left their scars on this country. The forthcoming constitutional text must be drafted on the basis of long term considerations of a higher order.

Mr. Speaker, I am delighted with the clause concerning the appointment of justices to the Supreme Court of Canada and with the clause concerning immigration.

This last provision will have a vital impact in preserving the French identity of Quebec.

As I said earlier, Mr. Speaker, the wording to be used in the legal text will be important. I have, however, some reservations with respect to the federal institutions amending formula, particularly with respect to section 42 which is too rigid in my mind.

From a constitutional point of view, and in order to better acknowledge the various realities of the various regions of Canada, the effort of the Federal Government to decentralize its powers for the benefit of provinces is a welcome one. It is welcome, however, provided Canadian men and women in the various regions of the country will derive similar benefits from this devolution of authority, and I think for instance of medicare. It is most desirable, Mr. Speaker, that provinces be able to develop such programs based on their own specific features. It now seems possible to develop such pan-Canadian programs while at the same time decentralizing them in the provinces; the key word here is that in essence they should be equivalent.

Once again, Mr. Speaker, the draft of the legal text to come will be extremely important.

Mr. Speaker, I shall conclude on a positive note, and I will be commenting further once we get the final draft of the constitutional text.

Mr. Kaplan: Mr. Speaker, there is a difference between what has just been said by the New Democratic member and the premise of the question put by the Hon. Member for Burnaby after Question Period. It seems the New Democrats on one side of their mouths support changes to the Supreme Court of Canada, and on the other side they oppose them. May I ask whether that Party accept the change that gives provinces the right to appoint judges to the Supreme Court?

Mr. Toupin: Mr. Speaker, I am pleased to try and answer that question, which I feel sure is not partisan, and I will refer to what the Hon. Member for Oshawa (Mr. Broadbent), our Party Leader, stated at noon.

• (1620)

[*English*]

Mr. Kaplan: Mr. Speaker, since the Leader of the New Democratic Party did not express a view about that, I hope he will soon. I also want to ask about the resolution put forward by the New Democratic Party on the question of the adhesion of Quebec in the Canadian Constitution. In its resolution passed at the national policy convention in March, 1987, Quebec is given the right to opt out and receive financial compensation when programs in provincial jurisdiction are transferred to the federal level. No other province is given a similar right in the resolution of the New Democratic Party.

I am more concerned that the resolution of the New Democratic Party does not require that Quebec, upon opting out, provide a compatible program which meets national objectives. From the speech of the Hon. Member—

[*Translation*]

One can take it the New Democratic Party has now changed its resolution in order to require that, on programs usually coming within provincial purview, Quebec must now have an equivalent program that follows the same objectives, or are they still with the resolution they adopted in March?

Mr. Toupin: Mr. Speaker, in that respect, the decentralization of powers, I would perhaps like to make available to him a letter sent by Mr. Broadbent to Mr. Trudeau in 1980, which clearly shows the feeling and belief of our Party concerning decentralization to provinces but, as I said, under certain conditions.

Second, I will finally refer the Hon. Member to our convention held last March in Montreal, during which we came up with a unanimous resolution on the official recognition of the unique nature and the principle of decentralization.

Mr. Speaker, I feel we have been clearly consistent.

Mr. Kaplan: Mr. Speaker, let us take for example a daycare policy, and this is hypothetical, since we all know that Quebec is very progressive, but we have to ask that question to explain the position of the Party.

If all provinces agree unanimously to a daycare policy, the cost of which would be shared between the federal and provincial Governments, except Quebec which refuses to meet national objectives or to agree to a program compatible with national objectives, would the resolution of the New Democratic Party still apply or would they nevertheless give a compensation to a province which is not willing to offer an equivalent program?

Mr. Toupin: Mr. Speaker, I think, as I said before, that the position of our Party on decentralization is very clear. This kind of question should have been addressed to the Hon. Member for Saint-Henri—Westmount (Mr. Johnston).

[*English*]

Mr. William C. Winegard (Guelph): Mr. Speaker, I am most pleased and honoured to take part in this debate on the Meech Lake Agreement. The events of April 30 will long figure prominently in the history of our country.

[*Translation*]

At last, the Canadian constitutional family was reunited.

[*English*]

As the Prime Minister (Mr. Mulroney) said to this House on May 1, the Meech Lake Agreement "enhances the Confederation bargain and strengthens, I believe, the federal nature of Canada". He, along with the other First Ministers, deserve our heartfelt congratulations. In particular, the Prime Minister's leadership and negotiating skills were decisive in bringing this question to a successful resolution. It was an act of statesmanship by him and all the First Ministers. The agreement has won many positive and constructive comments from across the country.

[*Translation*]

Mr. Speaker, this motion is of great importance to Quebec, naturally, but the commitment of that province to further constitutional reform is also significant.

[*English*]

No one should be led to believe that the Meech Lake Agreement closes the book on constitutional reform. In fact, a failure at Meech Lake would have spelled continued constitutional blockage. That which has been achieved is only the conclusion of the most recent chapter. There is still a great deal to be done. In particular, we must address the constitutional priorities of special interest to certain provinces and regions. Among the priorities of greatest interest, especially to the west, I believe, is Senate reform. The desire for Senate reform reflects a wish to participate fully in decision-making at the national level. It is based on the belief that each region should feel that it counts.

• (1630)

I want to say a few words about the significance of the Meech Lake Accord for Canada's future constitutional development. Members will recall that in the House of Commons on April 9, the Prime Minister reminded all First Ministers of their commitment under the August, 1986, Edmonton declaration, namely, that the top constitutional priority was to bring about Quebec's full and active participation in the Canadian federation. He went on to quote the declaration which stated that there was a consensus among the Premiers that then they will pursue further constitutional discussions on matters raised, which will include, among other items, Senate reform, fisheries, property rights, and so on.

[*Translation*]

The agreement reached by the First Ministers on April 30 at Meech Lake, which marks the return of Quebec into the Constitutional fold, is an important step which will strenghten our federation.

[*English*]

As part of the agreement, they approved an entrenched second round of negotiations aimed at fostering further constitutional development. The Meech Lake Accord requires that a First Ministers' Conference on the Constitution be held not less than once per year and that the first be held within 12 months of the proclamation of the amendment but not later than the end of 1988.

Among the items on the agenda to be considered at these conferences will be Senate reform, including the functions and role of the Senate, the powers of the Senate, the method of selection of Senators, the distribution of Senate seats, and finally, as demonstration of the Prime Minister's good faith and commitment, the agreement provides that until constitutional amendments regarding the Senate are accomplished the federal Government shall appoint persons from lists of candidates provided by provinces where vacancies occur and who are acceptable to the federal Government.

The provinces thus will have a real say on appointments to the Senate until an agreement is reached on more comprehensive reform. Provincial Governments will also participate in nominations to the Supreme Court of Canada for the first time in our history.

There can be no doubt about the Prime Minister's seriousness about Senate reform. He announced last week in Lethbridge that the Government will put "a specific proposal on the table for Senate reform" when the First Ministers meet for the first time on this issue in 1988. That is encouraging to all of us who believe in genuine Senate reform. As we approach such discussions among the Government's concerned, a range of approaches will no doubt be put forward. There is certainly no shortage of proposals.

Senate reform and a directly elected Senate, in particular, are issues that have acquired much popular appeal. There is little doubt that direct election represents in part a desire for a stronger voice in federal institutions. I believe that it also appeals to our democratic values.

Many Members of Parliament have shown a considerable interest in Senate reform. The Special Joint Committee on the Reform of the Senate, for example, carried out one of the most comprehensive studies on this issue ever done by a public body.

That report was tabled in the House in January, 1984. It called for a directly elected Senate in order to strengthen the authority of Parliament to speak and act on behalf of all Canadians in all parts of the country. The committee believed that these reform proposals would improve what it saw as the Senate's principal role, namely, regional representation.

The joint committee recommended a Senate of 144 Members, with seats distributed among the provinces on the basis of a weighted representation. In other words, smaller provinces would have proportionately more than the others, but every province would not have the same number of seats. Senators were to be elected for a single nine-year term in single member constituencies.

The committee proposed that the Senate have a suspensive veto over ordinary legislation of 120 sitting days, divided into two 60-day periods. A Bill adopted by the House of Commons and rejected by the Senate, therefore, could not be presented for Royal Assent until the House had adopted the Bill a second time, and that second adoption could not take place until at least 60 sitting days had elapsed since the Senate rejected the Bill.

[*Translation*]

For a Bill of linguistic or cultural importance, a double majority would have been required: first, a majority of Senators and second, a majority of French-speaking Senators.

[*English*]

Finally, the special joint committee addressed the question of responsible government and the possible impact of reform as it had recommended. Its members expressed the view that a reformed Senate should not be able to undermine Canada's well tried system of responsible government.

Calls for a directly elected Senate have grown. In March, 1985, a special select committee of the Alberta Legislative Assembly endorsed what is now generally referred to as the Triple E Senate. By this, they mean direct election, equal representation by province, and effective powers. As the Alberta special committee argued: "Canada needs an effective Upper House in order to protect the diverse interests of Canadians".

The special committee of Alberta recommended that election be based on the first post-the-post system. The Senate would consist of 64 Senators, six from each province and two from each territory.

Their proposal was based on the view that it is important that the Senate be as independent as possible from the House of Commons while at the same time not unduly hindering the

work of the Lower House. The Senate would retain the power to amend any Bill with the provision for the House of Commons to override any amendment or veto that the Senate proposed. Finally, this Triple E Senate would have double majority veto on language matters.

The recommendations of that report were unanimously endorsed by the Alberta Legislature in May, 1985. On March 10 of this year, the Alberta Legislature unanimously registered its support for the concept of a Triple E Senate.

Triple E Senate reform holds great attraction for a number of political leaders in the west. As Hon. Members are aware, Premier Getty is a strong advocate of the Triple E proposal. In his April 5 speech to the Alberta Progressive Conservative Party Convention, he declared that Canada "can only grow in a healthy way if our regional representation is fair and balanced". Following the Meech Lake meeting, Premier Getty repeated that he will be pushing for a Triple E Senate. The former Premier of Alberta, Mr. Lougheed, has also come out in support of this idea.

As we proceed seriously to consider Senate reform, we will need to answer some difficult questions, such as what the powers of the reformed House should be, its relationship to the House of Commons, and its effect on the powers of provincial Governments. In this regard, the Secretary of State for External Affairs (Mr. Clark) recently injected a judicious note of caution. Speaking in Camrose, Alberta, on April 25, he wisely pointed out that many questions "have to be considered very carefully as we proceed with Senate reform because you cannot change one institution in isolation from the rest". He also said: "We want changes that make Canada work better. That requires both commitment and care". This is the approach, as the Secretary of State for External Affairs affirmed, with which the Government will address the undeniable need for Senate reform.

• (1640)

In closing, I want to repeat what the Prime Minister said in this House on May 1, and I quote:

> The Meech Lake agreement is good for Canada and good for Canadians. It will unblock the Constitutional reform process and enable Canadians to turn their attention to other issues such as Senate reform and fisheries.

The tabling and proclamation of this agreement will conclude the first round of Constitutional renewal. Senate reform will be at the top of the agenda for the second round. Let us applaud what has been accomplished. Let us look forward to further reform aimed at strengthening Canada. Is it really too un-Canadian to rejoice and celebrate this day of national renewal?

The Acting Speaker (Mr. Kempling): There being no questions or comments, we will resume debate.

[*Translation*]

Hon. Bob Kaplan (York Centre): In 1982, Mr. Speaker, I was a Minister in the Trudeau Government at the glorious time of the patriation of our Constitution. This major achievement has contributed to the enhancement of Canada, and I still feel very proud of what we accomplished then. But as others have indicated, it was to a very large extent an incomplete symphony.

[*English*]

At the time of great rejoicing in 1982 when the Constitution was brought back, we were unable to secure the approval of the Province of Quebec to the constitutional package. The issue was tested in court and it was held that the repatriation was effective nonetheless, that it was binding in all parts of Canada, including within the Province of Quebec. However, a legalistic approach cannot be the beginning and end of a story like that. There is more to it than simply legally concluding that repatriation had been achieved.

I approach this debate, as does my Party, on the premise that it is extremely important that the approval of the Government of the Province of Quebec be achieved for the Constitution of Canada. That is not because it is legally required but because otherwise constitutional growth, national identity, and a sense of Canadianism are adversely affected.

I would like to give some specific examples and show how very important it is that the Meech Lake initiative advance and succeed, although I will suggest some areas in which I hope there will be changes. First, those critics of Canada, not only within the Province of Quebec but elsewhere, can use the fact that Quebec has never approved of the Constitution to attack Canadian identity and Canadian nationality. Separatists can say that this is not a freely arrived at Constitution, gladly and serenely accepted by all the people of Canada, that it is less than that. That type of criticism can be damaging to our country.

There is also the difficulty of achieving further constitutional evolution. We can talk about reforming the Senate, about establishing Indian self-government and about any change, any development in the Constitution such as bringing in new provinces. None of these measures which are on the Constitutional agenda for the future, the changing of powers, the reform of some of our federal institutions, can be achieved well without Quebec's participation.

It is interesting to note the ironic fact that without Quebec's participation in the Constitution, my own Province of Ontario has a veto. How satisfactory is it to the rest of Canada that one province has a veto when provincial constitutional conferences are held and amendments are proposed? The reason is that to approve an amendment under the present Constitution, seven provinces covering 50 per cent of the population have to agree. If all of the other provinces which attend such a conference agree and Ontario disagrees, the amendment cannot be adopted. Therefore, this unfinished business is not simply a matter of an elegant repatriation of a Constitution. It is not simply a wish or hope that the Constitution be accepted and understood in all parts of the country. It is a serious constitutional defect that Quebec not be part of it, and for all of our

joy in 1982 in bringing the Constitution forward, there is still unfinished business which must be attended to and which I think must be attended to soon. Not only do I feel that way but all of the Premiers, the Government of the Prime Minister (Mr. Mulroney), and the Province of Quebec, agreed that the top priority would be to correct that piece of unfinished business.

The Liberal Party, the main architect of the 1982 Constitutional Accord, made its own attempts within the Party, which culminated in success last November, at arriving at a formula which, in the opinion of our Party—and it was a strongly held opinion—should be the basis for the next stage of evolution of the Constitution, the stage of bringing Quebec on board.

When I look at the Meech Lake Accord and the agreements actually reached by the Government and the provinces, I see it is different from the resolution of the Liberal Party in its convention last November. I feel that it is something of an evolution in the idea of federalism, that it re-enforces the provinces and their powers in a way which goes beyond the resolution which our Party arrived at last November.

I can say I have no dilemma in deciding if it is more important to bring Quebec on board now or if Quebec should come on board under the terms of the Liberal Party's resolution of last November. For me, there is no dilemma; it is an easy matter to resolve. I think it is more important that the Government of Quebec come on board as approving the Constitution now. At the same time, I serve notice, as did my Leader, that we have an agenda for this Parliament and we will try in every way we can to ensure that when the final resolution is brought forward to bring Quebec on board into the constitutional arrangements, it contains some of the elements of our resolution, more than it does now, and that it deals with some of the problems which I intend to raise right now.

• (1650)

I am disappointed, Mr. Speaker, that the only items which appear to have been considered were items raised by the provincial Governments: matters of reinforcing their own authority, of ensuring that the Constitution provided for provincial powers to be exercised and to evolve. Nothing was requested by the federal Government to reinforce the authority of the federal Government in any way at all.

It is fine to offer the provinces changes which make them more comfortable, but I ask the federal Government to put forward items also that would strengthen the federal Government's side of the equation.

After all, if we recognize that there are areas where the provincial Governments should have more authority, so we have always recognized that there are areas where the federal Government should have more authority: for example, strengthening the economic union of Canada.

In our resolution of last November, while recognizing the need of the provinces to evolve with more authority, we also insisted that there be measures to strengthen the economic union of Canada.

There are barriers imposed by the provinces which prevent products from travelling, within an economic union, from one province to another, which prevent or inhibit workers from going from one part of Canada to another to find employment.

I would have thought, Mr. Speaker, that, in an evolution toward a strengthening of provincial authority, there would also have been asked by the federal Government, in return, that there be some strengthening of the federal Government's power to achieve the goals which we all want our federal Government to be stronger in carrying out, such as developing the economic union of Canada; looking at questions of free trade with more authority than is currently the case under present constitutional arrangements.

As my Leader has already said, we would prefer to see a formula that would more easily permit the entry of Yukon and Northwest Territories into provincehood than that which will result from the arrangements proposed under the Accord.

I would like to have seen the federal Government recognize, as we did in our resolution of last November, what we call regional entitlements, meaning that when there is a federal program put forward in which a lot of federal money is spent, there ought to be some constitutional responsibility to be certain that that money is spent in a way that benefits all regions of Canada.

One can think of the CF-18 contract, something which was much in the news while we were dealing with our resolution of last November. We had a constitutional provision in our resolution which I think would have helped in that situation. It would have strengthened Canada by ensuring that benefits derived from federal government activities are shared, with some kind of entitlement, among the regions of Canada.

I want to turn now to some of the devolution of authority to the provincial Governments. In expressing my concerns in this regard, it is my hope that this devolution of authority will be addressed and dealt with between now and the time that the Accord becomes final.

My hope is that it will become final and that there will be an agreement bringing Quebec, comfortably, positively and approvingly, into the Constitution.

The opting-out provision is at least vague, and perhaps somewhat troublesome.

The Prime Minister (Mr. Mulroney) said in his remarks today that if a medicare program came along, it would surely be adopted, in the same way that it was under the former constitutional arrangements. I have to question that, Mr. Speaker. I would hope so, and I would hope the language will make it clear; but, I remind the Prime Minister of Canada that when the medicare program was put forward, it was strongly objected to by the Province of Ontario.

The federal authority to spend in provincial areas is an important fact, and we, as representatives of an opposition

Party in the House and the voice of federalism in Canada, would want to be certain that it not be unduly constrained. If, for example, we in this Parliament determine that there should be child care, that there should be a guaranteed annual income, we want to be certain that Canada will have the capacity to deliver that program to our constituents in all parts of the country.

I want to express some concerns about the resolution dealing with the distinct society. I do not want to be a nit-picker and argue about whether Quebec is a distinct society or a distinctive society. I do want to express my satisfaction that the bilingual nature of Quebec is recognized and the bilingual nature of Canada. As well, I want to indicate that we will be watching to ensure that minority language rights inside Quebec, and those outside Quebec, are not diminished by this constitutional package, that the anglophone minority in the Province of Quebec can be confident on the ground that the Constitution provides a measure of security in respect of their rights.

I would think that if the Government of Quebec, representing both the anglophones and the francophones, can express concern in the larger Canadian community about the security of the francophones in Canada, it should also understand, as I believe it does, the legitimate need of the anglophone minority in the Province of Quebec also to feel secure. I should like to see some reciprocity in that respect. I should like to see the francophone minority in Manitoba and the francophone minority in Ontario also feel secure constitutionally.

I hope it is not too late for this very important issue, an issue which may be affected by the vague language before us today. I hope it is clarified, and clarified in such a way that it will provide a sense of security and a greater sense of harmony to the minority language communities in provinces where they exist in important numbers, such as Manitoba, Ontario, and the Province of Quebec.

In respect of the changes to the Supreme Court of Canada Act, I commented earlier today about what I see is an equivocation within the New Democratic Party in terms of where they stand on these changes. I should like to say where we stand on it, and that is that we recognize—

[*Translation*]

—that the Supreme Court of Canada has the responsibility at an important moment in our history to decide between the claims of the two levels of Government, that is between the federal and provincial jurisdictions. It can be said that the current situation where the federal Government assumes the full responsibility for appointing judges is rather strange. If a Court has to decide between two levels of Government, it is rather strange that just one level of Government should appoint its judges. So far, I feel, as most Canadians do, I believe, that our judges have been appointed in an exemplary fashion. We have had judges who have ruled with complete impartiality between the two levels of Government, but it is certainly—

[*English*]

I think it is a legitimate question to address: How can we pick judges in such a way that it does not look as if they only had the support, approval and legitimacy of the federal Government choosing them, which is the present arrangement? But to go the other way and turn it all over to the provinces, to say that only the provinces can put forward lists from which judges will be selected, does not solve the problem, to my mind.

I hope the federal Government will address the question of what happens in the event that the provincial list is not satisfactory to the federal Government. Do we then sit back, with vacancies on the court, until it becomes a political issue and is settled in an election? I do not think that that would be very satisfactory. I have expressed our concerns; I have raised the question.

Before the final version comes before us, it is my hope that the legitimate interests of the provincial and federal levels of Government will be recognized, and not in what seems to be quite a one-sided way as in the Agreement now before us.

Next, I should like to turn to the question of the Senate. Our Party is now on record, and we were last November, as favouring an elected Senate.

That does not take us to the proposal put forward—I understand without even being requested by the provinces—at the Meech Lake Conference, a proposal which gives the provinces the right to nominate for appointment to the Senate individuals from their respective regions. I tend to think of that as a Trojan horse. What can happen if these interim arrangements become permanent, as sometimes happens, is that eventually we could have Senators phoning for instructions to head office at their provincial government seat before deciding how they will vote or before voting. In a situation like that we could not only have another provision which limits the power of the federal Government to spend in areas of provincial jurisdiction, but we could also find our hands tied by provincial Governments in doing the things Parliament wants to do within its own areas of jurisdiction.

• (1700)

We could bring forward a Bill to introduce a new program totally within federal competence as an amendment to an existing statute, and we could find our hands tied by Senators phoning head office for their instructions.

I should like to ask that the Senate provision be examined as well. I think it could be improved. As I said, I have no commitment to the present Senate. Our caucus and our Party very strongly favour an evolution of the Senate, but I ask that it be an evolution that is federal and recognizes the regions without the injection of such a strong element of provincial control.

In my final moments I want to put forward two more thoughts. I think this package will benefit from parliamentary input. I hope the Minister of Justice (Mr. Hnatyshyn), who is

listening, will reconsider the position he has taken on the resolution in its final form *en route* to the final constitutionalization, so that we have another opportunity to deal with it here. Whether it be a parliamentary committee, a joint committee, or a House committee, or whether it be some work on the resolution in the Department of Justice consulting with the provinces, I hope we come back with something more precise and something that reflects the concerns which have been expressed in this place. I hope he will reconsider and not simply bring us back something to rubber-stamp.

[*Translation*]

It is not enough for the Parliament of Canada to be asked to agree, without being really entitled to make suggestions and comments in this House.

[*English*]

I do not want to take away from the achievement which is before us. We could not have sat back from 1982 with an offer on the table and have said: "This is it; take it or leave it". That is not the way to build a country. We in the Liberal Party have evolved. We have indicated that we are prepared to look at the positions being taken by Quebec, by a federalist Premier in the person of Robert Bourassa. In the short time he has been in government, he has already indicated a very open spirit, not only toward constitutional reform in his attitude toward the "notwithstanding" clause compared, for example, with the position taken by his predecessor, but toward the legitimate concerns of the anglophone community in Quebec.

We much appreciate what is happening. We are not wedded or welded to a particular form of federalism. We want a strong central Government to speak strongly for the Canadian people. However, we recognize also that negotiation has occurred and that negotiation will continue. We ask the Government, in this negotiation, to take account of the remarks we have made in this place, and to look at the firm and detailed position which the Liberal Party of Canada put forward in its convention last November.

We hope, when the final resolution comes out and it is before us, that it will be possible for us to vote for it. I, for my part, cannot give such a commitment now because of the questions I have raised and because I want to encourage some change between now and the final vote. However, I hope we will have a package, when the process comes to a conclusion, that the Official Opposition will be able to approve.

Mr. Cassidy: Mr. Speaker, in respect of the Senate, the Hon. Member who has just spoken indicated that the position of his Party now is to have an elected Senate. Of course he is as aware as I am of the problems that there will be with Senate reform under the new arrangements. In particular, members of my Party would like to see the Senate simply abolished, at least in its present form, because we do not feel that it contributes a great deal to Canadian life, except to keep on reminding us about the 19th century as we move into the 21st.

Is the position for an elected Senate a Party position and, therefore, is his Party also in favour of the Triple E proposal which would have the number of Senators from Quebec the same as the number of Senators from Alberta? Is that now the position of his Party?

Could he perhaps explain why it is that his Party failed to take any effective action to try to reform the Senate during the 20-odd years it was in power from 1963 to 1984?

Mr. Kaplan: Mr. Speaker, I do not think any Canadian could accuse the Liberal Party of Canada of not trying to achieve constitutional evolution. We are accused of being obsessed by constitutional evolution rather than of not doing anything on the Constitution.

I would hope that the NDP would wake up and realize that there is a role for the Senate in Canada. The position which it has taken that the Senate should be abolished is out of tune with what Canadians want, particularly Canadians in western Canada who have spoken so strongly on the Senate.

With regard to the specific provision, we want an elected Senate. I recall discussions within our Party and within our Cabinet as we tried to move toward reform of the Senate. I remember the difficulties we had.

I do not mean to suggest, in my criticism of the interim solution the Government has come up with, that it is an easy problem to solve. We are open to an elected Senate. We are open to a Senate which will be effective. Certainly we are open to changing the present Senate, of which we are as critical as any Party in the House or any other Canadian.

I only want to emphasize the point that I think the interim arrangement has something going for it which might make it permanent. If it becomes permanent, it will be very regrettable because it will diminish the authority of the Parliament of Canada.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to remind the House of a few statistics I was able to pick up during the Hon. Member's speech, namely that a Special Joint Committee of the Senate was established by this House, with the Senate's concurrence, in 1980. It held sittings from October 6 to October 23, 1980. There were 11 days of debate in this House, for a total of 36 hours, 54 minutes. In comittee, 103 sittings, for 270 hours. I would also remind the House that, once the resolution was tabled in this House, there were from April 2 to April 23 a further 22 days of debate totalling 72 hours and 10 minutes. I wonder if the Hon. Member could tell me whether, in his comments, he proposed the establishment of a committee. Is he looking at a committee of this House only or a joint a further House and Senate Committee, since the Senate is seriously involved in that matter?

Mr. Kaplan: Mr. Speaker, as far as I am concerned, I believe that present Senators have much to offer in a discussion on the future of our Constitution, and I would be very much in support of Senate involvement. But I would be ready

to commend the Governement if they were giving us more than they are proposing right on, that is, I would be happy to have a committee of this House. I would be happy to have a Senate committee, or a joint committee. The important thing to me is that we give ourselves and concerned Canadians an opportunity to come up and discuss more in-depth our Constitution's future and the implications of the Meech Lake proposal.
proposal.

[*English*]

Mr. Orlikow: Mr. Speaker, I should like to direct a question to the Hon. Member. He has expressed the support of the Liberal Party for an elected Senate and for the Triple E proposal, if I heard him correctly.

I do not know how, if every province has the right of veto, provinces like Ontario and Quebec could agree that the smaller provinces should have an equal number of Senators. However, I would really like to ask him the following question.

How does he or his Party see the power of the new Senate? The present Senate, at least theoretically, has almost equal power to the House of Commons, a power which it does not use. How does the Hon. Member see the power and responsibility of a new elected Senate?

• (1710)

Mr. Kaplan: Mr. Speaker, I am not going to pretend that Senate reform has been a particular obsession of mine. I do not have the answers to those questions. I can tell you, Mr. Speaker, that I have studied the problems that arise when the administration, the executive, is accountable to two Chambers which each have their own election process. That is the situation in Australia. I know the Australian system quite well and I know the problems. I think it has some advantages, but I am not prepared for myself to disclaim or reject any of the possibilities of the Triple E proposal. I would like to consider it, and I know our Party would like to consider it. We hope that such an opportunity for consideration will be available within the parameters of the debate that the Government will allow to Parliament.

The Acting Speaker (Mr. Kempling): The time allotted for questions and comments has expired. Resuming debate. The Hon. Member for York—Sunbury (Mr. Howie).

Hon. J. Robert Howie (York—Sunbury): Mr. Speaker, it is with a great sense of satisfaction and pride that I rise to participate in today's debate. The Prime Minister (Mr. Mulroney) and all the Premiers deserve our thanks and praise for reaching an agreement that should allow Quebec to return to the constitutional fold.

This is a special moment in our history. The Prime Minister, in particular, is to be applauded for his statesmanship and vision. On May 1, when the Prime Minister reported to this House on the Meech Lake Agreement, he said that it:

> —enhances the confederation bargain and strengthens—the federal nature of Canada.

I fully agree, Mr. Speaker.

What is especially noteworthy about the First Ministers' achievement at Meech Lake is that it is the culmination of past efforts by the Progressive Conservative Party to improve the climate of federal-provincial relations and to enhance the legitimacy of federal institutions. All these reforms—an entrenched First Ministers' Conference on the economy, provincial participation in Supreme Court appointments, and a role for the provinces in Senate appointments—can be traced to commitments by our Party and this Government.

I look back with pride on the record of our Party in this area. In September, 1977, for example, the federal Leader and the Premiers of Ontario, Alberta, New Brunswick and Newfoundland signed the Kingston statement. Among the principles enunciated in that document were the following:

> —federal spending power must be brought within constitutional bounds—by specifying in the Constitution that no federal spending shall take place within areas of exclusive provincial jurisdiction without the agreement of the province or provinces directly affected;
>
> A commitment to annual consultation among First Ministers on economic and fiscal policies and goals;
>
> To assure the federal nature of certain Canadian institutions, provincial Governments should be closely and formally involved in appointments to the Supreme Court of Canada and a proportion of those to the Senate.

The Kingston statement was followed by a policy paper in 1978 by the Progressive Conservative Party, entitled *The Constitution and National Unity*. In that document, this Party stressed:

> The need to accommodate regional diversity in Canada through two significant changes: firstly, through direct provincial participation in national institutions and agencies, principally by reform of the Senate . . . and secondly through formal recognition that a federal system requires regular public consultation among responsible Governments, through federal-provincial conferences.

The Government's record on the Quebec constitutional issue is clear. Even before 1984, the Prime Minister and members of this Government were committed to bringing Quebec back into the constitutional family. At Sept-Iles in 1984, the soon-to-be elected Prime Minister set this important objective for a Progressive Conservative Government.

Over the years, the commitment of this Party and this Government has been aimed at improving the climate of federal-provincial relations and ensuring that federal institutions fully reflect the interests of all parts of Canada. It is a commitment to harmony in diversity, to co-operation rather than confrontation, to national renewal and national reconciliation.

From Kingston in 1977, to Sept-Iles in 1984, and to Meech Lake in 1987, our Party has remained consistent in its objectives and steadfast in its ideals. This is, indeed, a memorable occasion.

As Canada contemplates a bilateral trade agreement of historic proportions with the United States of America, the fundamental unity of our nation in a constitutional accord is an important achievement. It is important, too, as an act of

national reconciliation as Canadians work to improve their standard of living and quality of life.

The provinces, like the federal Government, would now have a veto power over a limited range of constitutional changes affecting Parliament, the Supreme Court, the creation of new provinces or the extension of present provinces into the Territories. These institutions belong to the Canadian people and are the basic national elements of our Confederation. It seems only fair that they should not be altered without the agreement and concurrence of all the partners to our Confederation.

Through the conciliatory genius of the Prime Minister, and the goodwill of all the First Ministers of the provinces, there is an explicit recognition that French Canada is not confined to Quebec, nor is English Canada confined to the other provinces. While recognizing the reality of the distinctive nature of Quebec, all 11 Governments are committed to the protection of the country's two language communities.

Under this Accord, the federal Government will have to provide reasonable cash compensation to any province that opts out or does not participate in the future cost shared program in an area of exclusive provincial jurisdiction. It is important in considering this concept that we bear in mind that we are talking about an area of exclusive provincial jurisdiction which may be part of a national scheme in which a provincial Government may not wish to participate. The exclusivity of the provincial jurisdiction, in my view, justified the willingness and desirability of the federal Government to be bound by rules of behaviour in someone else's house.

Under these circumstances, the federal Government will provide reasonable cash compensation if the opting out province undertakes initiatives or programs of its own that are compatible with national objectives.

A quick look at our Canadian history suggests to us that some of our greatest landmarks in social legislation were accomplished before the Constitution was amended in 1982 and when each province felt it had a veto power, not just over the limited range mentioned in the present Accord, but over every federal program which invaded provincial jurisdiction. Despite this, an important amendment was won, passed in England, which resulted in unemployment insurance. Our health care system, which is a model to the whole world, was put in place composed of hospital care and medicare during the same period.

It might well be argued that the Government closest to the people, the provincial authority, is best qualified to administer a national program and tailor it to the particular needs of Canadians who reside within the provincial jurisdiction. I think it can be argued that this is preferable to rigid uniformity.

All of our great national programs have come into being because there was a national consensus that the Canadian people wanted them put in place. Consultation and co-operation between federal and provincial had always resulted in better laws better administered.

I suggest that it is preferable in federal programs to spell out goals and objectives clearly with the specific means and details being worked out with reference to the particular characteristics that exist in the regions of Canada. For example, the design of a daycare system in our only bilingual Province of New Brunswick must surely be different from the design of a daycare system in Metropolitan Toronto, Vancouver or Whitehorse.

• (1720)

From 1950 to 1975, Canada experienced the greatest period of expansion and development in its history. Canada stands today at the apex of its power and influence, having witnessed in the third quarter of this century some tremendous milestones in human achievement.

We have today the lowest infant mortality rate in our history, more young Canadians in post-secondary educational institutions than ever before, and a life-span that has been extended by 10 years. These achievements are in great measure the result of milestones of social legislation which have been put in place by the will of the Canadian people and the good faith of our leaders, both federal and provincial.

The reality is that following the economic reversals of the mid-1970s, the federal Government has not been able to achieve any major redistribution of wealth without the co-operation and assistance of the provinces. There is, however, much that the federal Government can do and will do to improve the standard of living of Canadians, particularly those who live below the poverty line. However, there is much more that the Government of Canada can do in step with the provinces.

Even though the federal Government spends billions of dollars annually on programs under provincial jurisdiction such as those funded by Established Programs Financing, many legal authorities looked upon this as a move into the grey area of constitutional concern. Parliamentarians may recall the court challenges arising from the federal Government Bill in 1983 that withheld medicare funds from provinces that allowed extra billing or hospital user-fees. The Meech Lake Accord does much to clarify this point.

Prime Minister Diefenbaker was the champion of the underdog and put his indelible mark on Canadian history with a Bill of Rights. Prime Minister Trudeau, by indomitable will and force of intellect, gave Canada a new Constitution. The present Prime Minister, by tireless diplomacy, has completed the act of Confederation and has established a strong and unified Constitution that is evolving and developing and serving the reality of Canada.

This Accord demonstrates once again that when the chips are down, Canadian leaders put Canada first. Our young nation now marches forward into the 21st century, a century that will belong to Canada.

The Acting Speaker (Mr. Kempling): Questions? Debate.

[*Translation*]

Mr. Lorne Nystrom (Yorkton—Melville): First, Mr. Speaker, I would like to commend the Prime Minister (Mr. Mulroney) and the 10 Premiers for the unanimous agreement reached at Meech Lake.

Mr. Speaker, thanks to the Meech Lake Accord, Quebec would be part of the Canadian family as far as the Constitution of Canada is concerned. And as the Prime Minister stated this morning, seven years ago Quebec said yes to Canada, and now it is time for Canada to say yes to Quebec.

[*English*]

We now have an agreement which is very important in bringing Quebec into this constitutional family of Canada. I believe Canadians outside of Quebec, through their various provincial Premiers, have shown a great openness to Quebec, particularly when they have talked about Quebec being a distinct and different society. They made a considerable move toward bringing Quebec into the Constitution. I now invite Quebec to show the same kind of leadership in trying to bring about solutions to some of the other constitutional problems that face other parts of the country, and I particularly invite Quebec and the other provinces to show the same kind of leadership in bringing our native Indian people into the Constitution of Canada.

[*Translation*]

Mr. Speaker, it is ironic in that perhaps the process of change to our Canadian Constitution started on November 15, 1976, with the election to Government of the Parti Québécois and Premier René Lévesque in Quebec. That election was followed by a referendum in Quebec three years and a half later, on May 20, 1980.

[*English*]

After that referendum, we had a debate in the House and across the country about patriating the Canadian Constitution. We went from that step to what is before us today in the Meech Lake Agreement.

The Constitution of Canada is the fundamental law of this country. It is the foundation on which all other laws are based. The Constitution does not belong to the Governments, to the politicians or to the bureaucrats. The Constitution belongs to the people of Canada.

Today I reaffirm my belief in federalism. It is federalism that makes this country work. In particular, I reaffirm my belief in a system of co-operative federalism, the only way in which a country as diverse as Canada can work at all.

There are two orders of Government in this country and there must continue to be two orders of Government. On the one hand, it is very important to have a strong and central federal Government and we need that strong and central federal Government to equalize things between the various regions and, as much as possible, between the various people of the country, whether they come from a wealthy part or a poorer part of Canada. On the other hand, in addition to a strong and central federal Government, we need strong provincial Governments with their own jurisdictions because of the differing realities in each province and region. Those two orders of Government must be equal partners if Canada is to have a national dream and a national vision toward which we all must work.

I suppose I can say that federalism means both uniting the country and decentralizing it at the same time. To me, federalism means a compromise between a unitary system such as those that exist in Britain or in France on the one hand and independent, sovereign states on the other. Federalism is a compromise. Federalism is co-operation. I think it is very important that we see it in that way.

In addition to that, federalism is more than just co-operation between the federal Government and the provinces and the various other Governments. Federalism is about the two founding peoples who many years ago founded this great country, the English and the French. It is also about the pre-founding people, the native people. There are many different Indian nations that were here a long time before our predecessors came from Europe and other parts of the world.

In addition to that, federalism is about the various cultures that exist in Canada. I suppose you can tell by my name, Mr. Speaker, that I come from neither an anglophone nor a francophone background but that I come from a third group of countries that is neither British nor French.

Our differences should unite us, they should not divide us. It should be the differences that make this country flourish. We all benefit from the fact that we are not one great, gigantic melting pot. In fact, one of the big differences between Canada and the United States is that the United States tends to be very much of a melting pot.

A person from my riding named Alex Kuziak was the first Canadian of Ukrainian ancestry to ever be appointed to a Cabinet anywhere in Canada. He was appointed to the Cabinet of Saskatchewan by Tommy Douglas back in 1948. In 1969, a year after I came to Parliament as a Member, we were debating the Official Languages Act. There was much uncertainty in parts of Canada. It was felt that perhaps too many rights were being given to French-speaking Canadians and it was wondered if there should be equality of languages and if Quebec was getting too much power. I recall Mr. Kuziak rising in a meeting held in Yorkton to say that the one reason there is more tolerance of minority languages, customs and cultures in Canada is the very fact that we do have two big language groups, the French and the English. Because of that, he said, we are also more tolerant of others. That is one of the things that makes this country different from the United States of America.

To begin with, Canada is in some ways very difficult to keep together. We defy geography and the natural north-south trading patterns. We also sit right next door to the most powerful nation in the world and we must protect our sovereignty, culture and economy. Those things make it very

difficult to begin with. That is why it is very important that all Canadians pull together to try to form national goals and objectives.

• (1730)

In the few minutes that remain I want to comment specifically on parts of the resolution before us. With regard to Quebec and a distinct society—

[*Translation*]

—I would like to say yes to the particular society of Quebec, to that distinct society. I have long said that Quebec is different and that the fact has to be recognized in the Constitution. I enthusiastically support this proposition of the 11 First Ministers.

I also want to mention, Mr. Speaker, that Quebec . . . It is not only the fact that Quebec is unique and distinct, but also that it is the main cultural centre for all French-speaking Canadians.

[*English*]

I also want to say that even though I very deeply respect the Hon. Member for Saint-Henri—Westmount (Mr. Johnston), I think his point of view with respect to Quebec and a distinct society is a point of view of yesterday. It is an idea of yesterday. It is a vision of yesterday. I do not think that is the way Canadians want to go today.

I want to comment about the regrettable fact that our native people are not part of this constitutional Accord at Meech Lake. I know the Prime Minister has had conferences on this issue. I know he and several Premiers have supported enshrining more aboriginal rights in the Constitution. I support him. I would just say it is very unfortunate and regrettable that the people who were here before all of us are not part of the constitutional family when we seek to bring Quebec into the Constitution. I say very clearly that I am not proud of the Premier of my province, Mr. Devine, because he did not agree to the enshrinement of Indian self-government in the Constitution. I am not proud of Premier Don Getty of Alberta or Premier Vander Zalm of British Columbia for not agreeing to enshrine more Indian rights in the Constitution of Canada. We should be expressing our feelings to those three Premiers who were the main stumbling blocks to doing just that a few weeks ago. My understanding is that the other Premiers and the Prime Minister were ready to move but the three Premiers from the westernmost provinces said no, no, no, and I believe that is wrong.

[*Translation*]

Another aspect, Mr. Speaker, is immigration. I agree with the Meech Lake Agreement as far as the question of immigration is concerned. It enshrines in the Constitution more rights for Quebec in that field. The Government of Canada can also negociate with a province an immigration agreement.

[*English*]

Another point concerns the Senate. Under the Meech Lake Agreement there is talk about the provinces having more input on the appointment of Senators. There is a commitment to enshrine in the Constitution discussions on Senate reform. I believe that the Senate as it exists today should be abolished. It is nothing but a house of patronage.

Some Hon. Members: Hear, hear!

Mr. Nystrom: I do not think there is any place in the 20th century for an unelected legislative body.

Mr. Benjamin: There was not in the 19th century either.

Mr. Nystrom: Not in the 19th century either. Our Party remains open to replacing the Senate with some other institution if it is abolished. I speak only for myself but I certainly remain very open to the possibility of having the Senate in some way reflect the regions in its representation. For example, there might be an equal number of Senators from each province. We have to make sure the Senate is elected.

Another point I am concerned about concerns spending power. This is something a number of us are concerned about. We believe we need to have on the one hand a strong federal Government that can implement national programs like medicare, unemployment insurance and family allowances, and on the other hand, we need to have enough flexibility so that the provinces can represent their own reality and recognize the diversity of this country. I am by no means a constitutional lawyer or expert, but I want to raise a concern about the drafting of the section which deals with spending power. It says that the provinces can undertake their own initiatives or programs with compatible national objectives. After hearing a number of commentaries I am not sure whether the word "compatible" is strong enough to protect the national interest. Perhaps instead of "compatible" we should be looking at "equivalent" provincial programs. There should be minimum standards that must be met. If not, there would be no compensation.

Coming from Saskatchewan I well remember the medicare fight when Woodrow Lloyd was the Premier and the big fight was over establishing medical care in 1962. I remember the tremendous opposition to medicare. The vested interests fought very hard against it. A little bit later on I remember the royal commission headed by Mr. Justice Emmett Hall on this question and the debate when Prime Minister Pearson was in office. Tommy Douglas was the Leader of this Party. John Diefenbaker was the Leader of the Conservative Party. I remember how close we came to not getting national medicare. I am really concerned that we do not enshrine in the Constitution wording which would be so interpreted by the courts as to make it impossible to get those kinds of national programs in the future.

I note that the former Liberal Minister of Finance, Don Macdonald, said he thought we could still obtain national

programs with this kind of wording but they would be marginally more difficult. I think we should clarify the wording so that we have national programs with the same standards across the country. If not, you run the danger of having a much better program in Ontario, which is wealthy, than in Newfoundland, which is poor. We could have a much better program in British Columbia or Alberta if the western economy picks up again than we have, for example, in New Brunswick or Prince Edward Island because they are much smaller and much poorer. I appeal to the Prime Minister to try to get an agreement to entrench wording which would protect the national interest.

I want to comment on the creation of new provinces. This is one part of the Agreement I do not agree with at all. I do not know why the rules should be different for the creation of new provinces in the Northwest Territories or Yukon than they were when Saskatchewan, Alberta and other provinces were created. In the past there was an agreement between the province concerned and the federal Government. The province came into the federation, and that was it. If the First Ministers are not willing to continue with that as a fall back, as my Leader said today, we certainly accept the existing amending formula where seven provinces representing 50 per cent of the population and the Parliament of Canada have to agree. In that way one or two provinces cannot veto Yukon becoming a province. I am not sure if Mr. Vander Zalm, for example, would agree to Yukon becoming a province. I think the existing amending formula would be much fairer for Yukon. I once again appeal to the Prime Minister and the Minister of Justice (Mr. Hnatyshyn) to look very seriously at that idea.

I am also concerned about the unanimity rule as it concerns national institutions, and I am particularly concerned when it comes to the Senate. I recognize the special problems of Quebec with respect to protecting the French language and culture. However, I am concerned about whether or not we have created a bit of a strait-jacket here for Senate reform. Under the present rules, Saskatchewan, British Columbia and Alberta get six Senators, but New Brunswick and Nova Scotia get 10 apiece. We are now going to have a system where the Premiers recommend potential Senators and the federal Government must pick someone from the list acceptable to it. I am not sure whether Richard Hatfield or another Premier of New Brunswick, or the Premier of Nova Scotia, want to give up that power and that number of Senators. I am just not sure those Premiers would be more interested in doing that now than they were three or four weeks ago. I am not sure whether David Peterson of Ontario would like to give up this new-found power of recommending 20 or 24 people as Senators. If that does not happen there will be great discrimination because Saskatchewan and British Columbia have only six Senators each while Ontario and Quebec have 20 or 24 apiece. That is a major problem.

• (1740)

I know other Members would like to say a few words before six o'clock. I will, therefore, conclude by saying that we have, in general, a good agreement in principle. I am concerned about a number of the details, particularly the spending power. I am concerned about the amending formula as it pertains to the creation of new provinces. I am very concerned that the Indian people did not have more rights enshrined in the Constitution. I appeal to the Premier of my province, the Premiers of the other provinces, and the Prime Minister of Canada to do whatever they can to make this a better deal for the country.

I agree that we have a tremendous future and a great country. When we fully patriate the Constitution of Canada we can start working on some of the very serious economic problems, patriate the economy of Canada, and create an economy within which we can wipe out poverty for every Canadian.

Mr. Allmand: Mr. Speaker, my hon. colleague, the Member for Yorkton—Melville (Mr. Nystrom), referred to the position taken by our friend from Saint-Henri—Westmount. He said that he believed that position was outdated in 1987. I agree with that statement. As a neighbour of my good friend from Saint-Henri—Westmount I must say that in my opinion he has exaggerated the possible negative interpretations of the Accord. In any case, I think he was premature in his remarks.

When the Liberal Party passed its resolution in November of 1986 it said that a preamble should be added to the Constitution of Canada to recognize the linguistic duality of Canada and the distinctive character of Quebec as the principal but not exclusive source of the French language and culture of Canada. It seems to me that that is not too far from what we have in the Accord. As we have all said, we will want to see the final wording.

I know my friend has a deep interest in the rights of minorities and he has already referred to native people. Section (1) of the Accord states that:

> The Constitution of Canada shall be interpreted in a manner consistent with
>
> a) the recognition that the existence of French-speaking Canada, centred in but not limited to Quebec, and English-speaking Canada, concentrated outside Quebec but also present in Quebec, constitutes a fundamental characteristic of Canada;

Section (2) says:

> Parliament and the provincial legislatures—are committed to preserving the fundamental characteristics of Canada—

Would the Hon. Member not agree with me that that provides adequate protection to the linguistic minorities of the country? It appears to me that it does, and I am one who voted against the agreement in 1982. What is the Hon. Member's opinion on that?

Mr. Nystrom: Mr. Speaker, I think there is adequate protection for the linguistic minorities. There is reference in the constitutional agreement In the first section with regard to the distinct society, "the recognition that the existence of French-speaking Canada, centred in but not limited to Quebec, and English-speaking Canada, concentrated outside Quebec but also present in Quebec". It also refers to the role

of the National Assembly in Quebec in terms of achieving this distinctiveness. It refers, in addition, to legislatures outside of Quebec and the Parliament of Canada.

I would also remind my friend, the Hon. Member for Notre-Dame-de-Grace—Lachine East (Mr. Allmand) of Section 23 of the Canada Act which talks about minority languages and education rights within those minority languages. It says that all provinces must provide education in the minority language where numbers warrant. Therefore, I think we are covered pretty well in terms of protecting minority language rights.

As more of an opinion than a fact I would say that one way of protecting the French language from coast-to-coast is to ensure that there is very strong protection of it in Quebec. The French language is a minority language in this country and an even smaller minority in North America. We can protect the French language across Canada by protecting it very solidly in Quebec, ensuring that it is not eroded there. If it is solidly protected there, that can help it flourish right across the country.

The English language is very well protected because it is the most important language in the world today. It is the majority language in North America as it is in this country. One way to protect minority rights is to ensure that we have two secure linguistic bases. If people do not feel insecure about that, both can flourish on each other's turf, so to speak.

Mr. Mazankowski: Mr. Speaker, I listened with interest to the Hon. Member for Yorkton—Melville (Mr. Nystrom) as well as to those who preceded him, particularly his Leader and the Leader of the Official Opposition (Mr. Turner). I was very impressed by the clear indication of support which both Leaders have offered with respect to the resolution currently before the House.

With that in mind, would the Hon. Member, on behalf of his Party, be agreeable, in light of the unanimity which seems to prevail, to have this motion deemed adopted, as was the case when we dealt with the Manitoba French-language resolution a few years ago which was sponsored by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy)? I think it is in the interest of all Members of the House to have a clear indication from the House. I sense that there is unanimity and ask whether we might consider, before concluding the debate at six o'clock, to agree to have the motion deemed as adopted by the House.

Mr. Nystrom: Mr. Speaker, I understand what the Deputy Prime Minister (Mr. Mazankowski) wants, and I think it is fair from his point of view. However, those of us who were not direct participants in the constitutional debate at Meech Lake would first want to see the final details of the Accord. I, along with others, have raised some questions about the spending power, whether or not there is a possibility of more Indian rights in the Constitution, and the amending formula as it pertains to the creation of new provinces. Therefore, we would like to see more details.

Second, I know that there are some other Members of Parliament who would not want to vote unless they had a chance to speak. Therefore, a one-day debate with a vote at six o'clock is not really fair.

The third and final point that I will make is with regard to the Manitoba case of a few years ago which the Deputy Prime Minister mentioned. I was here and supported that resolution. I remind the Deputy Prime Minister that in the Manitoba case we had details about what was being debated because there was legislation in Manitoba. There were also court decisions on the Manitoba case and we, therefore, had a lot of information to look at. In other words, the i's were dotted and the t's were crossed. In this case we are debating a question in principle and want to see more details before we will be prepared to vote.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Kempling): The time for questions having expired, I will recognize the Hon. Member for Charlevoix (Mr. Hamelin) for debate.

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker—

Mr. Gauthier: Mr. Speaker, usually there is a 10-minute period for questions and comments after each speech. It is my understanding that the 10 minute period would not end before 5.57 p.m.

[*English*]

The Acting Speaker (Mr. Kempling): The Member for Ottawa—Vanier (Mr. Gauthier) is correct that there is a 10-minute period provided for. The 10 minutes have expired according to my clock.

• (1750)

I saw no other Members rising. I immediately proceeded to debate. The Hon. Member for Charlevoix (Mr. Hamelin).

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, Canada is a country of tolerance which is in the process of becoming united again with full respect for its differences.

Mr. Speaker, in the early 1980s I joined the team of the present Prime Minister (Mr. Mulroney) because I believed he could manage to create a new climate of harmony in Canada and make Canadians regain their aspirations for genuine federalism. I believed he would be able to put an end to the sterile squabbles among the various regions of the country.

[*English*]

I believe that such a change could create a new relationship between Canadians, a more creative, tolerant and generous relationship between Canadians.

[*Translation*]

Finally I believed that the new climate might bring us to the day when Quebec would regain its place within Canada's constitutional forums. All those who, like myself, responded to the Prime Minister's appeal also believed in this change. Men and women in Quebec put their faith in us because they were convinced we would succeed in making this great change. This faith in the possibility of changing things has never been a blind faith. The man who is now Prime Minister then made a firm commitment to Quebec.

As he said in August 1984, all Quebecers love Quebec and are proud of Canada, but they also love Canada and are proud of Quebec. Their heart is big enough for both allegiances. He said that Canada offers plenty of room for the affirmation of all identities, the respect for all aspirations, and the quest for all ideals.

To heal the wounds of 1982, for wounds had indeed been inflicted to Quebec, he had solemnly pledged to do everything possible to convince the National Assembly to accept the new Constitution with honour and enthusiasm. Well, on April 30, something extraordinary happened, because his commitment to Quebec was not restricted to a single election campaign, or a vague promise to win over part of the nationalist electorate. This commitment is part of his vision of Canada and Canadians based on fairness, equity and generosity.

The Prime Minister has always appealed to the noblest and highest values held by Canadian men and women to defend the rights of minorities, linguistic and otherwise, and to defend the people and the regions of our country. He has always believed that it is through respect for our differences that we shall find new strength to stay together.

It is with enthusiasm that I came to Ottawa to defend the interests, first of Quebec, and also of the rest of Canada, but I came also because our new Prime Minister had promised us to do everything to restore Quebec to its rightful place within Confederation.

Today, Mr. Speaker, this major task is well on its way towards accomplishment.

[*English*]

The Prime Minister of Canada, the Premier of Quebec, along with the other Premiers have agreed in principle, which will permit the Province of Quebec to join the constitutional family and permit Quebecers to be true Canadians.

[*Translation*]

This is indeed important: To be a true French Canadian, it is necessary, in my opinion, for me to be a Canadian.

[*English*]

I am also proud of what has been accomplished at Meech Lake. It is not to be perceived as being a gesture of favour to Quebec, because it was a gesture of favour to all provinces. They have also agreed to include in the Constitution an aspect of utmost importance to our national identity.

[*Translation*]

The Constitutional Act of 1982 was to a great extent a description of the characteristics which make Canada unique. Yet, there was no mention anywhere in the Constitution of Quebec's distinct society or the existence in Canada of francophone and anglophone communities.

In the absence of these two basic realities, how was our commitment to linguistic minority rights to be interpreted? How else were we to show respect for Quebecers' desire to affirm themselves proudly as full partners in our national design, as partners equal but different through their history and institutions? I suggest that the Prime Minister was well aware that there was an important gap to be filled, and he appealed to the open mind and generosity of his counterparts to ensure a successful conclusion to the Meech Lake exercise. This was a necessary gamble, because solving this problem did not depend entirely on the Government of Canada, but also on the Governments of Quebec and the other provinces.

All the provinces, therefore, had to participate in the development of a new Constitutional consensus which would take into account the legitimate aspirations of Quebecers, but also the basic interests of all other Canadians. The Prime Minister felt also that, to be fair, any agreement would have to take place within the context of a true federalism. The support of all Governments was necessary, the opinion of each had to be taken into account. The country had suffered enough from partisan agreements, behind-the-scene maneuvers, deals negotiated with no real consensus.

[*English*]

All Premiers were aware of the damages that would result from another failure. No one placed himself into an irrevocable position. Quebec was also just and generous. When it asked that its distinct character be recognized, it did not do so with a desire for isolation. It could have, but it did not. On the contrary, Quebec insisted that its specificity be recognized for a broader reality: one of existence of a francophone Canada, concentrated and not limited to Quebec, and one of an anglophone Canada, concentrated in the rest of the country but present in Quebec.

[*Translation*]

That is the essence of the agreement, is it not? The recognition of the existence of French-speaking Canada centred in but not limited to Quebec, and that of English-speaking Canada concentrated in the rest of the country but also highly present in Quebec.

Therefore, the First Ministers agreed to enshrine this fundamental characteristic of the federation into the Constitution. That simple recognition has already allowed Quebecers to stand proud, and that is what we achieved on the evening of April 30, to the surprise of everyone.

However, the Lake Meech Agreement is more than that. The First Ministers recognized the importance of our two main language communities for our national identity. It is perhaps because they sensed the delicate balance that they committed themselves to protect that reality.

In the future, the Constitution shall necessarily be interpreted with due regard for the existence of our two linguistic communities and for the fact that Quebec constitutes a distinct society. This is what is fundamental and this is what is important to us.

This agreement, Mr. Speaker, is therefore a victory for all members of official language minorities in Canada. It grants recognition to the two main communities and to their existence in every region of the country, and this is in tune with the reality of Canada and the aspirations of Canadians. I am proud to see, Mr. Speaker, that our Prime Minister and our Premiers have chosen first and foremost to be statesmen rather than power hungry petty politicians: this is fundamental. So I say today that I am proud of you, Brian Mulroney, as a Quebecer, which you are, but also as a Canadian, which you are as well for all of us: I am very proud of you.

[*English*]

The Acting Speaker (Mr. Kempling): I am sorry to interrupt the Hon. Member. It being six o'clock, pursuant to order made earlier this day, this House stands adjourned until tomorrow at eleven o'clock pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Tuesday, May 12, 1987

The House met at 11 a.m.

Prayers

[*English*]

PRIVILEGE

ALLEGED BREACH OF CODE OF CONDUCT—STATEMENT BY MEMBER

Mr. Speaker: I should bring to the attention of Hon. Members that the Hon. Member for Ottawa Centre (Mr. Cassidy) has requested that he be granted leave to make a statement at this time, and I recognize the Hon. Member.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to rise on a matter of privilege.

On April 13, I directed questions to the Deputy Prime Minister (Mr. Mazankowski) on whether the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) had violated the Code of Conduct for Ministers by his handling of the sale of an interest in a small investment property in downtown Ottawa. The next day the Minister, who had been away on April 13, raised a matter of privilege, claiming that I had used distorted information and unsubstantiated innuendo in order to damage his reputation.

Last week, Mr. Speaker, you upheld my right to ask the original question, although you warned that Members should be careful not to abuse the absolute right of privilege that they enjoy in this House. I accept your ruling and will heed your caution. After some reflection and consultation, however, I should like to clear up any misunderstanding I may have caused about the Minister's action.

Before raising my question in April, I had reviewed the public documents on file in the Ottawa Registry Office and in the office of the Assistant Deputy Registrar General, or ADRG, the official responsible for overseeing the Code of Conduct for Ministers, as well as providing some advance notice of my question to the Minister's office. I tried to reach the Minister by phone, but he was in Toronto and not available.

Had I spoken directly to the ADRG, he might have informed me that the Minister had informed the ADRG before selling his interest in the Ottawa property and had received written assurance from this official that the Minister's transaction was in compliance with the Code of Conduct. This letter was not in the public file relating to the Minister's compliance with the code when I consulted it. Once the Minister had made the letter public on April 14, there could be no question that he had sought to comply with the code and was in compliance with the code with relation to the Ottawa transaction.

With hindsight, it is clear that any question to be raised in this matter should either be with the Code of Conduct itself or with its interpretation by the responsible official, the Assistant Deputy Registrar General. I remain convinced that the Code of Conduct for Ministers needs to be tightened up and made enforceable, and that one area that should be reviewed is that of transactions which might be viewed as commercial. These, however, are matters that should be raised with the Government, not with an individual Minister.

I therefore wish to acknowledge that in connection with the Ottawa transaction, the Minister of State for Fitness and Amateur Sport did act honourably and did ensure that he was in compliance with the Code of Conduct for Ministers as it now stands. I hope this statement will help to set the record straight, and I wish to thank you, Mr. Speaker, for your help in this matter.

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I thank the Hon. Member for Ottawa Centre (Mr. Cassidy) for the statement he just made. I take it that somewhere therein there is an apology, and I accept that apology. Therefore, I consider the matter in this regard closed, and I hope that in the process all of us have learned a bit of a lesson.

Mr. Speaker: I think it is appropriate for the Chair to say that of course the whole matter has given the Chair a great deal of difficulty. I think it is also appropriate to say to the Hon. Member for Ottawa Centre (Mr. Cassidy) and to the Minister, on behalf of all Hon. Members, that the Hon. Member for Ottawa Centre is to be commended for having returned to the House and having made a statement, and that the Hon. Minister is to be commended for having accepted it graciously in the best traditions of this place. I thank both Hon. Members.

Tabling of Documents

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petition Nos. 332-1662, 332-1861 to 332-1870 inclusive, 332-1899, 332-1900, 332-1920, 332-1935, 332-1948 to 332-1951 inclusive, 332-1965, 332-1984 to 332-1989 inclusive and 332-2053.

* * *

• (1110)

[*English*]

HEALTH CARE SERVICES

NATIONAL NURSES WEEK

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, for over 300 years, dedicated and competent nurses have been serving Canadians. Nursing has been developing and growing as a profession since the time of Jeanne Mance, who is considered to be the first lay nurse in Canada, in the early years of the 17th century. Nurses have played an active and valuable role in the development of our national health care system.

This year, the Grey Nuns will celebrate 250 years of service in Canada. They, as well as others, continue to distinguish themselves and their profession through their excellence in the provision of high quality health care.

The importance of nursing in our health care system is illustrated by the fact that more than 200,000 nurses who practice in Canada constitute over 50 per cent of Canada's health professionals. The nursing profession touches everyone. Nurses serve the community by caring for all groups of people, from the newborn to the aged, during health and during illness. Their presence is felt in a variety of venues as they provide care in homes, in occupational settings, in clinics, in hospitals, in nursing homes and in all other types of health care institutions.

The contributions of nurses have been recognized internationally for many years with the declaration of May 12, Florence Nightingale's birthday, as International Nurses Day. Canadian nurses, with their colleagues in other countries, have adopted the theme "Occupational Health and Safety" to mark this week.

In recognition of the many contributions of our nurses to our health and well-being, I hereby endorse the Canadian Nurses Association proclamation that each year the second week of May shall be National Nurses Week.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I welcome this opportunity to speak on behalf of my Party and add my comments to those made by the Minister of National Health and Welfare (Mr. Epp). It is a pleasure to recall the work accomplished not only by lay nurses but also by the Grey Nuns whom my family has known for years, since they were active for many years in Northern Ontario.

[*English*]

Of course, it gives me great pleasure to associate myself and my Party with the remarks of the Minister of National Health and Welfare (Mr. Epp) with respect to National Nurses Week. I think, however, at the same time, I would like to sound a warning bell. One only has to look at newspaper headlines across the country to realize that nursing is in a crisis situation. There is a critical shortage of nurses, for example, in the lower mainland of British Columbia. The hospital bed closures this summer are as a result of a nurse shortage. We see in northern Ontario that elective surgery is being delayed because of the lack of available nurses. We have to look at why we lack nursing personnel.

It is quite true, as was stated by Glenna Cole-Slattery, who is the new Chief Executive Officer of the Ontario Nursing Association that:

> The bottom line is that women do not have to come into nursing anymore—the poor working conditions, pay scales that don't recognize gruelling shift work and special skills, and apathy in government and among administrators are driving people to quit.

If we use Ontario as an example, Mr. Speaker, chances are that two out of three nurses in Ontario who are registered to practice their profession are not practising. We have to address this situation nationally. Alberta is losing nurses in droves and Quebec is facing a nurse shortage. Until we begin to address the root causes for the nurse shortage, that is lack of fulfillment, the burn-out suffered by nurses who are thrown into 10 and 12 hour shifts and who are forced to carry on the very difficult job of having one or two nurses on a ward looking after 20, 30 or 40 patients, then we will continue to see a further erosion and shortage. We will continue seeing nurses being recruited south as we have seen recently.

Recognizing that this is National Nurses Week and applauding the Minister for making the commitment to have the second week of May dedicated to the nursing profession and, of course, in lauding Florence Nightingale, we must also ask why we have a nurse shortage. That is something we have to address seriously in the coming months if we intend to keep the stellar quality of nursing that we have known in Canada.

Mr. Rod Murphy (Churchill): Mr. Speaker, I am pleased to rise on behalf of the New Democratic Party caucus and congratulate the Minister of National Health and Welfare (Mr. Epp) for the declaration that he has made in the House today declaring this as National Nurses Week. It is very

important that we recognize the professional knowledge of nurses and that we treat them in a much more professional manner, respecting their knowledge of what is happening in hospitals and communities. Nurses should be treated on a more equal footing in all of these matters.

In the House of Commons we must be more accepting of the knowledge nurses have with regard to the actions of Government and how the actions will hurt people in the health care field. I point out that nurses are among a number of groups who came forward and spoke against the Government's plans on Established Programs Financing and on equalization. Obviously, because of their own knowledge of what is happening in communities and the hospitals, nurses understand the implications of government services.

On a more personal matter, I would like to point out that the national headquarters for the nurses union happens to be in Thompson, Manitoba. Cathy Connors from my area is the president. It is one of the few national offices that happens to be located in Thompson, Manitoba. I congratulate the nurses for the foresight in picking a great location for national headquarters because it really is the centre of Canada.

On another matter which is perhaps more serious, and certainly a concern of mine and I know of the Minister's, there is a real problem in getting a full complement of nurses in remote communities, which is a direct responsibility of the Minister. The medical services branch has been unable to have a full commitment of nurses, in the almost eight years that I have been a Member of Parliament, in the native communities in my riding. I do hope the Government in recognizing the value of nurses would especially recognize that in native communities, nurses are not just the first line of service, they are the only line of service of any professional help for the health and life of people in those communities.

I hope the Government will make a commitment this week in recognition of the declaration which the Minister just made to ensure that there is a full complement of nurses in remote communities for our native people.

* * *

BELL CANADA ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Howard Crosby (Halifax West): Mr. Speaker, as Chairman of the Legislative Committee on Bill C-13, an Act respecting the reorganization of Bell Canada, I have the honour to present the Bill to the House with an amendment. May I add the comment that the amendment is a technical one, not related to the substantive provisions of the Bill.

PETITIONS

REQUEST FOR APPOINTMENT OF ARBITRATOR—SETTLEMENT WITH FRED TURNER

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and the duty to present two petitions signed by several dozen Canadians from places such as Ottawa, Kitchener, Nepean, Perth, Lachine, Dorval, St. Leonard, St. Eustache, Montreal, Yellowknife, Lac la Martre, which is also in the Northwest Territories, in which your petitioners humbly show that the operating records of TurnAir were seized by the Canadian Transport Commission as evidence in a prosecution against an unlicensed airline. Mr. Turner was a key witness for the CTC in that prosecution.

The CTC cancelled the operating authority of Mr. Turner's airline for a minor licence violation, and this led to the repossession of his aircraft and the financial insolvency of his business. The Queen's Privy Council has returned his operating authority and offered $15,000 compensation but did not consult or negotiate with Mr. Turner to assess the true value of his loss.

• (1120)

Therefore, your petitioners humbly pray that this House of Commons will have the Government seek to have an independent arbitrator assigned to this matter to investigate the details of the case and to review and negotiate the offer from the federal Government with Fred Turner in order to reach an equitable settlement which better reflects the true nature of his loss.

RIGHT TO LIFE OF THE UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. John Oostrom (Willowdale): Mr. Speaker, I am honoured to present two certified petitions. The first one comes from some 350 constituents of Willowdale as well as residents of North York and Thornhill who support Bill M-37. The petition calls upon Parliament to amend Section 7 of the Charter of Rights to read: "everyone including a human foetus or unborn human being has the right to life, liberty and security of the person, and the right not to be deprived thereof except in accordance with the principles of fundamental justice".

The second petition is from some 400 residents of the City of Ottawa and the Towns of Nepean, Kemptville, North Gower, Carleton Place, Pembroke and Arnprior, also supporting Bill M-37 which calls for Parliament to recognize fully the rights of the unborn.

UNIVERSAL ACCESS TO FAIR ORAL HEARING BEFORE REFUGEE BOARD

Mr. Dan Heap (Spadina): Mr. Speaker, it is my duty and honour to present a petition signed by more than 100 Canadians, duly certified by the Clerk of Petitions. Residents of Aurora, Stratford, St. Thomas, Pickering and Kitchener in

southern Ontario as well as residents of the metropolitan area of Toronto and Saskatoon are concerned about legislation the Government has recently introduced that they believe will harm the interests of genuine refugees and of people seeking to come to Canada to claim refugee status. They point out that their petition has the support of members of all Parties, the Council of Churches, the Bar Association, the Jewish Congress and other groups and individuals.

Therefore, your petitioners humbly pray and call upon Parliament to ensure that the Government and Parliament enact legislation that will embody the principles of fair and quick oral hearings of refugee claimants before a refugee board, independent of the Immigration Commission, universal access to such hearings for every claimant in Canada and adequate opportunity to arrive in Canada to make this claim, and therefore your petitioners will ever pray.

[*Translation*]

CANADA POST—OPPOSITION TO CORPORATE PLAN

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is my duty to present in the House a number of petitions from the people in my riding, and more specifically, residents of Haute-Aboujagane, Notre-Dame, Cap-Pelé, Shediac and Moncton.

Your petititioners humbly call on Parliament to make Canada Post drop its plans and deliver the mail to all Canadians, without distinction.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 115.

[*Text*]

CIDA—EDUCATION PROJECT IN ZIMBABWE

Question No. 115—**Mr. Manly:**

For each of the years 1983 to 1986, did CIDA budget funds for an educational project in Zimbabwe and, if so (*a*) in what amount (*b*) how many co-operants from Canada were employed in Zimbabwe on the project and what was the average salary?

Mr. Roger Clinch (Parliamentary Secretary to Minister for External Relations): CIDA is funding a Secondary Education Assistance Project in Zimbabwe; during the years 1983 to 1986 CIDA spent approximately $5.7 million on the project (implemented by the World University Service of Canada—WUSC).

Between 1983 and 1986 the number of Canadians on the Secondary Education Assistance Project varied between 100 and 150. Their salaries were paid by the government of Zimbabwe according to salary scales established for all secondary school teachers in the country, and the CIDA funds mentioned above paid for allowances and project administration. The average salary was approximately $12,000 (Zimbabwean dollars).

In addition to the above assistance, CIDA began in 1986 to implement a separate Technical/Vocational Education Project through the Ontario International Corporation of Toronto. By the end of last year nine co-operants had begun working under this project; CIDA disbursements for 1986 were $422,000 covering salary top-up, allowances and project administration. The Canadian lecturers and curriculum developers on this project receive the Zimbabwe salary for the positions they occupy; CIDA tops-up that salary to the appropriate Canadian level so as to attract the desired calibre of professional staff. The average total salary paid is $36,000 (Canadian dollars).

[*English*]

Mr. Boudria: Mr. Speaker, I would like to make the House aware that under Standing Order 64(3) and (4) it is a requirement that the Government answer certain questions on the Order Paper within the prescribed period of 45 days. However, according to my records, a question that I placed on the Order Paper dated February 20, 1987, bearing the number 82, and another question bearing the number 90 of March 4, 1987, have not yet been answered.

I know, of course, that it is not the Parliamentary Secretary who answers these himself, because obviously he would have done so already. However, I wonder if he could undertake to light a fire under the chair of those responsible to ensure that they observe the Standing Orders of the House.

Mr. Lewis: Mr. Speaker, I would like to thank my colleague for bringing that to my attention. We will make inquiries and endeavour to have the questions answered as soon as possible.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 63 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: The question mentioned by the Parliamentary Secretary has been answered. Is it the pleasure of the House that Question No. 63 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

TRAVEL TO INDIA AND PAKISTAN

Question No. 63—**Miss Nicholson:**

1. Did the Secretary of State for External Affairs travel to India and Pakistan in December 1985 and, if so, was he accompanied by a delegation of officials, parliamentarians, business people and others?

2. (*a*) What were the names and roles of the members of the delegation (*b*) were members of the delegation accompanied by spouses or companions and, if so, which members were so accompanied?

3. (*a*) What was the itinerary for this trip (*b*) what was the schedule of official meetings, ceremonies, entertainments and excursions (*c*) which members of the delegation attended which events?

4. Was there a program of briefings in connection with this trip and, if so (*a*) what was the schedule of briefings (*b*) who gave the briefings and what topics were covered (*c*) who attended which briefings and in what capacity did they attend?

5. Were (*a*) government (*b*) commercial aircraft used to transport members of the delegation and, if so, in each case (i) which members for which part or parts of the trip (ii) at what cost?

6. What was the cost of each official function on the delegation's agenda?

7. Were security services provided to the delegation and, if so (*a*) to what extent (*b*) at what cost?

8. What were the costs of the (*a*) ground transporation (*b*) accommodation (*c*) meals (*d*) per diem allowances, in total and for each member of the delegation?

Return tabled.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions stand?

[*English*]

Some Hon. Members: Agreed.

Mr. Speaker: I wish to inform the House that, because of the Ministerial Statement, Government Orders will be extended by eight minutes beginning at one o'clock p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—REFUGEES—GOVERNMENT POLICY

Mr. Sergio Marchi (York West) moved:

That this House condemns the Government's refugee policy for its failing badly to uphold Canada's proud and humane record for refugee assistance and for abandoning our nation's respected international leadership on this tragic, world-wide human dilemma, which will serve to jeopardize a meaningful international solution to what is clearly an international phenomenon;

That this House further deplores the Government's refusal to assure refugee claimants full accessibility to, and a non-adversarial hearing before, an independent refugee board; and

That, therefore, this House urge the Government to establish a fair, accessible and efficient refugee administration system, which would:

(1) guarantee full accessibility to the system for refugee claimants by rejecting any pre-screening stage within the process;

(2) ensure maximum protection and safety for all refugees and a comprehensive and adequate hearing of their claims by abolishing the highly restrictive "safe third country" concept as an integral part of the refugee determination process; and

(3) provide every refugee with the opportunity of an appeal before a competent and independent refugee body that would consider all facts and circumstances of the appellant's claims.

He said: Mr. Speaker, over 100 years ago, the test for Canadian people was whether the ideals and principles on which this nation was founded could be extended to all. Now, some 100 years later, the issues are relatively the same. The scope, however, is world-wide.

As we debate this motion in the House of Commons this morning, discrimination and apartheid prevails in South Africa, serfdom reigns in the mountains of Peru, people are starving in the streets of India and Africa and thousands are displaced, tortured and persecuted in every corner of the world. All of these people are refugees of some kind or another and they all reflect the imperfection of human justice and the inadequacy of human compassion.

• (1130)

In response, Liberal Governments of the past displayed a genuine determination to wipe away, so far as it was in their power to do so, the unnecessary suffering of our fellow human beings around the world. Their record was well respected and recognized in the international community. It was less than six months ago that Canada was awarded the Nansen Medal for its past refugee record. It was less than nine months ago that the Prime Minister of Canada (Mr. Mulroney) defended his Government's assistance to refugees by stating: "If we err we will always err on the side of compassion and on the side of justice".

Given that backdrop, the refugee legislation presented last week makes a mockery of those two significant statements. The direction and spirit of the new policy is misguided and fundamentally betrays the reasons behind Canada receiving that medal, and betrays the Prime Minister's earlier commitment, particularly when we consider that the UN declared 1987 as the International Year of the Homeless.

The policy, Your Honour, is an inadequate and insensitive culmination of a two and a half year consultation process. Most of the organizations and churches, who have invested their time, energy and talent towards creating a better and humane refugee system, are now vehemently opposed to the major tenets of the Bill. Yes, the ideal refugee system, like the ideal world, does not exist. However, it is irresponsible to design and implement a new refugee determination system in light of very glaring and significant shortcomings.

For the past several months the Government has been waging an unholy war with a strategy which tried to fabricate a crisis that would have Canada invaded by thousands upon thousands of refugees. It tried to manipulate public opinion so as to justify its legislation which will very clearly and obviously be marketed on the principle of curbing abuse. It was hoped, of course, that this would help redress the Tory Government's dismal popularity across the country.

It has been painful for my Party and for me personally to have to witness this strategy firsthand, day after day after day;

painful because the world-wide issue of human suffering is too important and sensitive to be dictated because of purely partisan political needs; painful because the problem of refugees is not merely a domestic Canadian challenge only. It is, rather, a challenge for countries of the world to deal constructively, equally and collectively in sharing the burden of assisting those less fortunate than ourselves. Therefore, Mr. Speaker, I invite the Government once again to put an end to this strategy.

No political Party or Member of Parliament in this House has a monopoly on virtue. Certainly I do not. It is recognized and accepted by all Members of Parliament, all three political Parties, and every Canadian, that Canada cannot possibly absorb all of the world's homeless. There are some 15 to 20 million refugees around the globe searching for a home. No Member of Parliament, no political Party, and no Canadian wishes to legitimize or reward fraudulent refugee claimants.

However, this does not absolve the Government of responsibility. It cannot wash its hands of refugees, act as a modern-day Pontius Pilate, and turn away genuine claimants from our borders and push them aimlessly adrift. That would act as a trigger for other nations to do likewise, and only serve to aggravate the human crisis facing refugees. It would limit their options and make them all the more desperate. Yet that is what the Government has effectively done by its announced policy statements in Bill C-55.

The policy is not tolerant, it is not fair, wise or compassionate. Instead, it is a policy rooted in inflexibility, rigidity and restrictiveness. The Government's refugee policy is fatally flawed in a number of key areas which I would like to examine and evaluate.

The first difficulty is that the Government has chosen to establish a pre-screening stage at all border points. Two officers would decide, virtually on the spot, whether the claimant has an arguable case to proceed before the new refugee board. In effect this would act as a huge barrier to the refugee board, a wall which would seriously restrict the number of claimants who would receive a fair hearing. Merely looking at the origin of the claimant and the country from which he or she arrived is an irresponsible solution which ignores individual circumstances.

It is therefore absurd for the Ministers responsible for immigration to guarantee, as they have, that no genuine refugee will be turned away under this policy. How can they possibly say that, when those refused during pre-screening will have been denied any meaningful and serious consideration? The Ministers simply cannot have it both ways. Pre-screening is a most disturbing development that undermines the principle of full accessibility which has been advocated by every non-governmental organization, every church organization, and the Standing Committee on Labour, Employment and Immigration.

As well, as a first reaction to the refugee claimant the implication left by pre-screening is one that views the refugee as a major problem and favours returning the problem to someone and somewhere else. It is, in short, an irresponsible stance. Furthermore, one of the two pre-screening officers will be a member of the refugee board, while the other will be an immigration adjudicator; in other words, an official of the department.

That raises some obvious questions. Why is it necessary for this person, who will be clearly enforcement minded, to be there? Whose interests will he be serving? Why is the Government confusing immigration and refugee matters when one of the crucial exercises was to clearly distinguish between these two very different areas of public policy? If the Ministers were genuinely concerned with the authenticity of refugee claims, why are both officers not members of the refugee board? Regrettably, that immigration adjudicator represents the hand of the immigration department within this all important first step.

The second major shortcoming is that this pre-screening process is based on the concept of a "safe third country", meaning that Cabinet will draft a list of so-called safe countries which will largely dictate who can or cannot access the refugee process. This is also a worrisome and alarming initiative and represents a complete and unfortunate reversal of government philosophy.

Past Liberal Governments had established and respected a B-1 list of non-deportable countries. That was a statement that we as a nation were not prepared to deport people to certain parts of the world because of their poor record on human rights. The emphasis in this equation was clearly in favour of the individual's protection and safety.

Under the Conservative Government not only did they abolish the B-1 list on February 20 of this year, but now the Government is prepared to reverse direction by drafting a list of countries that the Government is fully prepared to deport individuals to. Consequently, if a refugee arriving in Canada had previously stopped in a country on that list, the pre-screening officer would have the person returned to that respective country. Given that criteria under this legislation, there is no discretionary authority provided to the two officers. Thus there is no basis for them to consider the individual's circumstances and the merits of his claim.

In addition, important unanswered questions abound. Where are the safeguards? Where are the legally binding agreements between Canada and those countries on the proposed list? Will Canada give in to fierce political and diplomatic lobbying by other nations wishing to get on Canada's safe country list? Will there be trade-offs? Will there be countries which for complex reasons will be on the list, but should not be, given their human rights violations? Will the power game between countries supersede the life/death situation of individual refugees?

• (1140)

Furthermore, how fast will Canada react to new surges of violence and human rights abuses? How much lag time will occur before people from a place of sudden unrest will be accepted as bona fide refugees? Finally, what in God's name is a third safe country? Is the United States, which freely deports Guatemalans and El Salvadorans, a safe country? Is Great Britain, which deports Tamils, among others, a safe country? Is Guatemala, which is a democracy, a safe country? If they are not, which clearly they are not for these individuals, will Canada have the courage to keep these countries off the safe country list? And why has the Government failed to present a list of third safe countries which could be debated freely by Members of Parliament?

The safe third country concept is riddled with serious and fatal flaws. It is completely unfair and unreliable for the Government to measure and determine a person's claim of persecution according to this concept. In following this path Canada would be one of the first countries to legislate this third safe country concept. As such, it would only serve to encourage other countries to consider adopting similar restrictive responses. This would inevitably lead to a world-wide corridor of closed and locked doors.

Toward this end, has the Government asked itself what will be the cumulative effect and result of all countries undertaking a third safe country concept? Where would the 15 million to 20 million refugees go? What options would they have? What actions would they resort to as an alternative to facing torture or certain death in their native lands? How many rich and unscrupulous immigration consultants like John Santos would such a policy create?

It is obvious, Mr. Speaker, to anyone with foresight that such an opting out on a grand scale would undermine any real international solution to this international phenomenon. It would destroy the shared responsibility and commitment which countries have for the plight of refugees. It would jeopardize the United Nations convention relating to the status of refugees signed in 1951. If this does happen, as it very well could in the foreseeable future, it would not be a proud achievement for our country to be regarded as the chief architect in dissolving the world's resolve toward combating the problem facing refugees.

My Party and I are asking today that the Government abandon its safe third country concept as the centrepiece of its refugee policy, and furthermore that the Government reject its pre-screening exercise. Doing so would allow claimants to enter the refugee board directly and immediately where their claims could be presented and a decision rendered. Under this scheme the decision-making process would be expeditious, fair and humane, which is precisely what the consultation process has demanded.

By rejecting such a model the Government is compounding the red tape, by adding a needless pre-screening layer of bureaucracy at all border points. It would increase the over-all cost which would be associated with this extensive network across the country and would burden Cabinet by establishing, monitoring, and revising so-called safe country lists which, in the end, may not be in the best interests of the individual refugees. Talk about inefficiencies and inconsistencies!

While the Government claims that the new refugee board is non-adversarial, the facts and legislation prove much different, and this is where the third deficiency lies within the system. The Government's own documentation suggests and proposes that a departmental immigration lawyer will present "pertinent facts" about the claim to the two refugee board members. This will automatically make the hearing highly adversarial and highly controversial.

After all, whose interests will the lawyer be representing? From where would he obtain his information? Would he receive it from the immigration adjudicator involved in the first pre-screening stage? If so, is that proper and is that made known to the refugee claimant? Again, why mix immigration officials with the refugee process? If the refugee board is intended to be a specialized body dealing exclusively with refugee related matters and its officers are competent and knowledgeable in the plight of refugees, why intervene with immigration personnel?

Our clear and unwavering recommendation is to allow the refuge board and its officers to take the proper and fair course with the refugees coming before it and that the department keep its distance unless otherwise requested.

The fourth serious problem with the refugee determination system is its appeal procedure. The Government has proposed that the appeal mechanism be to the Federal Court of Canada, with leave. It could not have selected a worse apparatus since the Federal Court has only the mandate to hear argument on the legal process and points of law and not on the facts and circumstances facing the individual refugee. The Federal Court cannot receive new evidence, reassess the credibility of the claimant by examination, or permit opinions or advice by either the United Nations High Commission on Refugees or non-governmental organizations. It is unrealistic to expect that such reforms in our court system would occur in the foreseeable future. Therefore, under these terms the appeal is shamefully weak and again runs counter to all the individual evidence presented during the extensive consultation process leading up to this piece of legislation.

The Liberal Party's position has always been that, to a large degree, the refugee determination system is only as viable and as strong as its appeal mechanism. The Government's plans for appeal are most inadequate and mean that an error in judgment by the refugee board can be fatal for the claimant. In an attempt to avoid this monumental concern we advocate a separate and independent appeal board whereby mistakes and errors could be avoided or corrected.

To add insult to injury, the Government has also declared that the appellant be deported until the Federal Court has considered the appeal. This is a most unbecoming and

inhumane attitude which places the claimant in danger or possible death by forcing their return to their native country while the court decides. By the time it does, it could possibly be too little, too late. Is this the spirit of our justice system? I think not. In addition, there is considerable doubt as to whether this deportation order is constitutional and whether it violates Section 7 of the Charter of Rights and Freedoms which safeguards the security of the individual.

The fifth and final major flaw of this legislation, which I have touched upon previously, is with regard to Canada's international obligations and its respected leadership under Liberal Governments in dealing with the plight of refugees.

By constructing a new refugee determination system founded on a pre-screening stage and on the concept of a third safe country, the Conservative Government, on behalf of our country, is throwing in the white towel and sending a very wrong and dangerous signal to the rest of the world. All countries will move the clock back and justify that, in part, by pointing to Canada. They will adopt the attitude that "if Canada can do it, we can do it", or "if Canada did it, it must be right".

Clearly, if the Conservative Government is serious about facilitating an effective international solution to the refugee dilemma around the world, as were past Governments; if it is serious about protecting Canada from increased fraudulent claims, as were past Governments, then it is incumbent upon the Tory administration to avoid any regressive action which would incite that very mentality.

• (1150)

The Government must therefore resist putting in place a rigid and limited arrangement that would only trigger a crumbling domino reaction around the globe. I regret to say, however, that with its recent legislation the Government has done precisely that.

We have witnessed in various bilateral dealings a Government that has been wimpish with some of the stronger nations of the world. The lumber deal with the United States and the fish deal with France come to mind.

It is regrettable that, in order to prove its macho image, the Government had to pick a fight with refugees; people who are nationless, who are suffering, who are facing torture and seeking refuge and a home. In my opinion and that of my Party, that is not the sign of a compassionate country. It is not the sign of a progressive country or the sign of a courageous country.

We as a society cannot right every wrong, make perfect all the imperfections of the world. But neither can we sit content and idle, and diet while others starve, buy millions of new cars every year while most people of the world go without shoes, purchase and build larger and more expensive homes while other fellow human beings lack basic shelter.

Our problems, having grown to the size of the world, no longer seem our own. Each day we are required to respond to a new crisis, created by people whose names we cannot pronounce, in lands of which we have never heard. Yet most Canadians, I believe, share broad and deep hopes for the world. Their hopes are of a world without war, of a world where peoples now suffering in poverty, persecution and oppression can win a better life for themselves and their children. It is hope of a world where the energies of mankind are dedicated, not to destruction but to building a generous and spacious future for one and all.

In reference to the plight of refugees, while we in the international community have not solved the problem, we are and must be firmly committed to finding solutions. More important, Canada has struggled to finally turn away from those whose hearts are frozen, from those who feel that the poor and oppressed are evil, and from those who feel that every man and woman should fend for himself or herself.

As a Government, as a Parliament, and as a country, let us not repudiate our past, let us not repudiate our heritage, let us not repudiate the tradition we have enjoyed and which has been so well recognized and acknowledged by the international community. Let us not be indifferent to the future by paralyzing the progressive development of our refugee and immigration policies. Let us dare to care, so that the next generation will harvest the fruits of our work and the world can be made better by our compassion.

We serve notice today to the Minister and the Government that this Party will fight for that type of Canada and that type of society.

Mrs. Browes: Mr. Speaker, the legislation that was introduced recently certainly has streamlined the system and has given an opportunity for a fair and quick response to refugees as they come to our borders and airports in Canada.

The Hon. Member particularly referred to the initial hearing with the adjudicator and the member of the advisory board. I was rather surprised that he would be so critical of those adjudicators in the Public Service who conduct the initial hearing. I am sorry that the Member for York West (Mr. Marchi) has no faith in the excellent personnel who work in the Immigration Department and have been serving this country abroad and in Canada so admirably in the processing of refugees.

How does the Hon. Member's proposed scheme overcome the current difficulties? What would he streamline or eliminate to make the process work better? Does he believe that he can simply achieve efficiency by saying the system will be efficient? I suggest that his comments were very deficient. How does he propose to deter the abuse that is so obvious in the system today?

Will he answer those very important questions in relation to his comments that I thought did not deal with the issue of trying to make a refugee policy efficient and fair, as I believe the proposed legislation will be?

Mr. Marchi: Mr. Speaker, I am sorry that the member, who I believe sits on the Immigration Committee, has failed to recognize in the last two and one-half years the very fundamental requests that have been coming from the Standing Committee, the Plaut Report, from non-governmental organizations and churches across the country, and Members of the House. They have requested that we make a distinction between immigration and refugee related requests.

While the desire of someone to seek landed immigrant status in this country is legitimate and completely acceptable, it is very different from the forces that drive genuine refugees to flee their countries. Given their choice or opportunity, those refugees would stay in their country of birth. However, those forces of persecution have forced those people to pack their suitcases and seek a new and better world. That has been the central theme of all submissions before our committee.

I cannot understand why an honourable Member, particularly a government Member who may have more access to the levers of power, cannot understand that it is not a criticism of public servants who do a good and honourable job. It is simply a request that within our system and under a new refugee process bureaucrats should deal with immigration and a different group of individuals and experts should deal with refugees.

According to this legislation the Government has, once again, mixed refugees with immigrants and has missed a golden opportunity to distinguish between the two and thereby educate many Canadians about the difference between those two groups arriving on our shores.

If the Government is genuinely concerned about dealing with the refugee claims, I suggest it could have retained its two officers at all border points and could have had as members of refugee boards two people who are competent in refugee and geopolitical events around the world, rather than appointing one immigration officer who is only concerned about immigration control.

• (1200)

The Hon. Member then went on to say what was our policy, in place of that screening process. We have proposed, supported once again by the committee and all the NGOs, to allow those individuals an opportunity to come before the refugee board. That is where the decision would be rendered, not at some discretionary point at the border. This is suggested not because the country is on the so-called "safe country" list. A person would come before the board and state his or her claim, and at least the decision, whether negative or positive, would be seen as fair and humane. That is the important step the Government is precluding.

What the Government is doing is trying to suggest it has improved the new refugee board, that somehow that is the jewel of the legislation. However, very craftily it has then drawn a barrier around the jewel and challenged refugees to try to get to it.

The Hon. Member then went on to ask how do we curb abuse. The Hon. Member should pay close attention to the fact that with every single restrictive measure announced by the Conservative Government, the number of fraudulent schemes and scams has risen. With each step in making the system more rigid and inflexible, refugees are becoming more desperate. When one is facing life and death, and one's back is against the wall, one will resort to anything, and there are careers built up by fraudulent and unscrupulous consultants who earn hundreds of thousands of dollars from individuals who simply wish to escape the tortures they and their families are facing.

Ms. Copps: Mr. Speaker, I was not going to ask a question or make a comment because the presentation of the Hon. Member for York West (Mr. Marchi) was excellent. However, when a Government Member rose to ask a question which somehow inferred we were taking a position against civil servants, I decided to ask the Hon. Member for York West if he would elaborate as to what happened to a civil servant who in fact did come forward with information with respect to abuses which were taking place. This particular individual lost his job. The Government complains that the Liberal Party does not believe in civil servants at the same time as the Deputy Minister of Employment and Immigration saw a civil servant fired because he did his job, because he believed so much in his job that he was prepared to come before the Standing Committee on Labour, Employment and Immigration. I would like to ask the Hon. Member for York West to elaborate on that matter.

Mr. Marchi: The Hon. Member for Hamilton East (Ms. Copps) is absolutely right. Through the Hon. Member's suggestion, the Government was again trying to have it both ways. It was criticizing me unfairly and inaccurately for trying to taint its Public Service and, at the same time, Ministers responsible for immigration are guilty of, in effect, firing a civil servant who brought valuable information to the attention of the Government that criminal elements were being invited to participate in the refugee determination system.

That officer, together with myself and other Canadians, knew, of course, that that was completely absurd, that the refugee determination system should not be encumbered by such elements. What is the price, under this Conservative Government, for trying to flag an issue? What is the price paid by an officer who is trying to do his or her job? What is the price paid by an officer who tries to educate the Government by bringing to the attention of the standing committee and Hon. Members something which is very wrong, that an invitation to criminal elements was being sent across the country? The price is that that person does not have a job today. But the Government did change its regulations and format. It did recall those letters and sent out a new letter. That action by the Government is an admission that John Quigley was right, yet it still had the temerity to fire him and he is still looking for a job.

When a Government Member says we are tainting the Public Service and then fires an individual civil servant for a job well done, it simply shows he has a "suck and blow and hold your breath at the same time" attitude. Even if that were possible, I am not sure it would be worth the price of turning Tory blue.

Mr. Dan Heap (Spadina): Mr. Speaker, this is a useful motion which has been proposed by the Hon. Member for York West. I would like to point to two main parts of the motion on which I wish to dwell. One of the demands in the motion is that the Government should establish a system which would guarantee full accessibility to the system for refugee claimants by rejecting any pre-screening stage within the process. I think this is a most important matter for us to examine at this time.

The Bill before us is a long and complicated Bill which makes many changes, some of which perhaps go beyond what the Minister or the Cabinet were aware they might be doing.

It will not be easy in 20 minutes, in a day or in a week to deal comprehensively with all aspects of the legislation. However, the matter of accessibility, whether people will have a fair chance to get a fair hearing under our system, is I believe the very most important point we have to consider at the outset.

The second demand of this motion really is part of the first, so I will go to the third demand, which is that the Government should initiate a system which will provide every refugee with the opportunity of an appeal before a competent and independent refugee body which would consider all facts and circumstances of the appellant's claim. I am very glad we have the opportunity for this debate as a way of opening up, both to Members of Parliament and to any listening members of the public, some of the main issues before us presented by the Government's Bill C-55. This is a matter on which I have worked hard for five and a half years. It is a matter about which I feel very strongly. I will try to concentrate on reasoning with the arguments and I hope I will not fall into too passionate a rhetoric, which is very easy to do.

This is a very deep issue. It affects immediately tens of thousands of refugees, or potential refugees—real ones—and affects indirectly and very really a very great many other people in Canada besides, both morally and, one might say, in their own personal interest. It affects these people morally because Canada has undertaken solemn international obligations to protect a person who is out of his or her country and unable to return because of fear of persecution on account of political, religious or other such reasons. What this legislation will do, if it is adopted, is to make that mostly a mockery. Therefore, it is very important that the public understand what is being done in the name of the people of Canada who were given the Nansen Medal. That medal was not given to the Government. It was given to the people of Canada. The Government should not dishonour the record of the people of Canada.

This Bill will also injure Canadians in another way, in their more personal interests, by damaging an ancient right which has been enjoyed by British subjects for four centuries in Britain and by Canadians for as long as there have been Canadians under present Canadian and British law. I will come back to that later.

As has been pointed out by a number of people, we have perhaps 15 million refugees in the world. Some of them are refugees because they are fleeing from repressive governments. Some of those countries our Government opposes or condemns. Some of those countries our Government supports, such as the Government of El Salvador to which our Government has made a bilateral loan. I had the opportunity to visit El Salvador last week in order to learn first hand some of the human rights conditions which have forced probably one million of the five million people in that country to seek refuge. One half a million or more people have gone to the United States and a half or million or more have become refugees, displaced persons, within their own tiny country. Yet Canada approves of the Government of El Salvador. It said so after examining its election procedures, and supports it through a grant or loan of $8 million. We therefore have some obligation for refugees who comes to us, especially from a Government which we support.

• (1210)

Others come as a result of hunger and poverty in some countries such as the Philippines, Guatemala or the countries of sub-Sahara Africa where agriculture of the type which supported the people for thousands of years has been destroyed, in large part as a result of the enterprises of countries such as the United States and Canada. These countries ensure that the fertile land is not used to enable those people to eat, but is used to sell us luxuries. Therefore there is hunger. That is the principal reason for hunger in so many countries, countries often with very fertile land such as Guatemala and the Philippines.

Again, there are refugees from those countries because the hunger in those countries also generates violence, violence by the Government that forces the people to live in impossible conditions and violence by the people who resist the repression of the Government. This is not new. It is related to another pattern.

For about 30 years now countries such as Great Britain and those countries of western Europe as well as the United States and Canada have either invited, or at least tolerated, people coming from what we might call the countries of the south to work in our countries, usually as cheap labour. The tide is now being reversed.

When I spoke last week with the Vice-Minister of Planning in El Salvador he was not urging that Salvador send more cheap labour to Canada. He was urging that Canada should invest in factories in El Salvador with our wood, or perhaps cut the parts for jeans here and have them sewn together down there by what he called—and he speaks very good English and

has visited this country—cheap labour. We know how Salvadoran labour is cheap labour. They assassinate labour union leaders. So, again, Canada is not an innocent bystander in the situations in the world that produce these refugees. Canada has its own responsibility for the fact that there are such refugees, or our own share of responsibility, with a number of other countries, whether they are East or West. The tide is now being reversed.

That is the context in which we now see a concerted move by the countries of western Europe, including Great Britain, by the United States and now by Canada to restrict the entry of people from what we call the Third World, from former colonial countries, from countries of the South, into our countries of the North. We no longer want them as cheap labour. We are saying to Salvadorans, "Stay in Salvador and struggle to get a $4-a-day job. Do not come to Canada looking for a $4-an-hour job." We have a total perversion of the refugee determination process presented to us.

We have the pre-screening system. There are three screens being put forward by the Government. Two of them are contained in Bill C-55 and one of them is done by regulation. In Bill C-55 one screen is called the safe country. If a Salvadoran comes up to Fort Erie and was living in the United States illegally—no doubt—then we will send him back to the United States because Canada considers that a safe country. We do not know what the United States will do because we do not care to know. When we enquire of the United States, from those who have studied refugee matters in the United States, we find that only 2.7 per cent of Salvadorans who have claimed refugee status in the United States have been recognized as refugees.

Naturally, when the United States supplies the guns and the military advisors with which the Salvadoran people are being killed, the United States is not about to admit that those Salvadorans who escape to the United States are genuine refugees. Until now Canada has had the courage to disagree with the United States. Now, in an indirect way, Canada is going to join the United States in forcing those people to go back to the situation that they quite reasonably fled.

There is another screen. A person will be told, if he comes from a certain country, "Oh, that country does not produce refugees. That country has a good record of human rights. We do not have any refugees from that country. So you could not possibly be a refugee and we won't even listen to your story".

Clause 48.4 of the Bill quite clearly lays down that the only evidence to be considered by this team of an adjudicator and a refugee board member is the track record, that is, Canada's recording of a track record of a country from which the refugee comes, as to human rights and as to whether we have any experience of receiving refugees from there. So if there is a coup in some country the day after this Bill is passed and the supporters of the former government run for their lives and a few of them get to Canada, Canada will say, "We have never received any refugees from your country. Therefore your country is not a refugee-producing country. Therefore you are not a refugee. Good-bye, don't talk to us. We don't want to hear your story". That is what this Bill means. That is the second screen.

The third screen is already in place. This country, this Government, and to some extent the previous Liberal Government—and I am sorry the previous speaker is not here to respond to this—has continued the policy and extended very widely the policy of refusing to admit a person who comes from a well-known refugee-producing country, if it is suspected that by setting foot in Canada he would gain the opportunity to claim refugee status. Chile was the first notable example. Years ago the then Liberal Government put a visa requirement on Chile. This Government has also put a transit visa requirement on Chile, and on all countries for which this Government requires visitors' visas. Therefore, if a person comes from a refugee-producing country this Government hopes to keep that person out of our borders entirely by the visa.

If a person comes from a non-refugee-producing country, this Government hopes to keep him out on the grounds he could not possibly be telling the truth. If he has spent any time in another country which this Government would like to consider safe, without ever defining what is safe, the Government will say, "Go on back there and make a refugee claim. We don't care whether your refugee claim is fairly considered or not".

The problem is that these screens completely destroy the value of having a refugee board or division, and the Government sometimes calls it one and sometimes the other in different documents. There will be very few people who will get the benefit of this fine, just, well-tuned service. Nearly all of them will be stopped at the border. The Government estimate we hear is 50 per cent. Many people in the private sector have an estimate of about 80 per cent that will be stopped at the border.

That is the first and worst part of this legislation. But there is a very serious matter also in relation to the appeal. The appeal system is one that has been condemned by Rabbi Plaut and by all the NGOs who have appeared before us.

• (1220)

Although there was uncertainty in the report of the standing committee a year and a half ago, it is now recognized in fact—and this can be tested—that the members of the standing committee know that there has to be a much more thorough, genuine form of review dealing with the facts of the case than is possible through an appeal to the Federal Court, let alone what this Act provides, that is,appeal to the Federal Court only with leave. The Federal Court has a record in granting leave in about 2 per cent to 5 per cent of the requests.

The appeal system, as provided here, not only denies the standards set up by the United Nations High Commission for Refugees, not only denies the tradition of Canadian law, British law, and I guess French law, but it will be peculiarly

inappropriate in the case of refugees, because the appeal system will only allow an appeal by leave on questions of law.

Yet, the whole question with a refugee is not a question of law; it is a question of his story, what happened, is he telling the truth, is it really a case of persecution? It is the facts upon which the dispute will have to be based, not the law. It is very ironic to give him the only kind of appeal he cannot use. It does not make any difference to his case, even if he could get to that court.

However, I want to mention how the Minister has perhaps gone further than he intended to go. He has taken away the right of judicial review of all Canadians in this matter. Under this Act, and this includes the whole of immigration, not just refugees, according to Section 83.1 Canadians lose the automatic right to seek judicial review by the Federal Court against what they think is an unjust decision by a government official. I understand that that right dates back to the 16th Century. When Canadians became Canadians we inherited that right from a long way back, that automatic right to review by the court. Now that is to be turned into a right by leave only and, as I say, the Federal Court gives leave to only about 2 per cent to 5 per cent of the requests it gets.

This means that if a Canadian citizen or a landed immigrant, not a refugee, who is trying to sponsor a relative from the old country, is turned down, and is turned down again at the Immigration Appeal Board by a procedure which he thinks is unjust, he has practically lost any recourse to the courts. He can only appeal by leave to the Federal Court. He will have very little chance of getting that leave or of getting an examination of his complaint against the officials. It is a very serious attack on the rights of 25 million Canadians.

Of course it is not intended in that way, I would suppose. It is intended only to attack the refugees, to restrict their right to appeal against a possibly unjust decision at some stage of the refugee determination. It restricts their right to an appeal against a government appointed official, which is a right that we believe belongs to everybody in Canada, including a refugee claimant. However, the Government is so eager to take away that right from refugees that it is taking it away from all Canadians so far as they have any concern with immigration matters.

There are two other matters upon which I wish to touch very briefly. One is that the Act now legislates exclusion, as did the Government by its regulations on February 20, of all that have been classed as humanitarian and compassionate considerations. For decades Canada has practised and legislated the principle that there are some people who cannot be narrowly defined as refugees, who cannot show that they are being or will be persecuted individually, who should not be sent back.

When there is civil war in Lebanon with women being shot in Beirut because they went out to buy bread, when people in Iran are being drafted into a war which has already killed a million people, we have refused to force people to return to those countries, at least at the present time. That has been our humanitarian and compassionate program, available under the present Immigration Act. However, it will not be available to a person who comes in, claims refugee status, and cannot prove that he or she is individually liable to persecution but simply says, "I don't want to go back to my home in the middle of a civil war". That person will be deported to civil war because the officials have no opportunity to do anything but consider the person's refugee claim. If the person says, "I am not a refugee, but my house is right in the middle of where they are shooting and I had to get out", according to the Act the officers at the border will have to say,: "Go, get out". He will not get to the refugee board, let alone to the special committee which under the present law reviews cases of humanitarian concern. What we have is a very unfortunate mess in this Act.

I remind the Hon. Minister, Hon. Members, and others interested that a proposal was put forward in January by the Canadian Council of Churches, which is widely supported by many other groups, including the Bar Association, the Jewish Congress, the Labour Congress, the Confederation of National Unions in Quebec, and so on. It is simple. First, two officers of the refugee board who are competent to decide upon all questions relating to refugees are to meet the person as soon as possible. All questions touched in this Act can be decided by those officers. Once they have made a favourable decision, he will be landed. When there is an unfavourable decision, there will be a review by another section of the same competent board just to catch any possible errors. It is recognized in discussion with the Department that that could be completed normally in three months. If the person used the right of appeal to the Federal Court, that could take longer. However, as I say, that not only relates to refugees, it is something which all Canadians claim as a right, the right of appeal to the Federal Court.

There is and has been before the Government for months a fair, quick, and efficient system for recognizing real refugees when they come to Canada. In accordance with our Charter, we have said that they must have an oral hearing before the person who will decide their fate. That hearing must not be on the question of from what country he comes, not on the question of what country he might have stopped in on the way, but on the question of the merits of his claim, that is, what happened to make him run away from his home or why does he think he is being persecuted or would be persecuted. That is what must be orally heard by the refugee board, according to the decision of the Supreme Court, not just the question of from what country he comes.

I ask the Government to withdraw the legislation, to sit down with members of the standing committee and other Members of Parliament, and to work out a revised form of it which would avoid the fatal flaws mentioned in the Liberal motion. I have tried to outline only a few of them in my few minutes.

Mr. Robinson: I should like to commend the Hon. Member for Spadina (Mr. Heap), not only on his excellent speech but

for the terrific work he has been doing, since he was elected to the House, on the question of refugee policy in Canada.

My colleague referred to Canada's international obligations in respect of refugees. I know he has seen firsthand the tragic plight of refugees, in particular from Central America, who are seeking to flee tyranny and repression in those jurisdictions. Could he elaborate upon the extent to which Canada's international obligations will in fact be undermined as a result of the adoption of this legislation? To what extent will Canada be failing to meet the commitments it has made in the United Nations and in other international forums in this important area?

Mr. Heap: Mr. Speaker, that is a very good question, because it is one which is apparently left obscure in the legislation and in the promotional documents that have been issued by the Government in support of its legislation.

Canada's obligation in the law of the United Nations and in law as adopted by Canada is *non-refoulement*, non-forcible return of a refugee to the country from which he is fleeing. According to law, that *refoulement* may not be done directly or indirectly.

• (1230)

In other words, when a Salvadoran comes to our border and says he had to get out because of what the police, the army or the death squad were doing around his home, not only is our obligation under international law and under Canadian law, as it stands at present, not to send him back to Salvador, it is also not to send the Salvadoran back to a country that will not guarantee us or guarantee the United Nations not to send him back to Salvador. The United States gives no such guarantee and yet Canada is prepared to send people back to the United States. There are many other countries that give no such guarantee. The Government has not mentioned that aspect of the law in its treatment of this act.

Non-*refoulement* is the primary obligation. In other words, when a person comes to Canada claiming protection, we do not send him away first and then say we would like some other country to find out whether he is a refugee, washing our hands of him. What we do is, first, find out whether he is a refugee. After we have heard his case, and he has had his appeal, if we decide he is not a refugee, then we are entitled to return him to his country of origin or country of embarkation, whichever will accept him.

What we must not do is to ship him back to a country which might, either without a hearing or with a mickey-mouse hearing, in which the United States has indulged for Salvadorans and Guatemalans, send him back to the very country he had to flee for the sake of his life. Even if we do not know whether he is a refugee, we are not entitled to take that risk with his life. We have to first determine whether or not he is a refugee before we make a decision about whether to deport him. If he is a refugee in our estimation, we do not have to keep him in Canada but we must—if we do not keep him in Canada—find a country which will guarantee not to return him to the country he fled.

Mr. Hawkes: Mr. Speaker, I have a quick question. The current situation is such that Canadian immigration officers at border points have been told to admit Salvadorans and Guatemalans immediately if they are under any kind of removal order from the United States Government. Is the Hon. Member implying there is something in the new legislation that would change that situation? Is there something that he sees that is not readily apparent to me? It seems to me that we might have a reasonable expectation that the current situation in that regard would, indeed, be very likely to continue.

Mr. Heap: That is another very vital question, Mr. Speaker. The way the law is written, and I have read in *Hansard* the Minister claiming that this is not true and I have been told he said on *The Journal* that this is not true, but what I read in the law and what several quite experienced immigration lawyers read in the law is that if a Salvadoran comes to Canada from the United States, Canada by this law, if it has designated the United States as a safe country—and one will get you ten that the United States will be regarded as a safe country—the officers must return that Salvadoran to the United States. They do not have discretion. If a person came to Canada, perhaps not through a so-called safe country but from a country considered not a refugee producing country, those officers would have to return him. That can happen.

In 1982, a Guyanese person approached me. He had been refused refugee status by a refugee status advisory committee on the ground that he belonged to the government Party, that he belonged to the dominant race in Guyana. He tried to explain to them that even though he was on the police force he had been expelled from the force because he went to a political meeting of an opposition Party. In that country they do not disagree only in words, they disagree with actions and sometimes with fatal actions. He and his wife had been threatened. All of that was disregarded because at that time Canada refused to admit that Guyana, a former member of the Commonwealth, was a refugee producing country. Since then Canada has admitted that Guyana is a refugee producing country. I believe he was the second person to win such an appeal from Guyana. Under this act, officers would not even let him make the appeal. He would not have a refugee hearing. He would be told, "You are from a non-refugee producing country. Go home".

Mr. Deputy Speaker: Resuming debate with the Hon. Minister of Immigration (Mr. Weiner).

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I am delighted to be able to enter into a discussion that has so pre-occupied me, certainly for the last 10 or 11 months. I have had an opportunity to travel our countryside, more particularly in the last 30 days. I have been to Vancouver, Calgary, Edmonton, Winnipeg, London, and Toronto on

numerous occasions, Montreal and Ottawa. It was always with an effort to try to get a better feeling of how we are being perceived and what we are doing. One thing became eminently clear. There is a lot of understanding and sympathy for a government that, once and for all, is declaring clearly that it will protect those in need of protection.

We will be guaranteeing a safe haven for everyone who needs one. For those who already have a safe haven, there is less priority and they should be applying as immigrants and meeting the same fair and just criteria that all other intended immigrants have to meet. We have come up with a process that will protect those in need. We have a system that will treat claims fairly in three steps instead of eight.

An opposition Member, the Hon. Member for York West (Mr. Marchi), proudly looks to his Party's record in setting forth an inhumane policy of keeping tens of thousands of people here in the system without knowing what their future might bring them, without knowing whether their refugee determination would be positive or not. Indeed, once they knew what that determination was, in two out of three cases, after the eight steps, they are deemed not *bona fide* refugees, yet they would still be allowed to stay. That is not a refugee determination policy, that is an open door policy.

We are saying clearly that we are leaving the door open to legitimate refugees, and I want to emphasize that there is a door. We are not going to let anyone take that door off the hinges. We will act in a decisive way to welcome real refugees. We will curb abuse but we will plan and manage our resources effectively.

This heavy flow of phoney refugees has been accelerating in recent years. We know, for instance, that in the early 1980s there were some 1,800 claims a year; last year there were 18,000. In the early part of this year the number was running up to 1,500 a week. That was perceived to be unfair and unjust. That kind of chaotic system cannot be allowed to continue because chaos is unfair. People want fair and just criteria. This is a real world, not a theoretical world. It needs common sense solutions, not naivety. We are putting into place objective criteria, not subjective opinion.

I want to state clearly that we have a process that will give streamlined processing, quality oral hearings in front of independent board members and, as Members have indicated, appeal by leave to the Federal Court. We meet international obligations signed at Geneva. We respect our Charter of Rights and Freedoms. We maintain our proud tradition, the proud tradition in evidence when Canada won, justly so, the Nansen Medal, and we will protect the integrity and the credibility of not only of our refugee policy but of our entire immigration system.

There have been some inaccuracies in what has been set forth this morning and it is incumbent upon me to try to clarify some of those.

We have a three-step process. Both members of the Opposition have constantly referred to step one as a pre-screening. Step one of the new process is not a pre-screening. Pre-screening implies that decisions are made before claimants are in the system, before they have access to a member of the refugee board, and there is no consideration of their individual circumstances. We speak of step one as our initial screening, but it is a screening within the system.

• (1240)

The difference is not merely one of semantics. Unlike other countries in which there is pre-screening, every claimant in Canada appears in person before a member of the refugee board. Everyone who comes to a Canadian port of entry will be able to assert a claim to Canada's protection in an oral proceeding before a member of the independent refugee board and an adjudicator. If there is a case against a refugee, he or she will be entitled to be so informed and, with the aid of counsel, to respond.

There has been some discussion of the first step, but I can say clearly that there are two tests inherent in it. The first is the objective criteria: does the person have refugee status elsewhere, can the person be returned to a safe third country, are there manifestly unfounded claims, has the person previously been rejected by Canada recently and is the person subject to deportation order from Canada already. The second test is a very low-threshold test of credibility. The adjudicator and the independent board member listen to the story to see if there is a shred of a chance that this refugee is in fear of life, limb, liberty or security.

Hon. Members have asked if there is or is not discretion in this second test. I have said clearly that the second test is a very real test. Section 48(1-2) of the revised Act permits the referral to step two of some individuals who already hold refugee status in another country provided there is reason to believe that they have a well-founded fear of persecution in the country that has recognized them as refugees.

Similarly, where a claimant is alleged to have arrived from a safe third country, return is not automatic. Both the member of the refugee board and the adjudicator must be satisfied on the evidence produced that the person did come to Canada from a country prescribed by the Governor in Council as safe and that the claimant would, if removed from Canada, be allowed to return to or has a right to have a claim determined there.

That clearly shows that the two individuals involved in the very first step will listen to the representations of the claimant and his counsel in a very honourable way. At the same time, they will listen to other representations that may be made about whether or not the individual has come from a safe country. They will also look at any refugee status that has been established.

My hon. friend is taking issue with the safe country list that will be determined some time in the future. I have stated very clearly that it will be based on very stringent criteria. We are well aware that life and death is at stake here. Indeed, those

criteria include the human rights record of the country and its record in protecting all refugees as well as any nationals who can be excluded from the safe third country denomination we may place on the country.

In addition, there will be the widest consultation. We will seek the advice of all credible sources including NGOs, church groups, international humanitarian organizations and our own External Affairs people who serve us with distinction around the world. Indeed, there will be a new documentation centre that will serve this independent refugee board.

All of this is intended to provide us with the kind of up-to-date information Hon. Members want to have to ensure that before one individual can be returned to a country, there would already be an *ad hoc* arrangement between the countries, an arrangement which in some cases may have to be formalized. We would have to guarantee that the country to which we are sending a person has a record that is as good as ours in the protection of refugees and that that country will indeed not risk our reputation and our international obligations by returning the individual to his country of origin from which he has escaped.

I would have some difficulty with an individual who had fled his own country and was living in a second country in which he may have legal status for a period of time. It would appear to me that if such a person has been in a second country for a reasonable period of time, he would not continue to be a refugee if he were to begin looking around for a new home. He would definitely fall into an economic immigration category. A refugee is a person who finds the first safe haven and tries to make a go of it there with the protection it affords him.

Last week, proposals for a new refugee determination system were tabled. This is a system which reinforces Canada's commitment to refugees who have a well-founded fear of persecution.

[*Translation*]

The new process includes a number of provisions that guarantee some refugees major rights. These rights are compatible with our obligations under the United Nations Convention Relating to the Status of Refugees and with the Canadian Charter of Rights and Freedoms. Above all, the process guarantees that no genuine refugee will be returned to a country where he fears persecution.

[*English*]

I have repeated throughout that a real refugee will never be sent back to face death or torture. Our system will always be open and will always guarantee that protection.

Some Hon. Members: Hear, hear!

Mr. Weiner: Canada is and will continue to be a place of safe haven for genuine refugees who need our protection. This system upholds our commitment to these people, a long-standing commitment which is a vital element of a policy which, since World War II, has enabled some 500,000 refugees to settle in Canada.

A good many people have commented on the Bill tabled by the Government. Most of those comments have been made by people with genuine concerns for whatever positions they have supported. Some comments have been favourable while others have raised the spectre of bigotry and prejudice, if not of racism, within our society. Other voices, including those of people who ought to know better, have suggested that these impulses are what motivated the Government to act as it has. Now the Opposition is putting forward a motion suggesting that we have failed to uphold Canada's humanitarian record.

By being firm, we are creating a hospitable environment. We are creating an environment that would allow our generosity to refugees to go unabated. We have heard about the 15 million refugees in the world and there is no limit to the contribution we can make by bringing real refugees to Canada if those resources are found either by Government or the private sector, public or non-governmental organizations or churches. Our generosity is clear through our contributions to international humanitarian agencies and our contributions to those who come to our country and receive fair and quick hearings at which they may tell us their stories. That generosity must go unabated.

On the other side, my officials, my staff and I have had extensive consultations across Canada in order to determine how we can raise immigration limits in the years to come. Recent studies have made clear the benefits immigrants bring to Canada, the jobs they create, the increased demands for goods and the greater tax share that new immigrants and refugees pay, even out of proportion to that paid by longer-standing Canadians. We have heard that in the very first year, new immigrants and refugees earn more than the national average income. These studies are available and have been conducted by universities and our own Department. That kind of data must be spread across Canada.

Some time in the month of June when I rise to tell of immigration levels, I am looking forward, with the consent of the Government and the Cabinet, to seeing those levels rise. If they do rise in a controlled and moderate fashion, we will be able to allow the limits for all categories of immigrants to rise, including independent immigrants, business investors and entrepreneurs and family-class immigrants. There has been considerable discussion over that class of immigrants. Indeed, we may also want to look at refugee limits. By doing that, we will show Canadians that we are being fair and just.

When criteria can be met, people will be welcomed. Let us not continue to send out the signal that if an immigrant does not meet the criteria, he can come through the back door and will be allowed to stay. That kind of unfairness has a very negative connotation and does not help in the management of immigration.

• (1250)

As Minister of State for Immigration I take those kind of charges personally. I can tell you that a second generation Canadian from Montreal, whose origin is Jewish and east European, whose family and himself would probably not be alive today were it not for coming to Canada, does not act out of motives of prejudice or racism, and does not serve in a Government in any way whatsoever influenced by such feelings.

Let there be no doubt that this Government's commitment to Canada's long and honourable tradition of refugee humanitarian assistance is 100 per cent solid. Our Prime Minister (Mr. Mulroney) and our Secretary of State for External Affairs (Mr. Clark) have played leading roles in the western community, at the UN, in the Commonwealth, and other bodies, in championing human rights. They have been adamant and insistent that no compromise can be made when it comes to the dignity of man. They have argued compellingly that ideology means little to an empty stomach or body wasted through illness and disease.

Our international relief and development aid is among the most generous of all nations, some $2.2 billion in the last fiscal year. Such aid is being directed with ever better management and sensitivity to local needs. It is making a real contribution to the elimination of those root causes which ultimately create the refugee.

As I said before, since 1945 Canada has welcomed over 500,000 refugees. In 1986 the people of Canada were awarded the Nansen Medal by the United Nations High Commissioner for Refugees for this commitment. That was the first time a country was so honoured. However, our work has not ended. We know that. We are but one country and this is a global problem.

The UN's approach to solving the world-wide refugee problem, an approach that Canada fully endorses, is threefold. First, the best option for some is to voluntarily return to their homeland when peace is re-established. A second option is local resettlement; and third, for a very limited number of refugees, resettlement in third countries.

Canada, as a signatory to the Geneva Convention, supports this approach. First, we make generous cash contributions through the Department of External Affairs and CIDA to international humanitarian agencies, including the Red Cross and the UN High Commissioner for Refugees, exceeding $50 million in 1986-87. We provide food aid to countries for assistance to refugees, the total value exceeding $16 million.

For those who can only be helped through resettlement, Canada is second only to the U.S. In 1987 we will resettle 12,000 refugees with financial assistance from the federal Government. Voluntary agencies and individuals sponsored 4,000 refugees in 1986. We anticipate 5,000 in 1987.

The Government helps match sponsors and refugees and provides travel loans. Sponsored refugees can access federal language or occupational training. These resettlement efforts are complemented by a federal government fund of $90 million for transportation loans and federal assistance of $110 million to individuals for adjustment assistance and language training in 1986-87. In addition, we provide $4.4 million in grants to immigrant and refugee aid groups for settlement and adaptation in 1986-87. We must also support international efforts in solving the refugee problem while meeting our convention obligations through our refugee determination process. It is designed to help those who arrive looking for protection and who have nowhere else to go.

The Bill that my colleague, the Minister of Employment and Immigration (Mr. Bouchard), tabled last week proposes a new streamlined refugee determination system to replace the process that has become bogged down. The system we have now cannot respond effectively to genuine refugees who need our protection. This new system guarantees that every refugee claimant will be seen by a member of the refugee board. The proposed system ensures that no genuine refugee will be returned to a country where he or she may face persecution. It also ensures that refugee claims will be processed fairly and quickly. It will now take only months to process a claim, not years.

[*Translation*]

The Bill provides for the creation of an independent agency: the Immigration and Refugee Board. This agency will consist of two divisions: an Appeal Division, dealing with immigration matters and a Refugee Division which will deal exclusively with claims for refugee status. Members will be selected for their competence in refugee matters.

The new process provides a number of safeguards for the individual, such as the right to counsel. Legal counsel will be provided if necessary. A list of safe third countries will be drawn up by Cabinet and the new Refugee Division will consist of members with special training in refugee matters.

The new Division will also have the resources to expedite the processing of claims, toward the obvious benefit of refugees who need our protection. Of course, all claimants will have the right to appeal to the Federal Court on questions of law.

[*English*]

It offers fair and thorough consideration of all claims. There will be an informed and independent decision up front to determine the need for a full hearing of the claim. This will be accomplished through the creation of an independent refugee board. Its expert members will see every claimant.

It will also be able to respond effectively to abuse by quickly removing those who do not need Canada's protection. People with refugee status elsewhere and people arriving from safe third countries who had a reasonable opportunity to claim protection will be returned to those countries. People with no arguable basis for their claims will be returned to their country of origin. A unanimous decision is required to remove these people. This means Canada will be able to concentrate on helping those who have no other options in seeking protection.

Those people with an arguable claim or who do not have prior protection will be referred to the refugee board for an oral hearing. At the board their claims will be heard in a non-adversarial oral hearing before a two-member panel. Only one member of the panel must find in favour of the claimant. In other words, split decisions will be in favour of the claimant. Decisions will now be rendered in months, not years, and accepted claimants will have the right to apply for permanent residence.

[*Translation*]

The provision concerning return to a safe third country will be applied only with the greatest discretion, and only to persons who received refugee status in another country or who are likely to receive it. The provision will be applied on a case-by-case basis, after careful screening of a country's record with respect to certain nationals.

[*English*]

In designating safe third countries Cabinet will rely on information received from credible sources, as I indicated.

[*Translation*]

Mr. Speaker, in concluding, I may point out that this Bill reflects the Government's unswerving commitment to refugees. It represents a balanced approach Canadians can understand and accept, without detracting from the traditional humanitarian approach to refugees taken in our Immigration Program.

The process is fair. It is fair to genuine refugees, to claimants and to Canadians. In the case of genuine refugees, it puts an end to the delay and uncertainty to which they were exposed, and it maintains the intrinsic character of our Immigration Program.

The new process compares favourably, at the international level, with the situation in other countries that receive refugees. It enables us to meet our obligations under the United Nations Convention, to respect the Canadian Charter of Rights and Freedoms and the Canadian Bill of Human Rights, and to maintain our traditional humanitarian approach.

[*English*]

In short, this legislation ensures that Canada's outstanding humanitarian record will continue. It affirms this Government's commitment to protect genuine refugees who need our help. Finally, it demonstrates our resolve to curb abuse.

Mr. Deputy Speaker: Questions or comments?

Mr. Marchi: Mr. Speaker, the Minister finished by saying that this refugee legislation, Bill C-55, will continue the proud humanitarian record of our country. He suggests that it enjoys popularity and agreement across the land. If that is the case, can the Minister tell us why Tom Clark from the Inter-Church Committee for Refugees would say:

> Instead of access there is a screen, instead of bringing Canada a notch ahead of European countries, the immigration minister has brought it down to their level. It's despicable.
>
> Michael Schelew, Amnesty International:
>
> It's an about-face on Canada's humanitarian record, that may place people fleeing persecution in jeopardy.
>
> Elie Wiesel, Nobel laureate:
>
> I believe that a society can be measured and judged by its attitude towards strangers . . . I would hope that Canada would like to be measured according to these lofty rules. I say Canada should lead by example.
>
> Lorne Waldman, Canadian Jewish Congress:

• (1300)

> The long-term aim of the immigration department is to eliminate all refugee claims within Canada. The Government has spent millions of dollars and innumerable hours consulting on this problem, and everyone's recommendations have been ignored altogether.
>
> Gunther Plaut said:
>
> It does not do justice to our international obligation to protect refugees. Nazi Germany would qualify as a safe country under Canada's proposed new refugee rules. I don't think I would have been let in. I came in the 1930s from Nazi Germany. The Government is building a Berlin Wall around the country.

Those are quotes from leaders and representatives across the country. The last, Gunther Plaut, was the author of a Government-commissioned study on refugees. I would like the Minister to address those comments.

Why have the abuses, the schemes and scams intensified during his term in Government? The abuses which are happening in Lebanon, Portugal, Turkey and Brazil are happening under his administration as they happened under no previous administration. Why the increase in abuse? If the Minister is very intent on curbing abuse, why is he so lax in prosecuting the individual perpetrators and unscrupulous consultants who are reaping a fortune from the backs of individuals who do not know any better?

Can the Minister explain what a safe third country is? He has avoided that in Question Period and in committee hearings. I urge him now on the floor of the House of Commons to tell Parliament, and through Parliament, Canadians, what the definition of a safe third country is. Does he have the courage to tell us whether the United States is a safe country *vis-a-vis* Guatemalans and El Salvadorans and whether Great Britain is a safe country *vis-a-vis* Tamils? Would he place those countries on our so-called safe country list?

Finally, with regard to the pre-screening application, if he is genuinely sincere that this is not a pre-screening, why did he appoint one officer from the refugee board and one immigration adjudicator rather than having both officers at the border point from the refugee board?

In addition, when he talks about increasing immigration is he talking about increasing targets or increasing the actual number of people entering the country? While his targets have been high, the number of people who have come into this country is considerably lower than those targets. I urge him to stop playing politics with targets and to come clean with

Canadians by telling us what are the real numbers. It is useless to have lofty targets of 115,000, 120,000, or 125,000 people when only 80,000, 85,000 or 90,000 people will actually be coming into Canada.

Mr. Weiner: Mr. Speaker, I have met and will continue to meet many of the individuals whom my hon. friend has named. I look forward to seeing some of them at the meeting which will take place in Montreal at the end of the month, which the Council of Refugees will host. I continue to work with all groups to explore avenues of being more helpful to the real refugees of the world. Let us not try to exploit the situation. Let us try to manage our resources in order to help them.

The Member talks about the unscrupulous counsellors. That highlights the fact that the citizens of at least three countries in the top six source-producing countries of claimants do not appear to be refugee producing. While we have not blamed the innocent citizens who have come here from Portugal or Turkey, and now from Brazil from where there are three flights a week, it is obviously the system, the eight steps, the guarantee that they will be allowed to stay here, which is encouraging them to come.

Forty thousand claimants came during that five-year period and followed the eight-step process. The determination took years. After that time only 650 were asked to leave. That is a 98.5 per cent chance of staying. If you cannot meet the criteria will you wait your turn like other honour-bound law-abiding citizens, or are you going to try to jump the queue? Are you going to try to buy a ticket? Will there be an unscrupulous counsellor who will try to subvert the credibility of our immigration laws?

We have been acting in a very immediate and spontaneous fashion on the information that these innocent people have been bringing forward. We have provided all the assistance we can. We have gathered that information and turned it over to the RCMP who continue to investigate. As each investigation is complete it is turned over to the Minister of Justice (Mr. Hnatyshyn). As far as I am concerned, any infringements are now in another jurisdiction. We look forward to action when the investigation is complete.

The Hon. Member for York West wants more information about safe third countries. He wants to discuss hypothetically the list of countries which Cabinet will be providing in the near future, based on very stringent criteria and the advice which will be given. I do not think anyone can be any more sensitive to the unacceptable human rights standards which are prevalent in the world today than is our Secretary of State for External Affairs. He has spoken out with great distinction everywhere he has travelled on how deplorable those human rights conditions are and how that affects our bilateral relations. He tells those countries to clean up their act once and for all.

We continue to maintain that the answer to the refugee problem is not to bring all the refugees to Canada. That is not the priority of the U.N. or of Canada. Our priority is to create a peaceful and humane situation in the countries of origin. We want to enable them to return to their homeland and help them build up their socio-economic conditions. We will do all of those things.

The Member continues to maintain that my first step is some kind of pre-screening. I ask him to reread what I said because it is clear that it is step one. It is filled with discretion. There are two criteria, the first being objective and the second a very low threshold, low standard test. If an individual who makes a claim fears for his life, limb, liberty or security, he will be sent to step two for the beginning of a hearing within 10 days.

With regard to the levels for immigrants, the 125,000 which we indicated for 1987 will be met. I have received a report on the early part of the year and we are running right on schedule. The previous Government closed the door to independent immigrants. We reopened the door on January 1, 1986. It takes time for the independents to start applying again. It takes time to fill up the pipe. All of that is taking place. That is perhaps why last year we only reached 97,000 or 98,000, but we will continue to build the numbers.

We look forward with vision and vigour to the future when more immigrants will be brought to this country to continue to build our society with fairness and opportunity for all. That is what the greatness of this country is all about.

Mr. Deputy Speaker: May I have the consent of the House to proceed with two more short questions or comments before we recess?

Some Hon. Members Agreed.

Mr. Heap: Mr. Speaker, I want to ask a question relating to a section which the Hon. Minister quoted. Although I listened carefully I was not able to find the section. I would, however, like to comment on his remarks if he could cite that section for me. The Hon. Minister quoted it with regard to the claim that the two representatives at the border will be able to make discretionary decisions on the merits of the claim.

Mr. Weiner: Mr. Speaker, I quoted Section 48(1-2) in commenting on Section 48.1(a). It is clear that that is a notwithstanding clause. In addition, without trying to fine tune this piece of legislation, there is before the House a Bill which Members of Parliament will have an opportunity to examine further at committee. That is what Parliament is all about. That is the democratic system.

I certainly look forward to constructive input. There will be other forums, the House at third reading stage and the Senate. We look forward to the co-operation and help of all Members to get through the Bill in a speedy fashion.

Mr. Heap: Mr. Speaker, may I make the comment which I asked for leave to make? Subsection 4 provides what the refugee division shall consider evidence adduced at the inquiry, and it refers to two matters which have nothing to do with the individual case. It is clear from the way it is worded there,

where it states "regarding", not "including", that if the two qualifications mentioned in Clause 4(*a*) and Clause 4(*b*) are not met, then the two representatives may consider it their duty to hear no other matter. That is the point to which I wish the Minister would respond.

• (1310)

Mr. Deputy Speaker: I will allow the question by the Member for York East (Mr. Redway) and the Minister can reply to both.

Mr. Redway: Mr. Speaker, my constituents strongly support an orderly refugee determination process. That is particularly the case if they are in the category of constituents who have family in other countries whom they would like to bring here. They want to make sure that no one is jumping the line and that they have the right to bring in their relatives on an equal basis, with no one getting ahead of them. At the same time they want to make sure there are no genuine refugees who are sent back to a country where their lives will be in peril.

I recall a time in 1979, during the Clark Government, when we were faced with a great number of Vietnamese boat people wanting to come to this country. At that time the Government encouraged the private sector, churches and non-governmental organizations to sponsor these refugees in great numbers.

I have two questions for the Minister. First, will the Government be undertaking a program of advertising and encouragement in order to try to get the church groups and non-governmental organizations, many of whom are raising concerns now about genuine refugees, to sponsor refugees so that we can solve this problem in a way they want to do it, but in an orderly and legitimate fashion?

Second, in addressing the problem of immigration targets as the Minister indicated he will be doing in June, is he prepared to broaden the definition of family class at that time for other immigrants to this country?

Mr. Weiner: Mr. Speaker, currently there are some 72 agreements with parent organizations and umbrella organizations, all of which are intended to help fund some of the refugees who will be brought to this country. I indicated that some 5,000 will come in under that program.

Indeed, some 20,000 designated refugees and others under the humanitarian programs will come to Canada in 1987. We are constantly looking for ways of maximizing the benefit of the resources we put into this area.

In a world with 15 million refugees, it is very clear that we are trying to help those in most desperate need, and 20,000 out of 15 million is like winning the lottery.

We are working aggressively to indicate to the community that there is no ceiling to the number of refugees who can be brought here, provided they are prepared to pay for and sponsor them after we have helped pick them.

Indeed, we are also looking at other options of managing refugee programs. As part of our consultation on over-all levels, when we allow the numbers to rise—if we can do that with the consent of the House and the Government—obviously we will look at all categories. One area to which we must respond, and will, is the concern for the family. The standing committee asked me to respond and we actually deferred to spring the decision on that. However, we are examining this area within the levels we will bring to the country.

I have said clearly that if we increase the numbers we should do so by allowing all categories to be opened fairly to dependants, business investors, entrepreneurs and, indeed, refugees, if possible, since there are some resource implications. There may be more innovative ways of proceeding. Hopefully it will allow the family class to be expanded somewhat.

I undertand the Hon. Member's comments. I heard those same remarks from families right across the country who indicate the importance of reuniting families much more expeditiously and completely.

The Hon. Member for Spadina (Mr. Heap) is again trying to fine tune whether, in the first step, the adjudicator and the independent refugee board member have any discretion. I clearly stated in a previous response to a question by the Member for York West that there is that discretion. Indeed, the Member for Laurier (Mr. Berger) raised a question of privilege, which is now in your good hands, and we continue to maintain that there is that discretion and the ability to test the credibility of the witness. If one of the Members feels that an individual is in danger, there is the ability to refer the individual to the full oral hearing in a non-adversarial way before the independent convention refugee determination board.

Mr. Deputy Speaker: It being 1.16 p.m., I do now leave the chair until 2 p.m.

At 1.16 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

CANADIAN CULTURE

NEED TO PROTECT EXISTENCE OF *LA VIE EN ROSE* MAGAZINE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, with deep regret we learned last week that *La vie en rose* magazine would be suspending operations for at least six weeks and that it might even stop publishing for an indefinite period.

Despite the financial support of its readers, both men and women, and of the federal Government last fall, unfortunately *La vie en rose* has been unable to erase its deficit. We deplore as well the lay-off of a good many of its employees.

We have to be concerned about the possible demise of this feminist and francophone publication, Quebec's equivalent of *Ms Magazine* in the United States. Almost the only one of its kind in Quebec and Canada, *La vie en rose* featured different, original and invariably topical viewpoints. Of some concern as well is the fact that its English equivalent, Winnipeg's *Horizons*, closed its doors last March. The disappearance of these two *avant-garde* magazines is a considerable loss. These closures do not augur well for other similar publications in Canada. Now and then the message conveyed by *La vie en rose* may have upset our intellectual comfort, but it did stimulate reflection, the only guarantee of the evolution of our mentalities.

Therefore *La vie en rose*, like many others, deserves the support of all of us, and again especially that of the federal Government. As the authoritative voice of women's opinion *La vie en rose* must continue to publish, for its existence can only benefit our cultural mentalities.

* * *

[*English*]

HUMAN RIGHTS

U.S.S.R.—RELEASE OF PRISONER OF CONSCIENCE, DANYLO SHUMUK

Mr. Alex Kindy (Calgary East): Mr. Speaker, on Monday, May 11, 1987, Danylo Shumuk, a former Ukrainian prisoner, was granted permission by Soviet authorities to emigrate to Canada and join his family in Vernon, British Columbia. Having served more years in detention than any other prisoner of conscience, Danylo Shumuk has endured 40 of his 72 years in the prison system of the Soviet Union. During the past five years he served as an "internal exile" in the Soviet Asian Republic of Kazakhstan and the 35 years prior to that in various concentration camps in the Soviet Union.

It has taken the Secretary of State for External Affairs (Mr. Clark) and the Canadian Government 10 years to achieve freedom for this innocent man. I would like to add my voice in support of those who continue to pursue the rights of individuals who are victims of oppression, and to condemn those who violate human rights wherever they might occur in the world.

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DISASTERS

SINKING OF NEW BRUNSWICK HERRING BOAT WITH LOSS OF LIVES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, with great regret I bring to the attention of the House the sinking yesterday of a herring boat off the coast of New Brunswick. I know Members of the House will want to express their condolences to the families and friends of crew members who were lost.

Fishing is one of Canada's most dangerous occupations. Those who work upon the sea have a constant awareness that disaster and death are an ever present possibility. With the introduction of new fishing technology, the number of fishermen lost at sea has increased. Fishermen must be given the knowledge and training to look after their own safety.

The Grey Report on occupational health and safety in the Atlantic fishery found the position of all Atlantic provinces to be similar. They would welcome a federal initiative on safety in the fishing industry. They wish to be involved in its development. They see a need to review existing regulations, and recognize education as the key.

I repeat my call to the Government to put in place the best possible fishing vessels' safety program before any more lives are lost.

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[*Translation*]

STATUS OF WOMEN

TRIBUTE TO BUSINESSWOMEN OF ABITIBI—TÉMISCAMINGUE

Mr. Gabriel Desjardins (Témiscamingue): Last Thursday, May 7, Mr. Speaker, Val-d'Or was the site of a unique event in Quebec, the meeting of the five Northwest Quebec regional Chambers of Commerce where the Abitibi-Témiscamingue businesswomen of the year awards were presented.

Mr. Speaker, allow me to salute and pay tribute to Mrs. Gertrude Bradley of Rouyn-Noranda, Mrs. Micheline Tremblay of Amos, Mrs. Murielle Baril of La Sarre, Mrs. Suzanne Langevin of Témiscamingue, and Mrs. Diane Côté-St-Julien of Val-d'Or, the wife of the Hon. Member for Abitibi in this House, who were presented with the businesswomen of the year award in their respective region.

Mr. Speaker, through these award winners we want to commend all Abitibi—Témiscamingue women for their economic, social and cultural contribution, because they all play a significant role in our collective betterment.

It is primarily to their enthusiasm, their competence and their leadership that Abitibi-Témiscamingue happens to be the most dynamic region of Quebec.

To all these women, bravo and thank you!

THE CONSTITUTION

MEECH LAKE ACCORD—TRIBUTE TO PRIME MINISTER AND PREMIERS

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, because of the time factor, I did not have a chance to speak to the subject yesterday, but today, I would like to point out that I am proud, both as a Canadian and a Quebecer, to join my leader and my colleagues in the Liberal Party in congratulating the Prime Minister and the provincial Premiers on concluding an agreement that will enable Quebec to come back to the Canadian family.

I particularly appreciated the speech made by the Hon. Member for Laval-des-Rapides (Mr. Garneau). His parliamentary experience, acquired in Quebec and Ottawa, shone through in a speech that was clear and unambiguous, a message where reason and passion were in complete harmony.

I would also like to take this opportunity to congratulate the Minister of Employment and Immigration (Mr. Bouchard) on the excellence of his speech. It is my view that in a debate like the one we had yesterday, there is no room for political partisanship, and that we must acknowledge the efforts of each Member, regardless of his political affiliation.

An opportunity like this one, to enable Quebec to sign the Constitution Act, 1982, is not an everyday occurrence. I hope to have a chance to express my personal views on the subject in this House before the official signing of the Accord by the First Ministers.

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• (1405)

[*English*]

THE CONSTITUTION

SUPPORT FOR MEECH LAKE ACCORD

Hon. Bob Layton (Lachine): Mr. Speaker, reports of the differences of opinion in the Liberal caucus yesterday indicate a return to name-calling and a portrait of Quebec in two camps. Such is not the case. I believe most Quebecers support the position taken by the editorial board of *The Gazette* when it said:

> It is a matter of ensuring that the members of one-quarter of the Canadian polity believe their interests are served by their country's fundamental law, and that the rest of the country has cared enough to take these interests into explicit, binding account.

Special attention is given in the Meech Lake Accord to the national characteristic of French and English-speaking minorities in Canada. This is of particular importance to the English-speaking community in Quebec.

The commitment of the federal and Quebec Governments to respect the linguistic characteristics of our community will, I believe, assure fairness and good will in the use of both official languages of Canada.

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UNEMPLOYMENT INSURANCE

NORTHWESTERN ONTARIO—DELAY IN DELIVERY OF CHEQUES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I wish to draw the attention of the House to a situation which I think is typical of how the Conservative Government of Canada is approaching services to the people of the country. It is dragging the level of service down to the lowest common denominator instead of trying to improve the situation.

I refer to the direct mail unit for the Canada Employment and Immigration Centre in Thunder Bay which services all of northwestern Ontario. Up until one week ago unemployment insurance cards were key-punched in Thunder Bay and sent electronically to the regional printing centre in Belleville. These cards were then back in the mail the next morning and were in the hands of legitimate UI recipients on Thursday at the earliest.

Thanks to this bureaucratic change those cards are now processed directly to Belleville, meaning great delays for the people of northwestern Ontario. People who normally would receive their cheques on a Thursday or a Friday are now having to wait over the weekend, if not longer, and the situation is getting worse.

I call this decision into question. I also call into question the Government's commitment to the local advisory councils which have strongly recommended against this change. But the Government has refused to listen to them.

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HUMAN RIGHTS

VISIT OF POLISH HUMAN RIGHTS ACTIVIST, LESZEK MOCZULSKI

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, Leszek Moczulski, a Polish Solidarity leader, is visiting Ottawa today. His credentials as a human rights activist are impressive and include the formation of the Movement for the Defence of Human and Civil Rights, as well as major contributions to freedom of expression through the underground press in Poland.

In 1980 Moczulski was arrested for his human rights activities and sentenced to seven years in prison. He was released in a general amnesty in 1984. He was then rearrested a year later, along with other Solidarity leaders.

While in prison Moczulski suffered three heart attacks, and following his release in 1986 he was allowed to travel to England for medical treatment. He has paid a high price in

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freedom's cause. Moczulski's visit provides us with the opportunity to hear firsthand of the repressive conditions in Poland and of the important work carried out by Solidarity in its fight for basic human rights.

Moczulski's courage and dedication in the face of stern opposition are inspirational, and his words give us pause to reflect on the good fortune we enjoy in this free and democratic nation.

I hope my colleagues will join with me in welcoming Mr. Moczulski to Canada and in expressing our gratitude for his tremendous contribution to the cause of freedom and human rights.

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REVENUE CANADA

COLLECTION OF INCOME TAX FROM FISHERMEN—EFFECT OF RULING ON INDEPENDENT FISH BUYERS

Mr. George Henderson (Egmont): Mr. Speaker, I would like to bring to the attention of the House a problem confronting our independent fish buyers. According to the garnishment provision in Section 224 of the Income Tax Act, fish buyers can be directed by Revenue Canada to collect income tax from certain fishermen.

The fish buyers point out that this process creates costly and time-consuming bookkeeping which hinders a normally quick business transaction. It is a financial burden as well because the buyers must make a percentage payment to the Government even before they are able to deduct payments for any accounts owed to them by fishermen.

• (1410)

There is an additional risk because the buyers alone are responsible if mistakes are made in the collection process. Finally, the process has created unfair competition between buyers. When a fisherman is faced with tax collection from one buyer, he often chooses another buyer instead, to avoid the tax deductions.

It is for these reasons that these fish buyers urge the Minister of National Revenue (Mr. MacKay) to develop an alternative system of tax collection for fishermen. If this cannot be done, at least the Government should provide adequate financial compensation to these fish buyers for their services.

I urge the Minister to resolve the matter in consultation with independent fish buyers. I look forward to his decision.

POLICE WEEK

COMMUNITY-BASED POLICING INITIATIVES

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I should like to recognize Police Week. I am pleased to have this opportunity to recognize the efforts of the Canadian police community and, in particular, to focus attention on the development of community-based policing in Canada.

Community-based policing is not a new idea. In one form or another it has been a key element of the police philosophy for a long time. I am pleased to note that the Solicitor General (Mr. Kelleher) is also a strong supporter of community-based policing initiatives.

We must not rest on our laurels, however. There is much more to be done. In coming years we must renew our efforts to ensure that all Canadian communities benefit from what we have learned.

We must look closely at the needs of young people who are at risk of conflict with the law. We must give more attention to crimes of violence, abuse, and exploitation. We must give particular attention to the protection of women, the elderly, ethnic minorities, and our children.

We must work together with our colleagues in municipal and provincial Governments, in police forces, in other federal Departments, and in the non-governmental sector, to develop police and community prevention programs and to assist the business community and private citizens to implement crime prevention strategies.

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NATIONAL PARKS

SOUTH MORESBY—DELAY IN ESTABLISHING NATIONAL PARK

Mr. Jim Fulton (Skeena): Mr. Speaker, the Prime Minister (Mr. Mulroney) met with Premier Vander Zalm two months ago to seek his support in setting aside South Moresby as a national park reserve. The Prime Minister and the Minister of the Environment (Mr. McMillan) have chosen this area as the highest priority in Canada for designation as a national park reserve. Premier Vander Zalm recognized this and, in the March 9, 1987 Speech from the Throne, promised to expedite negotiations and to seek a bilateral agreement to develop the enormous tourism potential of the area.

Since that time Conservative Members of Parliament from British Columbia have worked hard to discredit the proposal and to undermine the work of the Prime Minister and the Minister of the Environment. This activity has fostered bad faith negotiations to the point where B.C. now proposes 10 more years of logging throughout South Moresby and a price tag of over $100 million for what would be left.

Canadians and the Haida nation have a right to know just how duplicitous some B.C. Tory MPs and Social Credit

members are when it comes to South Moresby. They publicly preach about the values of preservation and parks while they smugly support clear-cut logging throughout South Moresby.

This week is perhaps the last chance for the Prime Minister to bring order to this political chaos. If Bill Vander Zalm gave the Prime Minister his word and this is the highest priority of the federal Government, it is time for a call from the Prime Minister to Victoria and to those B.C. Tory MPs.

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NATIONAL TOURISM WEEK

IMPORTANCE OF TRAVEL INDUSTRY TO ECONOMY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, "Canada grows with tourism" is the theme of Canada's First National Tourism Week which has been proclaimed from May 11 to May 17.

In making this announcement, the Minister of State for Small Businesses and Tourism (Mr. Valcourt) has emphasized the important role played by the travel industry in the national economy. It is a $20 billion business and creates some 600,000 jobs throughout Canada. Last year Canada welcomed over 16 million visitors, and the potential exists for rapid expansion right across the land.

Therefore, let us all become tourism ambassadors and help those in the hospitality industry to achieve even greater success in the years to come.

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[*Translation*]

THE CONSTITUTION

TRIBUTE TO LEADER OF THE OPPOSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, yesterday, like the Hon. Member for Saint-Maurice (Mr. Grondin), I was unable to express my views on the constitutional question. Today, I therefore rise in my seat to congratulate the Leader of the Official Opposition (Mr. Turner) on his position and his open attitude to Quebecers, and for having responded favourably to the legitimate claims presented by the Government of Robert Bourassa. Mr. Speaker, after he took this position and made this speech, I think Quebecers will be able to say: John Turner is one of ours, a true Quebecer and a great Canadian.

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[*English*]

POLITICAL PARTIES

CANADA-UNITED STATES TRADE NEGOTIATIONS—LIBERAL PARTY CRITICIZED ON ISSUE

Mr. Bob Horner (Mississauga North): Mr. Speaker, former Liberal Finance Minister, Donald Macdonald, once known as the thorniest Grit in the Rosedale garden, launched a scathing attack recently on the Liberal Party for failing to stake out a comprehensible position on free trade.

He specifically lashed out at the Liberal trade critic for whipping up anti-American sentiment with an uninformed, politically motivated campaign against free trade talks with the United States.

• (1415)

In discussing the present Liberal caucus, he stated:

> Some of them don't know anything, and you can't tell them anything.

In Mr. Macdonald's words:

> Manitoba MP Axworthy represents the worst of both worlds. I've debated on platform with Axworthy across the country and I just don't think he's got a sound grasp of the issue and I also think he's engaged in purely political posturing.

Since the brains of the Liberal Party seem to be solidly in favour of a free trade agreement, my advice to the Liberal Caucus is get on the ball or get on the bus.

Some Hon. Members: Oh, oh!

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CANADA PENSION PLAN

INCREASED DISABILITY BENEFITS—PAYMENTS CUT AS RESULT OF PROVINCIAL GOVERNMENTS' ACTIONS

Mr. Neil Young (Beaches): Mr. Speaker, last year the House of Commons passed amendments to the Canada Pension Plan. One of those amendments was to increase quite substantially disability benefits for a number of Canadians who, it was recognized, have been living in abject poverty because of the low benefit structure under the CPP.

Those amendments were the product of negotiations between the federal Government and provincial Governments. The negotiations, I would assume, took place under good faith bargaining. What has happened since those amendments came into effect on January 1 of this year is that provincial Governments have been adjusting their welfare programs in order to grab those benefits that were passed by this House for disabled Canadians. As a result, I have a letter from one woman in British Columbia who, because of what provincial Governments have done, has received a net increase in disability benefits of $4.09 a month rather than the $152 which she would otherwise have received.

It is time that the Government called on provincial Governments and demanded that they pass on the benefits to which disabled Canadians are entitled.

* * *

[*Translation*]

DISASTERS

DEATHS OF FISHERMEN IN ACADIA

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, for the second time in three weeks, the sea has claimed victims. Late Sunday night and early Monday morning, four fishermen from our region saw their ship sink and subsequently drowned. They were fishing herring off the coast of Escuminac, near the mouth of the Miramichi River.

The bodies of Joachim Chevarie, Olivier Frigault and Fernand Ouellette were picked up out of the water, but the body of Joseph Vautour, the captain, has not been found.

I knew Joseph Vautour well. A brave man like all fishermen in my region who must wrest a living from the sea. This tragedy reminds us of the conditions under which fishermen must work to earn a living. Danger is a constant companion.

It is with profound sadness that I offer the bereaved families my condolences and the condolences of those around me. These families will be going through some difficult moments, and I wish them all the courage they will need to overcome this ordeal.

ORAL QUESTION PERIOD

[*English*]

HEALTH

AIDS DISEASE—NATION-WIDE SCHOOL PROGRAM PROPOSED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, last Friday, to my amazement, the Minister of National Health and Welfare said in Vancouver that any AIDS campaign in high schools is "in their provincial jurisdiction". In reply to that I said in Vancouver that AIDS did not respect provincial boundaries.

Will the Prime Minister not agree that a nation-wide school program is needed because it is a national concern, and not just a concern of 10 provincial education ministries?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I agree completely it is a problem that is national in concern and that it deserves a national commitment by all levels of Government and by all people in Canada who are interested in dealing with a very serious not only medical but social problem which deserves our greatest commitment.

• (1420)

REQUEST THAT PRIME MINISTER MOBILIZE NATIONAL EDUCATION CAMPAIGN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am glad of that response and I want to follow it up. The Prime Minister knows that AIDS is not only a national but an international plague. I am deeply disturbed by the prudish attitude of many Canadians. There is a fear that the political backlash is preventing an all-out national attack on AIDS.

I am not interested in academic arguments about what is appropriate on television or in the print media. I am sure we can find the right ethical message. Will the Prime Minister not intervene with the Minister and with all provincial Governments to mobilize a national strategy and campaign for educating Canadians, and particularly younger Canadians, to prevent the spread of AIDS in Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not sure I understand what the Leader of the Opposition means when he refers to the prudish attitude of Canadians.

Mr. Turner (Vancouver Quadra): Some Canadians, I said.

Mr. Mulroney: Some Canadians. I suppose it is always the case in a pluralistic society that some of us are more prudish than others.

In regard to the question he has raised, I agree with my right hon. friend that this is a matter of grave national consequence. I raised it with President Reagan at the summit here because of the international research implications. The Secretary of State for External Affairs and I will be attempting to lock in other nations to both research and methods of arresting the spread of this debilitating and killer disease. It is a human problem that deserves the resolve of the nation to try to bring it to a halt.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I am glad the Prime Minister raised the issue with the President. If he would raise it now with the Minister of National Health and Welfare, we may get somewhere. It is an urgent issue.

[*Translation*]

ELABORATION OF NATIONAL STRATEGY—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are talking about preventing the spread of AIDS. Some community groups have said quite clearly that the Government of Canada is not setting up a campaign or a national strategy to prevent AIDS and to prevent its spread. Once again, I want to ask the Prime Minister when this national strategy organized by the Department of National Health and Welfare will see the light of day and when this campaign will be launched with the necessary dispatch and in a manner that is visible and concrete?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of National Health and Welfare, who is not in the House today, has demonstrated great leadership in the social sphere, including the very important question of AIDS, research, and how to fight AIDS. He is working very closely with the provinces who have specific jurisdiction over and a special responsiblity in this area, but I can assure you that the will and the resources required to undertake this great national and provincial offensive against such a serious disease will not be lacking.

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TAX REFORM

IMPACT ON OLD AGE SECURITY PENSIONS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is dircted to the Right Hon. Prime Minister and concerns tax reform. Some senior citizens I met on the week-end expressed their concerns about tax reform, because they remember how Old Age Security pensions were deindexed. Could the Prime Minister promise senior citizens that his Government will not take advantage of tax reform to put a surtax on Old Age Security pensions and tamper with the principle of universality?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member knows that the object of tax reform is in fact to lower taxes for the vast majority of Canadians and especially for lower-income Canadians. That commitment is clear, and details on how it will be done will be outlined on June 18.

[*Translation*]

Mr. Malépart: I have a supplementary, Mr. Speaker. For the first time I feel like saying in English: Don't touch the senior citizens. Mrs. Denis watches you, Mr. Prime Minister.

REQUEST FOR GUARANTEES IN FAVOUR OF ELDERLY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): My supplementary for the Minister of State or the Prime Minister is as follows. The Prime Minister is aware that senior citizens are now allowed two tax exemptions, one because of their age, and one in terms of their pension income, which means they save $650 million annually in income tax. Could the Prime Minister promise senior citizens that whatever changes may be made as a result of tax reform, these $650 million will be used to upgrade programs for the elderly and not to reduce the deficit?

• (1425)

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I should remind the Hon. Member this Government has brought in major changes to the pension system. That is the first important point. As to his particular concern, tax reform will make clear the position of that age and income group, and it would not be appropriate to reveal that before that time.

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ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. There is a story on *The Financial Times* news service today about the proposed takeover of Dome Petroleum by Amoco. According to that report part of the secret information in the preliminary deal between the two companies could mean that the takeover could be finalized as early as the next 24 hours. Is the Government aware of the contention that one of the basic points of that agreement, if it is reached in the next 24 hours, is that any counter-bid from any other source could be effectively squelched?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I can only advise the Hon. Member that, according to the knowledge I have, there has been no formal deal presented either to Investment Canada or to Energy, Mines and Resources. Until such time it would be inappropriate to comment further.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question is directed to the Prime Minister or the Deputy Prime Minister, whoever is answering on this very important matter. The Government has always contended there was a possibility of counter-bids being considered. If this report is accurate and the signing takes place within the next 24 hours, that rules out any other possibility. Is the Government then going to stand back and let bankers in Toronto, financiers in Zurich, and company shareholders alone determine what the public interest should be in this crucial takeover?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Leader of the NDP said, "If this report is accurate". That is a very important qualifier. Until such time as all the facts are ascertained it is really inappropriate to comment on sheer speculation.

This decision has to be made by the shareholders of the company. They are in a position to make that decision. When it is made and the proposal is presented to the Government of Canada it will be examined in the normal course as it relates to Investment Canada, the Department of Consumer and

Corporate Affairs, and all the other mechanisms in place for that purpose.

REQUEST THAT GOVERNMENT TAKE ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am aware that this is not the portfolio of the Deputy Prime Minister but if the report is accurate then the possibility that counter-proposals could be considered by Dome down the road is effectively precluded.

Because the next 24 or 48 hours are crucial will the Government look into this report and, if it is accurate, finally take action and get involved to make sure the public interest is served? The public has already put hundreds of millions of dollars into Dome Petroleum.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I do not know why the Hon. Leader of the NDP gets so worked up about a question the basis of which is, "If the report is accurate". He should ascertain for himself whether the reports are accurate. I am sure the Department of Energy, Mines and Resources, and others, are monitoring the situation. This matter has to be resolved by the company and I am sure that in their wisdom they will take all these things into consideration. In the meantime it is very inappropriate to comment on sheer speculation and hypothesis.

• (1430)

EFFECT OF GOVERNMENT POLICY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. On May 5 I said that the Minister of Energy, Mines and Resources was misleading the House when he said that an agreement between Amoco Canada and Dome Petroleum allowed for other bids to be made for Dome. The memorandum of agreement in fact prohibits other companies from making bids under the threat of a suit.

Will the Deputy Prime Minister not agree that the Government's hands-off policy with respect to Dome has meant that high-priced lawyers of an American multinational are in fact setting Canada's foreign investment policy?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I know that it is the position of the Liberal Party and the New Democratic Party to get into these things with both hands and both feet. That is not the position of the Government. The fact is that the Government has put in place institutions to protect the public interest and it will be protected through due process. I wish Hon. Members would wait until that due process takes its course.

Mr. MacLellan: Mr. Speaker, the Government has feet of clay and is not prepared to stick up for the rights of Canadians.

Some Hon. Members: Hear, hear!

REQUEST THAT INVESTMENT CANADA BE INSTRUCTED NOT TO APPROVE PURCHASE PENDING OTHER OFFERS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Will the Deputy Prime Minister instruct Investment Canada not to approve Amoco Canada's bid for Dome Petroleum until all other reasonable bids have had a chance to come forward, or is he afraid that the American Government will lean on the Canadian Government for interfering, thus reducing substantially what success is left for Canada's free trade agreement?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, perhaps the Hon. Member should read the comments of his former colleague, the Hon. Donald Macdonald, who had some interesting points to make about the position of the Liberal Party with respect to free trade, before he makes silly statements like that.

When a proposal is presented to Investment Canada it will be examined in due course on the basis of net benefit to Canada. That is clearly established and totally consistent with the investment propositions which have been handled in the past, and this case will be handled in the normal fashion.

[*Translation*]

DOME—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister who seems to think that the sale of $6 billion worth of Canadian resources is of no concern to his Government even though they will now be owned by a foreign firm. As a former *Financial Times* writer I can assure him that the report rests on solid ground. It is clear that the Dome-Amoco agreement in principle has been so drafted as to eliminate any opportunity for another Canadian company to make an offer for Dome. Does the Canadian Government approve such action on the part of Dome, the ultimate result being that it will be impossible to maintain Canadian control since no offer from a Canadian source will be accepted?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I repeat again to the Hon. Member that there is a process which is followed. Investment Canada will examine the proposal when it is received, as will the Department of Finance and the Department of Consumer and Corporate Affairs. I do not know why the Hon. Member does not have faith in these institutions because they are charged with the responsibility of ensuring that the public interest is fulfilled.

[*Translation*]

REQUEST THAT GOVERNMENT STUDY OTHER OFFERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to put a supplementary question to the Deputy Prime

Minister who takes the position that, once the agreement has been signed and delivered into American hands, everything will be under the control of a federal Government agency. Is the Deputy Prime Minister aware of the fact that both Imperial Oil of Canada and TransCanada Pipelines have expressed interest in buying Dome, and is the Government prepared to guarantee that the bids of these two companies will be considered before the agreement is signed and delivered to Amoco?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have read reports, as has the Hon. Member, that there has been interest expressed by Imperial Oil and TransCanada Pipeline. I am sure that that would certainly be of interest to the management and shareholders of Dome. When such decisions are made and a clear transaction is put in place and submitted to the Government of Canada for approval it will be done consistent with the policies of the Government, Investment Canada, the Department of Consumer and Corporate Affairs and the Department of Finance.

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INDIAN AFFAIRS

FUNDING OF GITKSAN-WET'SUWET'EN'S ABORIGINAL TITLE PROCEEDINGS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I will direct my question to whichever Minister is acting on behalf of the Minister of Indian Affairs and Northern Development. A court case began May 11 before Chief Justice McEachern in Smithers, B.C., with regard to the Gitksan-Wet'Suwet'en's aboriginal title issue. The native people need to put forward a strong case on their own behalf and urgently need government approval of funding for the case. Would the Minister indicate when such funding will be available?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Minister of Indian Affairs and Northern Development has been monitoring the situation very closely and has put the case of the need for funding before Cabinet in order that the case could go forward in Smithers yesterday. I can indicate on his behalf to the House that the funding which was approved by Cabinet was finalized today and will be going forward.

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TAX REFORM

EXEMPTION OF FARM MACHINERY FROM SALES TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for Finance. Last week the Minister of Finance said he was planning a multi-stage national sales tax combining federal and provincial Governments and that it could apply to food.

At this time farm input costs such as fertilizer, equipment, and farm chemicals are exempt from both federal and provincial sales tax. Can the Minister give a commitment today that he will not impose this national sales tax on farm input costs?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, questions of this sort which will continue until June 18 really are not appropriate. All these questions will be answered on June 18. However, in the interim I can say that the federal sales tax reform, which is an integral part of tax reform, has a core proposal of three mechanisms with different bases in them. If the Hon. Member has a preference for a mechanism or a base, I would be happy to hear about it.

FARM COMMUNITY'S CONCERN

Mr. Maurice Foster (Algoma): Mr. Speaker, I only ask this question because I think it is causing a great deal of concern both in the farm community and among consumers. A national sales tax on farm input costs would not only be a hardship for farmers but would be a hardship on consumers because it would increase the price of food.

Why is the Government leaving the uncertainty as to whether it will increase the price of food by taxing farm input costs as well as by slapping a sales tax on food at the store?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I think it is fair to say that the only uncertainty which is being created is that being created by the Hon. Member by raising this question. In the fullness of time the answers will be revealed. On June 18 we will have all the details which, I am sure, will be appropriate from the Hon. Member's point of view.

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[*Translation*]

EXTERNAL AFFAIRS

SUBSIDIES TO INDUSTRIES OR CERTAIN COMPANIES—GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Yesterday *Les Nouvelles TVA* had a report concerning an American memorandum on free trade, a copy of which I have here.

Is it true, as the memorandum suggests, that Canada has indicated that henceforth it would not give subsidies to industries or certain companies?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am sorry I did not have the opportunity to watch the TVA telecast last night. I have not seen the memorandum mentioned by the Hon. Member, but the Government did not give the indications referred to by the Hon. Member.

• (1440)

[*English*]

FILM DISTRIBUTION—GOVERNMENT POLICY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the memo also says that Canada has agreed to define cultural industries as narrowly as possible. In view of this, will the Prime Minister respond today publicly to the ACTRA telegram to him which says that rumours that the Government will not introduce the film distribution restrictions that were promised are causing serious alarm? Is the Government committed to putting this legislation forward?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I want to assure the Hon. Member and the House that the report to which he refers in the telegram is not accurate and the Government's intentions with regard to film policy remain unchanged.

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APARTHEID

SOUTH AFRICA—POSSIBLE SEVERING OF DIPLOMATIC RELATIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. He will recall that in his statement to the United Nations on October 23, 1985, he said that if there was no progress in the dismantling of apartheid our relations with South Africa might have to be severed absolutely. He repeated that commitment last February during his trip to Africa.

Since that time we have learned that the South African Government has continued its civil violence, its raids on border states, and its curtailment of civil freedoms. Yet this morning we learned that the Government has accepted the accreditation of the South African Ambassador to Canada. Would it not be the appropriate time, with the changeover of ambassadors, for the Government to live up to the commitment the Prime Minister made on two separate occasions and to show we are prepared to take the strongest possible actions against the reprehensible actions of the South African Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the timing of the sending and accreditation of an ambassador is determined by the South African Government. The Hon. Member is suggesting that Canada's policy with respect to South Africa should be decided by the timing of the South African Government. No wonder he is held in such high regard by Donald Macdonald.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Axworthy: I would only say to the Right Hon. Secretary of State for External Affairs that the regard of the Catholic Bishops of Canada might be more important to him than the opinions of Mr. Macdonald on this matter.

Mr. McDermid: What did they say?

Mr. Axworthy: You know what they said.

Mr. McDermid: Tell us what they said.

SOUTH AFRICAN AMBASSADOR—PRESENTATION OF CREDENTIALS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I want to ask a supplementary question of the Secretary of State for External Affairs on this important matter, if he can focus his mind on it. Is it not the responsibility of the Government of Canada to determine whether it will accept those accreditations of the South African Government and to determine whether the acceptance of those accreditations themselves is a statement? In that respect, I refer him to the declaration he made last week concerning the continued raids on Zambia when he said that the Canadian Government must take the strongest possible action to condemn those unprovoked actions. Would it not have been the appropriate action to withhold accepting accreditation, showing our intent and our rejection of those types of initiatives?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, before coming to the serious question, may I express the hope that the Right Hon. Leader of the Opposition would be able to move fairly quickly to appoint a formal spokesman for External Affairs.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Let me deal with the very serious question of Canadian policy toward South Africa. We have indicated for some time that we intend to continue to try to apply pressure for change upon the Pretoria regime and at the same time maintain lines open that might allow us to take advantage of any inclination for change that might occur there. In our judgment, for the foreseeable future that involves maintaining embassies and diplomatic contact with South Africa.

We are discussing what other actions might be taken to try to bring about an end to the odious regime of apartheid. I discussed it as recently as Sunday during my meeting with the Foreign Minister of the Federal Republic of Germany and the Prime Minister, and I will be discussing it at the international summit in Venice. But we do not think it is time for Canada simply to give up and withdraw, which would be one of the

consequences of immediately cutting off our diplomatic and other relations with South Africa.

* * *

IMMIGRATION

ACCESS TO FEDERAL COURT—LEAVE TO APPEAL

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of State for Immigration. Why is the Minister trying to deny direct access to the Federal Court by any Canadian who thinks he has been harmed by a wrong decision of one of the Minister's officers? That is the effect of Bill C-55, Clause 83.1(1), which requires a person in that case to ask the Federal Court first for leave to appeal. Why does the Minister, in his haste to reduce the rights of refugees, also reduce the rights of all Canadians?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, we are putting forward a process that will protect those in need. I have indicated clearly that those who require a safe haven will be granted one. There is somewhat less priority for those who already have one and they should be making applications as independent immigrants.

We will be going from an eight-step process to a three-step process. We have done it with fairness and we are putting forward a system that will do it quickly. There are steps whereby individuals will be heard.

JURISDICTION OF FEDERAL COURT

Mr. Dan Heap (Spadina): Mr. Speaker, this concerns the rights of all Canadians and not only refugees who come to Canada. Considering that the privilege of anyone who believes he has been wronged by an official to go to the Federal Court to have it corrected exists now in the Federal Court and the Federal Court Act, without the limitation of asking for leave, will the Minister not leave the Federal Court jurisdiction untouched even if it should mean giving a refugee the same rights in law as a Canadian?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, we had a system that was not working. The heavy flow of phoney claimants was unfair. The chaotic system had to be managed and put in order. We have established that order. We want to curb the abuse and manage our resources effectively. That is what will be done.

[*Translation*]

ENVIRONMENTAL AFFAIRS

DUMPING OF TOXIC PRODUCTS IN OTTAWA RIVER—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Minister of the Environment.

The media report that the Bank of Canada, the National Research Council, the Department of Transport, and Supply and Services Canada have been accused of breaking the law by dumping toxic refuse or toxic products in the Ottawa River. The federal Government's plea before the court is that provincial legislation does not apply to the federal Government. Does the Minister endorse this position, and what will he do to settle the matter so that federal Departments and agencies respect the law?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, it is because we are concerned about matters of this kind that the federal Government has brought in, on a draft basis initially, and I hope for first reading in the House before long, a broadly based environmental protection Bill which will include many of the facets called for in the very question he has raised.

Concerning the matter he has brought to the attention of the House, we are working hand-in-glove, as a Department and a Government, with all the relevant provincial and municipal authorities.

Mr. Gauthier: I submit that new laws do not stop the application of the present laws. The Government has to clean up its act.

REQUEST FOR MINISTERIAL ACTION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, will the Minister take any action today to clean up the Ottawa River which is being polluted by federal government Departments and agencies, in direct conflict with laws of the Province of Ontario?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, part of the over-all effort we are making, which includes tougher laws, is stiffened enforcement and compliance. To the extent that individual sources of pollution are within the federal government's jurisdiction, the heavy hand of the law will be brought down on them just as on any other sources of pollution.

Oral Questions

HEALTH

USE OF DEPO-PROVERA FOR CONTRACEPTIVE PURPOSES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I understand from his officials that the report of the Special Advisory Committee on Depo-Provera has been in the Minister's Department for several months and that it approves use of this drug for contraceptive purposes. Has the Minister had an opportunity to read the report and will he delay making any decision until he meets with the coalition of 62 women's groups who have not been heard and are very concerned about the side effects of this drug?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member says that this issue has been in my Department for several months. Of course that is correct. That is where the assessment of all drugs for notice of compliance takes place. I have had no recommendation from them yet.

• (1450)

REQUEST THAT REPORT BE MADE AVAILABLE TO CONCERNED WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I very much hope that the Minister will read this report, or bring it forward very quickly. When the Minister receives this information will he make it available to the coalition on Depo-Provera so that women who are very, very concerned about their own health with regard to this drug will have this essential information? Will the Minister also meet with them since they were deprived of any chance to meet with the task force when it went across Canada?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again the Hon. Member's points are not correct. What she wants this Minister to do is to interfere in the regulatory process. I have met with various groups regarding Depo-Provera and D.E.S. There were also committees then established even beyond the regular process for a notice of compliance so that information could be brought forward as well.

However, the Hon. Member will have to decide once and for all whether she wants to have interference at the political level every time a request is made for a notice of compliance, or whether she wants this Minister to allow officials and the legislation to work, as he will continue to do, and when they have done their work I will get a recommendation and then a decision will be made.

NUCLEAR ENERGY

SCHEDULED RESTART OF NUCLEAR REACTOR IN HANFORD, WASHINGTON

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. As the Minister is aware, the 23-year-old nuclear reactor in Hanford, Washington, near the Canada-U.S. border, is scheduled for restart this summer following a six-month shutdown for safety enhancement purposes. In light of the concerns being expressed by Canadians about the safety of this aging reactor, and a recent U.S. Senate committee recommendation that the reactor be restarted only during a national security crisis, will the Minister tell the House what actions are being taken by the Government of Canada to ensure that Canadians living near Hanford are not threatened in any way by the future operation of this reactor?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question. I know of his deep interest, and that of other Hon. Members in the House, in the Hanford reactor. We have made representations to the United States. We have received guarantees that the reactor will not be restarted until safety modifications have been concluded. I also expect there will be an undertaking with regard to environmental impact assessments before any restart.

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FILM INDUSTRY

INTRODUCTION OF LEGISLATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Prime Minister. In February the Minister of Communications announced her new policy to promote the Canadian film distribution industry. Last week she reaffirmed that American pressure would not intimidate her to abandon that policy. On Friday the Minister for International Trade confirmed that the legislation would be introduced.

Is the Prime Minister now backing away from the commitments his Ministers have made to the Canadian film distribution industry? Is he bearing down or bearing under or collapsing under American pressure? Is he being intimidated by the Hollywood producers? If not, why is a Canadian film policy not in this House as legislation now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the question was that the Prime Minister reportedly has killed legislation that would et cetera—that story is false.

[*Translation*]

REQUEST THAT POLICY BE TABLED

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Prime Minister or to the Minister of Communications. Can he confirm that the Government has not abandoned its film distribution policy? And will he make a commitment to table this policy before the end of June?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it was false in English, it is false in French.

* * *

[*English*]

AGRICULTURE

PRODUCTION OF ETHANOL FROM GRAIN

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board who, I am sure, is aware of what is happening in the United States with regard to the growing fuel ethanol industry. He is probably aware of the part ethanol and ethanol-methanol blends could play in helping to alleviate Canada's current agricultural crisis, and also helping to reduce our dependence on imported oil.

Since the Minister is responsible for finding markets for Canadian grain, and since there is an ethanol distillation plant in his own riding, what is he doing to promote this environmentally clean, reasonably priced fuel? And why have we not seen any action from the Government on something which could be a major alternative market for Canadian grain?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises an interesting question. It is true that in the last number of years there have been some improvements in the enzymes which convert not only grain but other organic matter into alcohol. We are looking at that and have some work presently under way. However, the Hon. Member will know that the question more accurately, as far as the energy side is concerned, falls under the jurisdiction of the Minister of Energy, Mines and Resources. I will certainly take the energy part of his question as notice and see that the Minister of Energy, Mines and Resources is aware of it when he returns to the House.

POSSIBLE ALTERNATIVE MARKET FOR GRAIN

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am, of course, aware of the continuing research, but I would point out to the Minister who is, after all, from Manitoba, that ethanol and ethanol-methanol blends are currently used in Canadian gasoline production streams. Is the Minister prepared to stand up for the Canadian farmers in their search for an alternative market? Or is the market for octane enhancers in Canada going to be sold out to the multinational oil companies?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I am not so sure that the latter part of the Hon. Member's question has any relevance whatsoever. As I have said, it is a question which is now being looked at in light of improvements, mainly in enzymes. The Hon. Member will also know that previously some of the calculations on the production of alcohol as far as cost is concerned were based on a very cheap price for grain. We do not think that is something which will work in the long run. With the improvements made in the enzymes, we think there are some exciting alternatives at which the Government is presently looking.

With regard to what has happened in Manitoba, the Hon. Member should know that it was the previous Conservative provincial Government under Mr. Lyon which created the tax incentive that got the plant going at Minnedosa. If the Hon. Member wants to talk about some action, he should raise that issue with his New Democrat colleagues in Manitoba and see if we can get some co-operation from them.

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CANADIAN NATIONAL RAILWAYS

RAIL CAR FREIGHT SERVICE TO NEWFOUNDLAND—SCHEDULED TERMINATION

Mr. George Baker (Gander—Twillingate): The rail car freight service across the Gulf of St. Lawrence to Newfoundland will be terminated by the Government starting July 1, Canada Day. Another spike will be driven into the coffin of the Newfoundland Railway by this Tory Government on July 1.

Will the Minister of Transport tell the House why he ordered Mr. R. E. Lawless, President and Chief Executive Officer of the Canadian National Railways, on March 12, to "terminate this service on July 1" and to "advise your clients of this termination date in order that they can either convert to containers or—"listen to this, Mr. Speaker, "—find alternate means of moving their product". What alternate means does the Minister have in mind to move their product across the Gulf of St. Lawrence—the Goodyear Blimp, or is it the starship *Enterprise*?

Some Hon. Members: Oh, oh!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, if you were Scotty, I would say to you: "Beam him up".

Some Hon. Members: Oh, oh!

Mr. Crosbie: He is certainly spaced out. It is true that on July 1 the rail car ferry is going to cease crossing the Gulf, but this was as a result of the railway revitalization program commenced by the Liberal Government in 1982.

Some Hon. Members: Oh, oh!

Mr. Crosbie: You should not be afraid to take the credit for the few of the good things you did.

TRANSPORTATION OF FEED GRAIN

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in the Canada Day, July 1, official booklet, under Canadiana Quiz No. 20 it is asked: "If it is 12 noon in Whitehorse, Yukon, what time is it in St. John's, Newfoundland?" According to the Government the answer to question No. 20 is 5.30 p.m. If that is true, it would put St. John's, Newfoundland, somewhere between Iceland and Greenland. Perhaps that is why the service is being discontinued. The Government thinks we are afloat in mid-Atlantic.

• (1500)

Some Hon. Members: Oh, oh!

Mr. Baker: Does the Minister not realize that on July 1, Canada Day, Newfoundland will be the only province in Canada without this type of freight service? Container rates have sky-rocketed. Is it not silly to have feed grain from a hopper car unloaded somewhere around Montreal and the whole works put into containers just to get it to Newfoundland? Newfoundland farmers do not want their feed grain containerized; they would like to containerize the Minister of Transport, permanently.

Some Hon. Members: Oh, oh!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, members of the Liberal Party have always had a very healthy interest in the Livestock Feed Board. In 1984 they were all lining up at the trough.

We are concerned about the costs of importing livestock feed into Newfoundland. As a quirk of fate, we do not grow grain there. I am very concerned with this issue. We have just entered into a $4.8 million livestock feed assistance program. The farmers of Newfoundland are looking on me very warmly since that was instituted.

We are meeting again on May 15 with the livestock producers in Newfoundland. We will certainly be assisting by way of subsidy in any increased costs there might be for livestock feed.

While they may containerize me, Mr. Speaker, I think all hon. gentlemen will agree that the hon. gentleman should be certified.

Some Hon. Members: Oh, oh!

Mr. Speaker: I would like to advise the House that there will be a single question from the Hon. Member for Ottawa—Carleton, followed by a question and a supplementary question by the Hon. Member for Nickel Belt.

Mr. Turner (Ottawa—Carleton): Mr. Speaker, that is an impossible flight to follow.

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CANADIAN SECURITY INTELLIGENCE SERVICE

NEWSPAPER ARTICLE'S ALLEGATIONS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is for the Solicitor General. An article by Ross Howard in yesterday's *The Globe and Mail* indicated that the Security Intelligence Review Committee is concerned with alleged efforts by the Canadian Security Intelligence Service to "penetrate and curtail activities of student groups, political fringe groups, environmental coalitions and so-called peace movements that the CSIS believes represent a threat to national security." Will the Solicitor General indicate if these serious allegations against CSIS are true or false?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I welcome the opportunity to respond to the allegations contained in an article in *The Globe and Mail*. I too read the article and immediately contacted the Security Intelligence Review Committee by letter asking it if there was anything in its recent review which it conducted during the past year which would substantiate these allegations. I have been advised in writing that it has conducted its review and that it has found nothing—nothing—that would substantiate the allegations contained in the article in *The Globe and Mail*.

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UNEMPLOYMENT INSURANCE

OVERPAYMENTS TO MAGDALEN ISLANDS FISHERWOMEN

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Employment and Immigration. It concerns six fisherwomen in the Magdalen Islands. They have worked on the boats alongside their fishermen spouses. In the off-season they have collected unemployment insurance benefits. They have now received disentitlement notices, not only disentitling them from unemployment insurance but asking them to pay back up to $8,600 each.

Considering the fact that it was the fish plant which issued their pay cheques and their T-4 slips, and in light of the hardship trying to collect $8,600 will cause, is the Minister prepared to assure the House and, more important, these women, that he will write off these over-payments?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the assurance I can give my colleague is that I will indeed look into this case and, if

injustice has been done or the law misinterpreted in any way, we will take appropriate action.

FISHERWOMEN—ELIGIBILITY UNDER UNEMPLOYMENT INSURANCE PLAN

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary is directed to the same Minister. Can the Minister assure the House that these women will be allowed to work as fisherwomen and be eligible for off-season unemployment benefits?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, much as I answered earlier, each unemployment insurance claim is assessed on its own merits. We will examine the situation and decide whether or not they are eligible under the plan. It will depend on whether or not they are eligible for unemployment insurance benefits.

* * *

[*English*]

POINT OF ORDER

REQUEST TO TABLE CORRESPONDENCE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I rise on a point of order. A few moments ago in answer to a question asked by the Hon. Member for Ottawa—Carleton (Mr. Turner) the Solicitor General (Mr. Kelleher) referred to an exchange of letters with the Security Intelligence Review Committee. The matter raised in *The Globe and Mail* was so serious that I wonder if I could ask the Minister to table the letter he sent and the reply he received from the Security Intelligence Review Committee.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I did not quote from the letters. However, I am quite prepared to send to Hon. Members copies of the letters in question. I have nothing to hide in this regard.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—REFUGEES—GOVERNMENT POLICY

The House resumed consideration of the motion of Mr. Marchi:

That this House condemns the Government's refugee policy for its failing badly to uphold Canada's proud and humane record for refugee assistance and for abandoning our nation's respected international leadership on this tragic, world-wide human dilemma, which will serve to jeopardize a meaningful international solution to what is clearly an international phenomenon;

That this House further deplores the Government's refusal to assure refugee claimants full accessibility to, and a non-adversarial hearing before, an independent refugee board; and

That, therefore, this House urge the Government to establish a fair, accessible and efficient refugee administration system, which would:

(1) guarantee full accessibility to the system for refugee claimants by rejecting any pre-screening stage within the process;

(2) ensure maximum protection and safety for all refugees and a comprehensive and adequate hearing of their claims by abolishing the highly restrictive "safe third country" concept as an integral part of the refugee determination process; and

(3) provide every refugee with the opportunity of an appeal before a competent and independent refugee body that would consider all facts and circumstances of the appellant's claims.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the motion before the House today—

Mr. Deputy Speaker: I would ask all Hon. Members who are not participating in the debate to please clear the Chamber.

Mr. Allmand: Mr. Speaker, I appreciate your attempt to have Hon. Members carry on their conversations outside the House so that we continue this discussion on refugee policy.

The motion before the House today asks the House to condemn the Government's refugee policy for its failing badly to uphold Canada's proud and humane record for refugee assistance. It goes on to deplore the Government's refusal to assure refugee claimants, in its new legislation, full accessibility to, and a non-adversarial hearing before, an independent refugee board. In addition, the motion urges the Government to establish a fair, accessible and efficient refugee determination system, and the details are put before the House for the consideration of the Government.

In order to discuss Canadian policy on refugees we must first put Canada into a world context with respect to refugees. As most Hon. Members know, there is a growing tragedy of refugees and misplaced persons throughout the world. This has been due in part to the incidence of regional wars, civil conflicts and revolutions throughout the world.

As of February, 1986, there was on record, since 1945, 120 regional and local wars resulting in 19 million deaths. Many people talk about the last war and they refer to the war in 1945.

As I just pointed out, since 1945 there have been 120 regional and local wars resulting in 19 million deaths. Two-thirds of those deaths were among civilians, and 16 million of them were in the Third World.

• (1510)

In addition to the large number of deaths resulting from regional and local wars, the United Nations estimates that there are between 15 million and 20 million refugees in the world. About three million of them are Afghans and about two million of them are Palestinians. They include refugees from Indo-China, Iran, Central America, and Latin America.

As citizens of the world, not only citizens of Canada, we must ask who will take care of these refugees? Is Canada

doing its job, or are we shifting the burden to someone else? Are we doing our share?

As Hon. Members know, Canada signed the 1951 International Convention on Refugees in 1969, according to which convention we agreed to receive refugees as defined by the treaty and our law. In order to do that, we set up the Refugee Status Advisory Committee. While the process might have been very acceptable in 1969 when we passed the legislation, while it might have been adequate in the first place, it was certainly found to be inadequate with the large growing number of refugees throughout the world who were coming to our shores in the early 1980s.

As a result of the growing number of applications, the Government appointed the Plaut Commission to advise on how to deal with the enormous backlog of applications which was developing and how to put in place a new refugee determination process.

I think at one point during 1985 we had over 20,000 applicants waiting from two to three years to have their refugee status determined by the process. Not only was it a major problem for those who were waiting to have their determination as refugees decided, it also unfortunately encouraged a growing number of false refugees.

What was happening was that people were coming into the country and claiming refugee status. Since they had to wait two to three years to have their status determined, often they were marrying Canadians and having children in Canada. In other words, they were becoming well established here. Even if it were found after the two-year period that they were not really refugees, it became very difficult to send them out of the country with all the ties they had developed within that time. However, that process also encouraged more false refugees because they knew once they arrived here and made their application, by the time they were turned down they would also be considered as cases which should be allowed to stay, on compassionate grounds.

As I stated, the former Liberal Government was concerned about the problem. It appointed the Plaut Commission in 1983 to advise on a new refugee determination process and a system to deal with the backlog. Rabbi Plaut reported in April, 1985, to the new Conservative Government. The report was referred to the Standing Committee on Labour, Employment and Immigration. The standing committee studied the report, listened to the evidence of witnesses, and heard from many non-governmental organizations which deal with refugees in Canada. The committee reported in November and December, 1985. It put out two reports. One proposed a new refugee determination process which was based upon the Plaut report, but not quite similar to it. Its second report concerned what to do with the large backlog of refugees. The committee recommended a fast and fair process which I thought was supportable and could have been acceptable to the House of Commons and to many refugee support groups in Canada.

In part the Government responded to these reports in May, 1986, and promised legislation later in 1986. As we know, we did not get that legislation in 1986. We only got it in the last couple of weeks.

During that period of time all the problems to which I have referred galloped along—the growing number of refugee applications and the large number of fraudulent or false claims.

In order to support the measures it put into place on February 20 of this year, prior to the Bill to which many of us have referred, although it is not under debate today, I believe the Government gave a false impression of the refugee situation in Canada. It gave the impression that the numbers of refugees at our doors were much higher than they have been historically and that, consequently, we had to bring in harsh measures, which I believe were unfair, to deal with the situation.

If we look at the facts, I do not think we can justify either the measures of February 20 or the legislation. I should like to refer to some of the situations in past years. While the Government has argued that the type of legislation before us is necessary because of the large backlog in the number of refugee applications, I should put on record the fact that we had much larger refugee movements into Canada in previous years.

In 1982, just a few years ago, we had three special movements into Canada in addition to the regular flow of refugees. The regular flow in that year was 16,908. In addition, we had a special movement of Polish refugees amounting to 9,344; a special movement of Iranian refugees amounting to 2,501; and a special movement of Salvadoran refugees amounting to 3,024. Those special movements add up to 14,869 refugees in addition to the regular quota.

If we look at the period of time from 1976 to 1979, Canada admitted 11,321 Lebanese refugees as a result of the war in their country. In the period following the Vietnamese war in 1978, we admitted 9,060 Vietnamese refugees. Following the overthrow of the Allende Government in Chile, Canada admitted over 7,000 refugees from Chile and Argentina. In 1973 we admitted over 7,000 Ugandan Asians. In 1969 we admitted 11,943 Czechoslovakian refugees. After the Hungarian revolution in 1957 we admitted 37,149 Hungarians.

I put these figures on the record to indicate that the number of refugees we now have applying for status in Canada is not unusual. We have admitted great numbers of refugees into Canada in past years since the Second World War. These people are now in Canada.

• (1520)

Who in this House would maintain that these refugees have caused us any difficulty? Who would complain today of the Hungarians who came in 1957, the Czechs who came in 1969, the Ugandan Asians in 1973, the Chileans in 1979; and we could go on and on—the Vietnamese, the Lebanese and the

Poles in 1982? These people have come to Canada and have made a valuable contribution. I do not think anybody regrets the fact that they were admitted as special movements of refugees, or suggests that we would have been better off if we had had special measures which would have prevented them from coming to our shores.

This could be said of all immigrants, but it could also be said of refugees. Refugees and immigrants are, for the most part, great contributors to the country. They are consumers. They buy food and clothing. They need housing, education and health care. Some people maintain that immigrants and refugees take jobs away from us. I argue that they provide jobs for Canadians, not only to the extent that they are consumers but also because many of them are innovative entrepreneurs who put together enterprises and hire many other Canadians.

We have finally had put before us Bill C-55, which is the Government's response to the Plaut report and the reports of the Standing Committee on Labour, Employment and Immigration. I must tell you, Mr. Speaker, that I do not consider Bill C-55 an adequate response. I support the wording in the resolution before this House today, that that policy must be condemned.

In the first place it must be condemned because, according to the provisions of that Bill, access to the refugee determination process will not be universal. Both the Plaut report and the report of the Standing Committee suggested that any process we put in place should be universal. In other words, it should be accessible to all of those who claim refugee status. If a person comes to Canada claiming to be a refugee, he or she should have a chance to prove his case.

What do we have with Bill C-55? We have provisions whereby once a person claims to be a refugee and is asked from what country he came, if he states that he has come from what is considered a safe country, then he is immediately sent back to that country. He is not given an opportunity to put his case before the refugee determination board, or whatever the new name for it might be. He is not given an opportunity to put all the facts before an independent tribunal to show that he really is a refugee. Because he comes from what is considered to be a safe country, he is immediately sent back without access to a tribunal to hear his case.

Who will define what a safe country is and who will set out a list of these said countries? We do not at present have in the Bill a definition of a safe country. It is simply referred to, and we are told that the Government will provide a list of countries it considers safe, countries to which people can be returned without giving the individual a chance to have his or her case heard. We can speculate on which countries will be included in the list.

I heard a program on the CBC the other night. People from the CBC telephoned individuals working in a refugee movement in the United States. They described the new Canadian legislation to the Americans and asked them whether they considered the United States as a safe country for Guatemalan and Salvadoran refugees. In other words, they said that if Canada listed the United States as a safe country, then as a Salvadoran refugee who had come from the United States would be sent back there. The Americans were asked whether, in that case the United States was safe for Salvadoran and Guatemalan refugees? Their answer was no. They said most Salvadoran and Guatemalan refugees who come to the United States are not acceptable as refugees in the United States.

We can speculate about which countries the Cabinet will consider safe countries under this legislation. But how will the Government define a safe country?

As we all know, the conditions that give rise to the refugee phenomenon often come about suddenly. There is suddenly a *coups d'état* in a country; suddenly new repressive measures are put in place and people flee overnight. That happened in the Hungarian revolution of 1957, to which I referred, in the Czech situation in 1969, during the Vietnamese war, in Lebanon and so on. You cannot predict in advance the conditions in countries which will oblige people to flee as refugees. Nor can you predict that these situations will change from day to day, from week to week, or from month to month. As well, what might be a safe country for one group of refugees may not be a safe country for another group. Maybe the United States is a safe country for people fleeing from Poland, but it is not a safe country for people fleeing from Salvador.

We condemn this new process being suggested to the House of Commons and to the people of Canada as one that is not acceptable. It is not acceptable because it does not provide universal access to an independent tribunal so that a person claiming refugee status can have a full and an impartial hearing of his or her claim, after which somebody can say yes, you really are a refugee in accordance with our law and the international treaty, or no, you are not really a refugee. What we are doing is sending certain people away without a hearing because they come from what is called a safe country.

We have other objections to the legislation. We object to the fact that the preliminary panel to hear these refugee applications is not made up of two people from the refugee side of the Department. It is made up of one person from the immigration side and another person from the refugee side. In our resolution we suggest a system somewhat similar to what was suggested in the standing committee's report.

We need in Canada a fair system to deal with refugee applications, a fast system in order to deter and prevent fraudulent refugees, a system that is open to all of those who claim refugee status, a system that would allow a person to apply for refugee status from anywhere, from within Canada or from without, and a system which has a fair appeal process. As I said at the beginning, the refugee problem is a human problem of vast dimensions. We in Canada who are relatively well off should not shirk our responsibility or pass the buck concerning this issue. We did not shirk it before. Certainly we can do something again.

Mr. Weiner: Mr. Speaker, the Hon. Member raised on his own behalf, and on behalf of many who want it, the concept of open access to an independent convention refugee determination board member. The claimant has that; every person will have the opportunity to demonstrate whether his life, limb or liberty is at risk. The Hon. Member wants to send out some kind of scare in the community that the adjudicator and the member of the independent convention refugee determination board have no discretion.

We have clearly said that the claimant will be put through two tests. The first test involves objective criteria. Does the person have refugee status elsewhere? Can he be returned to a safe third country? Some manifestly unfounded claims will be shown. If a person has recently been rejected from Canada or is presently under a deportation order, those facts must be examined using the same criteria.

• (1530)

The second test is a low-threshold, low-standard credibility test. The individual can demonstrate his fear of going back to where we want to send him. If he has lived a sufficient length of time in a country or has legal status, that will be taken into consideration. If one of those two people with discretion feels that there is a shred of a chance that this man fears for his very life, limb, liberty or security, he will be referred to a hearing within 10 days. To me that is discretion.

The Hon. Member has placed particular emphasis on what a safe third country will mean when the Cabinet sets forward such a list. I have tried to tell Hon. Members that because this is a life and death matter, the criteria will be very stringent. We will examine the human rights record of the countries in question. Before a country will be put on the safe country list, it will have to show a record of refugee protection and of protection of all nationals of any country. There will be the widest consultation and we will seek the best advice possible in addition to the advice of our own officials, those of the Department of External Affairs and the documentation centre that will be set up. We understand how important that is for these individuals.

We have put into place a system that is quick and expeditious but provides for quality hearings before independent board members. I believe that that is fair, no matter what the Hon. Member wants to say about further levels of appeal. Given a poor decision, a reviewing body that does not have a chance to feel and to sense the fear of an individual must be weighed against an open, independent hearing before an independent member of the refugee board.

Mr. Allmand: Mr. Speaker, I thought this period was for questions or short comments, not for alternative speeches. Nevertheless, the Minister said that all those who claim refugee status will be given a fair hearing in this new process. It seems to me that the Minister has not read the Bill. Clause 48.1 which appears on page 13 of the Bill indicates that a person who claims to be a Convention refugee is not eligible to have the claim determined by the refugee division if the claimant came to Canada from a country that has been described as a safe third country. There is in the legislation a barrier against a whole group of people who claim to be refugees if they came from what is considered to be a safe third country. They do not even get a chance to put the facts of their cases before the refugee process.

The preliminary panel will ask such an individual if he claims to be a refugee, and he will say yes. The panel will ask him from which country he has just come, and if he says he has just come from the United States, that is it, too bad. The United States is on the list of safe countries, so back he goes to the United States. The fact that he is from Salvador and not from Poland or from Vietnam and not from Czechoslovakia does not matter. The United States is on the list of safe countries so the refugee does not have one more word to say.

If that is the case, how can the Minister say that he is putting in place a process under which a refugee applicant will have every opportunity to put before the refugee determination board all the facts with respect to his particular case? It is true that if he does not come from a safe country and if some of the other conditions are met, then he has a chance to demonstrate his case. We as members of the Liberal Party are saying that that process does not afford universal access. If we are to be fair to refugees, we should have a fast, efficient and fair system but one that is universal so everyone who claims to be a refugee would have a chance to put all the facts before the board, and that is not the case right now.

Mr. Marchi: Mr. Speaker, my colleague spoke very passionately about the situation that exists in the world and listed a number of very disconcerting facts and figures concerning upheavals throughout the world. As I see it, another problem with the concept of a safe third country is the time the Government will take to react to new uprisings, to new human rights abuses, to new geopolitical circumstances that could arise literally overnight.

I wonder what the Hon. Member thinks about the lag time it would take for a government bureaucracy to change its list so that people would not be sent back to a hot spot that would otherwise be on the safe country list. Has the Hon. Member any thoughts on that particular controversy and the practical problems that will be created for bona fide refugees escaping areas of persecution without being recognized because the safe country list has not been modified?

Mr. Allmand: Mr. Speaker, I was a member of Cabinet for seven years and I know how slowly these things move. The Hon. Minister must be aware of that as well. This legislation was promised in May, 1986, and it took until May, 1987 to get it before the House. It went through the various cabinet committees and back and forth to interdepartmental committees, I suppose.

No matter how good the intentions of the Minister are, and I know the Minister is of good faith, things do change in the world. I cited the examples of the Hungarian and Czechoslovakian revolutions and the Polish Solidarity situation, all

things which led to sudden and vast movements of refugees. We cannot always predict where these things will happen and which country will be safe and which will not. As well, some countries are safe for some but not for others and the legislation does not provide for that.

In committee, we asked the Minister if he would give a definition of a safe third country before we voted on the Bill so that we would be able to better judge the proposed legislation. I think he said he would try to do that. I cannot recall his exact words now, but they were not altogether negative and may have even been positive. In any case, we still insist on having a definition, as do most Canadian refugee support groups.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is a pleasure to be able to rise this afternoon. I would like to begin by clearing up some of the confusion that exists in the community. Last Thursday, I took the unusual step of asking to be replaced on the Standing Committee on Labour, Employment and Immigration because I believed that at a meeting held on April 14, my role as the administrator of that committee had been compromised and that that role needed to be re-established because of the important work of the committee. People have asked whether or not I resigned for other reasons relating to the refugee Bill or to unemployment insurance matters. I simply want to assure the House and the community that the action I took was exactly as described and for the reasons described.

If there has been a bonus for me personally as it affects my role in relation to this Bill, it is that it has given me a bit more time to work on it. I do not have to do other things that were indeed time-consuming and perhaps less important in my own mind than refugee legislation for the future.

I must confess that I have a certain feeling of unease with regard to this debate. That unease begins with the fact that this is an Opposition Day motion. A motion on an Opposition Day tends to cause us to draw Party lines. When we are dealing with a matter of life and death, and that is truly what we do when we debate the subject of refugees, we are attempting to help this nation define its own sense of morality concerning those unfortunate people who have become refugees in our modern world. I would hope that we do not continue to discuss this situation and the legislation itself from the perspective of partisan politics. It is not necessary for all Members of this House to agree on what might be the best process, just as it is not necessary for all Members to agree on the capital punishment debate. However, when we are dealing with morality, we hear the knowledge and opinion of those who serve this House and those who elect them. The refugee issue is a moral issue.

• (1540)

I was particularly disturbed, I guess, by the *pro forma* words of introduction to this resolution. It starts: "That this House condemns the Government's refugee policy—". I wonder if all Members really know what is being condemned. There is a sense in some quarters in this country that Progressive Conservatives feel less strongly about the issue of refugees, that perhaps they are less humanitarian in orientation. Some quarters are perhaps too moral and others perhaps not moral enough. Yet I think it is sometimes wise to stand back from our stereotypes and look at performance.

In my adult lifetime there have been three Progressive Conservative Prime Ministers of this country. The first one I knew was the Right Hon. John George Diefenbaker. He was Prime Minister in 1959 when the UN declared the Year of the Refugee. Under his leadership and that of his Government this country opened its doors to some especially disadvantaged refugees. That Government put in place a government-sponsored program that would help the socially or medically handicapped refugee. There were under private sector sponsorship special programs for refugees suffering from tuberculosis. That was a leadership role in the world community motivated by the finest of instincts, that of providing help to those in the world community who needed it the most.

In more recent times the Right Hon. Secretary of State for External Affairs (Mr. Clark) was Prime Minister of this country for a very brief period of time. Of all the public policies initiated by his Government perhaps the best remembered and longest lasting in its impact on this nation was the leadership provided when the world was faced with the boat people crisis in southeast Asia. This country led the world with its quickness, sureness and openness in making its contribution to solving that crisis in a far off corner of the world.

What about the present Right Hon. Prime Minister (Mr. Mulroney) and his Government, in office for two years and eight months? In the last year of the previous Government we brought 14,000 people to this country under refugee landings and designated classes. By 1986, the second full year of this Government, that had increased 40 per cent to 19,000 people.

I think those actions, more clearly and eloquently than anything else I can say, speak to the policy of this Government and its commitment to refugees. It is a better record, I suggest, than that of the previous Government. On each and every occasion where we have had a change in Government in this country, Progressive Conservative Prime Ministers and their Cabinets have made a more open, more generous and more secure commitment to refugees. That may be because so many of the members of our caucus and our Cabinet can trace their own roots back to a refugee movement at some time in the not too distant past.

What is a refugee? Sometimes we tend to throw terms around without pausing to consider who we have in mind. As I approach legislative and policy-making tasks in this Chamber I find it helpful to focus on perhaps one single human being who to some extent typifies the subject matter of a given policy. I learned a long time ago that when Government acts, it advantages some people in society and disadvantages others. Who is it we wish to advantage through our refugee policy? At the head of my list are those who are being persecuted, who face torture or death if they remain in their country of origin. They had no choice, they had to flee. In most cases they had to

leave behind their family, their worldly possessions, their educational credentials and their work experience. They had to leave all that behind and flee. If in doing so they end up on or within the borders of Canada, then morally we have no choice. We must accept their petition. They must have a chance to be heard, to tell their story. They must have a chance to persuade us that they are genuine refugees.

These are not people who, for the most part, if given freedom of choice, would choose to come to Canada and make their life here. When we talk about a refugee, we are generally talking about someone who loves his or her country of origin. They would like nothing more in life than to be able to stay in that country, make their lives, raise their families, build their careers and make their contribution there. Circumstances have forced them out. Disagreements with their Government, or accidents of birth reflected in their skin colour or their religion. Those things are viewed by some in some countries as inappropriate qualities, as excuses to persecute, torture and execute. If any of us in this Chamber faced those circumstances we also would attempt to flee.

Having fled, what happens then? Do we spend a lifetime in a refugee camp, or do we attempt to find a country where we can start again, raise a family and make a contribution? Those are the kind of people all of us should have in mind when we talk about refugees and look at Bill C-55.

• (1550)

When someone arrives in Canada today he is given an examination under oath by an immigration officer who is not trained in refugee matters but in immigration law, policing if you like. There is an independent body which reviews the transcripts of those hearings. If you take the time and trouble to review those transcripts you will see that those interviews were not always conducted with great skill. The transcripts are not always helpful in deciding whether or not a case is that of a true refugee. Nevertheless, the law requires that the transcripts be read and a recommendation be made to the Minister of Immigration.

It is only at the third major stage of the immigration appeal board that the claimants have the right to appear in person and tell their own story to a decision-maker. That body hears appeals on all kinds of immigration matters; deportation hearings, family class immigration, and so on. Refugee cases are only a part of the workload. These are not expert people who devote their full time to the consideration of refugee matters.

The next level of appeal is before the Federal Court of Canada, and those people are not experts either. We have no body in this country today which is expert in refugee matters and sits down face to face with a refugee claimant and reaches a decision about whether or not the claim to the protection of Canada is justifiable.

We must have such a body as quickly as possible and put in place as securely as possible. To do otherwise is to continue the present system which is backward and punishes the true refugee. People who arrive at our border after having gone through a period of imprisonment, torture or persecution take their place in line with thousands of bogus claimants.

When the Government took office, it was taking three or four years to decide whether someone was a refugee. After having come out of a dungeon and being tortured, people arrive on the shores of freedom and it takes three to four years to make a decision on whether they deserve the protection of this country. That is inhumane and insane. That is the system today. We must all work together with the resources of Canada to do something more sane, sensible and better for refugees.

Those of us who have studied this matter in committee know that there are a variety of opinions on it. We understand that this is an extremely difficult area of law. It was naive of anyone in this country to assume that legislation brought into the House would be letter-perfect in all the fine print. I suggest that it was beyond the capability of the drafters to produce such a document. People skilled in legal drafting are not necessarily skilled in the subject matter in which they are drafting.

That is why the process of debate exists in the Parliament of Canada. That is why in committee we call witnesses and ask the best brains and most knowledgeable groups in the country to help us understand where the fine print is in accord with the principles and where it is not so that we can change the fine print where it is necessary to do so.

We have come a long way since the parliamentary committee reported in November, 1985. The Bill before us entitles every single claimant to a personal appearance before a member of the board within a week of arrival. Surely that is beneficial to legitimate refugee claimants. If that is a hardship for the bogus claimant, so be it. That is probably good because we do not want the resources of this nation going to the bogus claimant. Our resources should go to the legitimate refugee claimant. Any true refugee will have no fear of an appearance before a member of that expert body who is steeped in refugee matters, has a feel for them and knowledge of them.

We must ensure that the Minister's expression of intent appears in the fine print. If it is not now there, let us put it there, but let us have that initial decision-making. It is analogous to all parts of Canadian law. The preliminary hearing to decide whether the matter should proceed to trial is a well-known and honourable tradition in the British judicial system. That is all we have at stage one. We want to determine whether there is any reason at all to suspect that an individual needs the protection of Canada. If there is the slightest suspicion that they might, they go to stage two for a full oral hearing before a two-person panel.

Surely that is as it should be. If we want to give effect to our humanitarian traditions and act morally in relation to these people, let us put some resources into that stage, let us have a high-quality oral hearing and an appeal. Contained within this

legislation is the principle of a lot of Canadians who will work part-time as jurists to help us make this decision. Within that mechanism is a need for quality control. We cannot have a decision made in Halifax on the same basis as one made in Vancouver or downtown Toronto. Inherent in that knowledge of administrative systems is the notion that decisions made by panels will have to be examined by someone, in whole or in part.

I say to the NGO community, as I said before, that in any decent piece of legislation we need the certitude that a mistake made by a panel can be corrected when need be. That is not synonymous with a formalized review, a 100 per cent appeal of every decision made. If we care about the persecuted who come to our shores, we need a high quality system and the certitude that on the rare occasions when we make a mistake we will have the power to correct it.

I say to Members of this House from all three Parties and to the community at large that this is a time for co-operation. The resources are inherent in the legislation. If it needs fixing and we have the wisdom to fix it, let us do so. Let us not get stuck as we did with the previous law. Let us not have a system which blocks but, rather, one which does the job. That system is inherent in the nature of this Bill. Let us work together to produce as good a Bill as our collective wisdom can provide.

• (1600)

Mr. Marchi: Mr. Speaker, at the outset, let me say that I and, I believe, all Members appreciated the tenor of the Hon. Member's very deeply felt concerns on the question of refugee legislation. I might add that while I regret that he has resigned as chairman, and perhaps I differed with him on the issue over which he resigned, it should be on the record that as Chairman of the Standing Committee reviewing the refugee determination legislation he was at the forefront of some very progressive thinking. I hope that some of the things he and the committee represent will come to bear on the Government and the Cabinet.

The Member said that we will never have an ideal refugee system, just as we will never have an ideal society. I concur with those remarks and in fact suggested the very same thing in my speech. However, we must also realize that it goes beyond suggesting that the bureaucracy cannot draft everything in an ideal context. We must also focus our attention on the political will that will dictate what the bureaucracy drafts.

We have gone through a two and a half year consultation period, listening to some of the major tenets that were put forward by a number of non-governmental organizations, church organizations and our own committee. There were a number of common denominators in many of those recommendations, one of which was full accessibility to a proper oral hearing on the merits of those claims by a proper refugee decision-making body.

The Minister stated that the provision in this Bill does not represent a pre-screening stage at the various border points. I disagree with him very strongly, as do a number of NGOs, I believe. If there is a pre-screening process that is rooted in a safe third country concept, both of which were hotly denied and rejected by the consultation process, one must wonder why the Government put those in place. While we will never have a system that is completely flawless, I think it is also irresponsible that the Government would put those in place after a consultation period of two and a half years.

The Hon. Member was involved in the process and the committee was very much opposed to any pre-screening apparatus. Therefore, what does the Member think of that pre-screening stage and its being rooted in a third safe country concept, problems which he heard articulated earlier?

Mr. Hawkes: Mr. Speaker, I will attempt to respond to the Hon. Member. I see the pre-screening process as being in accordance with the committee's assertion that there should be universal access to a decision-making body that is the country's sole expert body on refugee matters. The Minister asserted time and time again in the House that it is Cabinet's will that every claimant be given face-to-face access to that body, in a hearing atmosphere where questions can be asked and information exchanged. There will not be the necessity at that point to document the case fully but simply to ensure that the presentation is sufficient to persuade the officer that there may indeed be a refugee situation involved. Once that conclusion is reached, the person proceeds to a two-person oral hearing where the decision is made on whether the person is a refugee. That is in accordance with the committee's report.

The Hon. Member raised the issue of the safe third country concept. The presence of a list is a notion that I have heard through a lot of testimony and conversations I have had both formally and informally. Let me use the analogy of the Post Office. When it decides that it wants a postal rate increase, it asserts to Cabinet that it wants the rate to be a certain amount. Cabinet can agree or disagree with the rate, but cannot change it.

I have a certain sense of comfort in having a single expert body in this country that becomes the definitive recommending group. I suggest that the committee would want to look very carefully at that part of the Bill. The one body in this country that will acquire the expertise, have the research resources and have the concern will be the Convention Refugee Determination Board. I would have confidence if it decided that a certain country was safe for nationals of another country.

The voters need a monitoring system and it is probably wise to provide for Cabinet approval. We need to study this area more closely to make sure that in the use of that list, discretion still remains with the officer, because situations change overnight in this field and discretion must exist. However, the list itself must be one in which the board has confidence. If not, we are running some risk of having the wrong kind of morality. That is my view of how to deal with the third country concept.

Mr. Heap: Mr. Speaker, I will not comment on my regard for the Hon. Member for Calgary West (Mr. Hawkes). He and others know of my respect for him.

However, I will ask him to take a further look at pages 13 and 14 of the Bill, particularly Clause 48.1(1), which states:

> A person who claims to be a Convention refugee is not eligible to have the claim determined by the Refugee Division if . . .

It goes to list (a), (b), (c), (d) and (e). Clause 48.1(1)(b) states:

> . . . the claimant came to Canada from a country that has been prescribed as a safe third country—

This morning, the Minister seemed to think that (b), like (a), is somehow qualified or modified by 48.1(2), but that is not so. That applies only to 48.1(1)(a). It makes an exception for somebody who is found to be a refugee in another country and now thinks he has to flee that country as well. Although that person comes from a country that we call safe, he would have his claim determined as a refugee from that country. Section 48.1(1)(b) is not given any kind of qualification or exemption as is in 48.1(2).

On page 14 of the Bill, Clause 48.1(4) states:

> In determining whether a claimant has a credible basis for the claim to be a Convention refugee, the adjudicator and the member of the Refugee Division shall consider any evidence adduced at the inquiry or hearing regarding—

In other words, that is all they can consider. According to 48.1(4)(a), they can look at the record that Canada makes with respect to human rights of the country that the claimant left, or outside of which the claimant remains, by reason of fear or persecution, in other words, whether the country has a good or bad human rights record.

Clause 48.1(4)(b) states:

> The disposition—

That is by Canada:

> —under this Act or the regulations of claims to be Convention refugees made by other persons who alleged fear of persecution . . .

In other words, whether Canada found any refugees from that country before. That is the only criterion they can consider under that subclause. They are not allowed to consider the explanation of an individual. They can only consider the record of the country, its human rights record, and the experience of whether there have been previous refugees from that country.

As the Hon. Member said, the situation can change overnight, but the person is out of luck in that case. There have been no refugees from France, so if the Fascists took over France and Mitterand had to run to Canada, he would not be a refugee because we never had any refugees from France before.

• (1610)

Mr. Hawkes: Mr. Speaker, I thank the Hon. Member for raising some of the clauses on pages 13 and 14 because those are clauses which concern a great many people across the country. In my eight years in Parliament, I have heard Ministers stand in the House and indicate Cabinet's intention by saying: "There is a sense of solidarity in Cabinet. This is our intention". I have been to legislative committees and other kinds of committees from time to time where when one looked at the fine print and found, there was a discrepancy between Cabinet's intention and the exact wording which came out of a process of drafting, and so on.

I was with the Hon. Member when we looked at the most recent amendments to the Immigration Appeal Board. We were able to achieve some very substantial and important amendments which I think have been helpful to the functioning of that board. I have heard with clarity in more than one Question Period and in the speeches today that it is the intention of Cabinet that the Members present at that first stage hearing will having discretionary powers. If the fine print in some way obviates that discretionary power, makes it impossible to exercise, we not only have to find that this is a problem but we have an obligation to suggest a solution which gets the job done.

Standing here in this Chamber today, not being a lawyer, I cannot find the solution. However, I hope that there are a lot of people around the country looking for the problems and then going to the next stage and asking: "Is there a solution to that problem?" I think in many cases, and in this case in particular, it is possible to find the problem and it is relatively easy to correct it.

By hindsight we will know if we were successful but I think that is the commitment.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie)—Disasters—Anniversary of Chernobyl nuclear accident—impact on Canada—(b) Request for information; the Hon. Member for Vancouver East (Ms. Mitchell)—Status of Women—Harassment of woman firefighter—(b) Request for payment of compensation: the Hon. Member for York East (Mr. Redway)—National Defence—possible effect of closure of ports to nuclear powered ships.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S. O. 82—REFUGEES—GOVERNMENT POLICY

The House resumed consideration of the motion of Mr. Marchi:

That this House condemns the Government's refugee policy for its failing badly to uphold Canada's proud and humane record for refugee assistance and for abandoning our nation's respected international leadership on this tragic, world-wide human dilemma, which will serve to jeopardize a meaningful international solution to what is clearly an international phenomenon;

That this House further deplores the Government's refusal to assure refugee claimants full accessibility to, and a non-adversarial hearing before, an independent refugee board, and

That, therefore, this House urge the Government to establish a fair, accessible and efficient refugee administration system which would:

(1) guarantee full accessibility to the system for refugee claimants by rejecting any pre-screening stage within the process;

(2) ensure maximum protection and safety for all refugees and a comprehensive and adequate hearing of their claims by abolishing the highly restrictive "safe third country" concept as an integral part of the refugee determination process; and

(3) provide every refugee with the opportunity of an appeal before a competent and independent refugee body that would consider all facts and circumstances of the appellant's claims.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, in addressing this motion today, I would like to start by expressing the feeling of indebtedness felt by myself and my Party to the Hon. Member for York West (Mr. Marchi) in bringing forth this very important question of significant, compelling and, indeed, urgent interest to all Canadians. Bill C-55 has been tabled for first reading on May 5 and we will all come to debate it in due course. However, I think it is good that we have the opportunity today to, in a sense, pre-debate the Bill by raising some of the questions to which those who have looked at it find no answers, and also to enable Members of the House to put on the record and before Canadians some of the concerns which groups who are active, involved and committed to the plight of refugees have expressed .

After all, we are debating something that relates to what I think we could describe as a Canadian tradition of great worth. I do not say it is a great tradition because, after all, it has not been a consistent theme. Without going into some of the faults and errors of the past, because I would not like them to be misinterpreted in some way as a partisan comment, I think we would have to say that the more recent history of Canada's attitude and actions towards refugees within the world community has merited some accolades, most significant of which has been the Nansen Medal.

The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), who has a record of commitment to this particular question throughout his years of service in this House, went to some length in talking about the proud record of Canadian policy and hospitality, the welcoming of those who have had to leave their countries through no fault of their own but because they had the normal aspirations of freedom loving people everywhere. They were not able to exercise those aspirations within the confines of the countries in which they were brought up.

It is a proud and diverse record. Today Canada is home to the first generation of refugees from Chile, the fascist dictatorship of General Pinochet, from South Africa's apartheid regime, from the frightful oppression of the B'hai in Iran and the equally frightful oppression of those who supported opposition Parties. Canada is host to refugees from the lawlessness and murder in Guatemala and El Salvador, and from the genocide in what was previously known as Cambodia. It is also host to people who fled oppression in Vietnam, from Laos, and to people of Ukrainian, Hungarian and, more recently, Polish origin, who originally came to this country as refugees.

When I hear talk of Canada's refugee determination system having been abused, I become very uncomfortable because while it is perfectly true that there may be those who have abused the system in the past, I think we would have to say that this country as a whole has never been abused by refugees, as I am aware of Canadian history. Even if there have been some who have, so to speak, beaten the system in order to gain entry to the country, I do not think it could be said that after having done so, they abused Canada.

It should be a mark of pride for all Canadians to be awarded the Nansen Medal which, I would stress, did not go to the Government of Canada but to the people of Canada. It should be a mark of pride which we as Canadians should maintain in the face of some of the confusion which exists and which, I regret to say, is at times promulgated regarding the situation of refugees and particularly in terms of refugees as juxtaposed with immigrants.

There have been some nostrums peddled in this country which are false and which have gained some credibility. They are deserving and, and indeed, demanding of refutation in this House. I will go into the details later. We have seen in recent years a wilful confusion at times and at other times an innocent confusion between the situation of refugees and immigrants. We have seen allegations, almost universally disproven or unsubstantiated, about the possible effects of refugees on employment in Canada. That was very well refuted in the speech of the Hon. Member for Notre-Dame-de-Grâce—Lachine East. We have seen refugees used as a proxy target, as strawmen, by those who frankly are concerned to promote and promulgate racist theories, attitudes and practices. We have also seen a very legitimate concern, one which I think history and our experience very adequately answers, regarding the country's ability to absorb newcomers.

As one of those absorbed newcomers myself, I can hark back—although not from personal experience, obviously—to the year 1910 when approximately 400,000 immigrants, many of whom under today's system would be categorized as refugees, came to a country of some seven million or eight million people. We only have to go to our prairie and western

provinces today to see the success of these people and their descendants who have grown into a very lively, vital and integral part of Canadian society and, indeed, our Canadian identity.

• (1620)

Government policy has been outlined recently in the Government's response to petitions which some Members have presented in the House concerning Canada's refugee policy. It is worth quoting the Government's response to the petitions and recalling to Hon. Members on the government side and to Ministers what was said. I quote directly from the answer which states:

> There are three components to Canada's refugee policy. First, there is the assistance which is provided through the United Nations High Commission for Refugees that includes aid to refugees, technical assistance to the UNHCR, and diplomatic initiatives to deal with the root causes of refugee situations.

Parenthetically, that is obviously not the subject of today's motion.

> Second, there is the program of government and private sponsorship of refugees abroad who can best be helped by resettlement in this country. Third, there is the protection, which we guaranteed when we signed the Geneva Convention and Protocol, against the return of any refugee on Canadian soil to a territory where he would fear persecution on the basis of his race, religion, nationality, membership in a particular social group, or political opinion.

I quote further an element of trumpeting which the Government provided in its response:

> While Canada has established excellent standards of refugee status determination, it is recognized that there is a need to streamline our procedures which have broken down in the face of increasing volumes. There is a need to overhaul the way we deal with people who arrive spontaneously at our borders. To this end, the Government will be bringing legislation before the House shortly.

That, of course, refers to the legislation which the Government has brought forward in Bill C-55.

Because Canada has undertaken solemn international obligations to protect a person who is out of his or her country and unable to return because of fear of persecution on account of political, religious, or the other reasons mentioned, I think that it would behove the Government to consult the UNHCR which is, in a sense, the custodian of the Geneva Convention and Protocol. Let us be sure that within the forum of those who have also signed this Protocol any measures that Canada brings in to change its policy and procedures are determined to be in compliance with the Protocol. I do not think there could be any greater disgrace within the international community than having a country whose citizens won the Nansen Medal see its Government undertake a change in policy which might essentially nullify the validity and the commitment of the signature on that Protocol and Convention.

I do not think there is argument within the House that the system proposed in the present legislation is more simple than the one it replaces. What we have to discuss is, of course, is it more fair? Indeed, is it as fair as we as Canadian legislators can make it under the circumstances?

The proposed system contrasts the eight steps of the existing system with a three-step process. It would be hard to argue that that is a more complex process than what is in place at the moment. But we have to determine if there are improvements that can be made in the interests of fairness. Having a simple system is simply not good enough for a country that can take some legitimate pride in its past record.

I would now like to deal with some of the problems that we perceive with Bill C-55 as presently drafted. Obviously, we do so not in an attack on the Government but in an attempt to have the Government address these concerns and modify the legislation accordingly.

We feel that there is an aura of inaccessibility about the procedures that are proposed. Instead of ensuring that everyone who arrives in Canada claiming to be a refugee gets his or her claim heard, there is some sense that the return to another country might be what they should expect if they want a realistic assessment of their prospects. The use of technicalities in some artificial categories, such as the safe third country category, also brings into question the intent of the Bill.

The initial screening, which can only be appealed from out of the country, proposes a bureaucratic barrier which, in the past, has jeopardized the safety of some refugee claimants. It has led to frustration and an enormous expense and effort on the part of refugee claimants for a consideration that we do not feel really warrants that sort of stress being put on refugee claimants.

Apparently, the second stage oral hearing can be appealed, but only to the Federal Court and only on matters of law as opposed to matters of fact. That is a grave deficiency because, surely, in a refugee determination process it is the facts of the case of the individual refugee claimant which should govern.

Where are the provisions for humanitarian or compassionate consideration such as those found in the current legislation? About 12 per cent of the current cases that do not meet the technical situation, the technical definitions, are situations in which compassionate people such as cabinet Ministers are willing to allow refugee claimants to stay in the country. I think that is something that the Government has to consider.

I would like to talk, and I hope at not too great a length, about the concept of safe third country, because I feel that in some ways it is a dangerous one and, in many ways, a very sensitive one. First, we know that the definition of safe third country is something that, on the enactment of the Bill, will be expropriated by senior bureaucrats in the Department of Immigration. We know that the individual adjudicator or member of the board will not have control over the definition of what is a safe third country. He or she will not have control over the designation of a safe third country. Therefore, it is a concept that will be bureaucratized and centrally controlled. One would assume, because such is the habit of bureaucracies, that it will be applied rigidly.

Obviously, this concept would require some form of return agreement with other countries, otherwise there would be no

right to send refugee claimants back. I think that one of the situations that concerns us the most is that of the Salvadorans and Guatemalans who have taken refuge in the United States and who now, because of increasing crack-downs in that country on migrant workers and those who do not have legal status, are seeking to come to Canada.

The United States declares and proclaims that the Governments of El Salvador and Guatemala are democratic, humanitarian and able to defend human rights within their countries. It is not my purpose to inveigh against the Governments of either of those countries where we know there are honest, dedicated and committed people trying their best to preserve an orderly democratic system of government. However, they do so in the face of militarism and in the face of an entrenched elite that is not willing to give up its power and that is willing to use extra-legal, military and terrorist means to maintain that power, even in the face of the best intentions of the Governments of those countries.

So that if we are considering the case of a Salvadoran refugee under the new legislation and this person is told: "Well, the United States is a safe third country", and Canada sends that person back to the United States, we would be somewhat in the situation, as a country, of a Pontius Pilate. We would not deport a person ourselves but we would send him back to another country that we could be perfectly sure would deport him.

This phenomenon, this risk of what we might call onward deportation, of deporting refugee claimants for onward deportation back to their own countries, is a serious issue that I certainly hope a government Member will address. I certainly hope a government speaker will address the issue. I also hope that it will be adequately addressed in the legislation as it is finally passed in the House after we have had an opportunity to process appropriate amendments through committee.

• (1630)

Obviously there is an element of politicization in terms of the safe third country concept. Obviously Canada, in the application of that concept, will be subjected to potential political or diplomatic pressures regarding the application, the definition, and the designation. After all, what will be the situation if one of our major trading partners involved in a trade deal or, shall we say, a major purchase of Canadian wheat or Canadian aircraft was told ever so subtly by government representatives that the commercial interchange was dependent upon Canada not designating their country as being an unsafe third country or not saying that their country was a country which could produce refugees? I think it would not strain the imagination or recollection of most Hon. Members of the House to determine and identify some of the potential examples.

We have some major criticisms of the screening process. The no credible basis for claim is something that is not defined. It is new legal language and lacks a specific definition. The obvious example would be somebody coming as a refugee from a country which has not in the past been known to produce refugees. Therefore, it is a definition which would put in jeopardy some of those potential immigrants.

In conclusion, we cannot allow the confusion to continue between immigrants and refugees, understanding the distinction as an important part of understanding the concerns which our Party and members of all Parties want to put forward today. After all, spectres are being raised, and I am sure the Hon. Member for Calgary West (Mr. Hawkes) did so unwittingly when he talked about thousands of bogus claimants in the queue.

I believe that Canada has only deported 600 or 700 people as bogus refugee claimants. We cannot confuse the immigrant strain who, after all, are generally queued up at Canadian consulates and delegations overseas with the refugee strain who, if they are queued, are queued at points of entry into the country.

I thank you, Mr. Speaker, for your tolerance and consideration in hearing the problems today. They are problems which we want to see the Government address, so that the country will have a refugee determination system of which we can all be proud.

Mr. Heap: Mr. Speaker, I want to congratulate the Hon. Member on his comments and to ask him about a particular point.

He referred to the total absence in the Bill of any possibility of providing the kind of humanitarian consideration currently provided in the legislation which the Bill is supposed to amend. In the decisions that will be made at the first stage, if they found that a person had no credible basis of claim or that a person came from a so-called safe country, the person would then be returned according to the Act. Of course that could include many people such as Iranians and others whom we do not now force to return to their home country.

Would the Hon. Member enlarge a little on that point? Since I know he has a world-wide concern and he has made reference to it, would he enlarge upon the difficulty of seeing where there is any fair treatment for such people within the present proposals, given the screenings?

First, they cannot even arrive here if they come from a country from which we require a visa or a transit visa. If they are refugees, they will probably be denied it. I know that the Canadian Government has specifically named Chile as a country to be impacted upon for having sent refugees here under transit visas.

Second, if they come from a country which does not produce refugees, they will be excluded in Section 48(a). The third example would be those who passed through and stayed in a safe country.

Could the Hon. Member comment upon how he thinks people would get the kind of humanitarian considerations we have been giving them now?

Mr. Parry: Mr. Speaker, I thank the Hon. Member for Spadina (Mr. Heap), not only for his question but for his outstanding commitment to this issue over a number of years.

In reply I should like to return to the Government's response to petitions and instance some examples which would fall through what we might say is the safety net of the Geneva Convention. I believe these examples provide compelling reasons for there to be included in the Act provision for ministerial discretion on humanitarian and compassionate grounds. I should like to quote again from the Government's response to petitions as follows:

> —there is the protection, which we guaranteed when we signed the Geneva Convention and Protocol, against the return of any refugee on Canadian soil to a territory where he would fear persecution on the basis of his race, religion, nationality, membership in a particular social group, or political opinion.

Let us look at three examples. I choose the examples of a Lebanese woman, of an Iranian young man, and of a Chinese woman. Let us consider that an 18-year old Iranian arrives in Canada and claims to be a refugee because in his own country he would be conscripted into the army, or one of the irregular fighting units prevalent in the Iran-Iraq war, and sent to the front where there are mortality rates in individual units of 50 per cent to 70 per cent and where the rates run higher in the case of young boys in their early teens who are used as human minesweepers and sent into Iraqi minefields to be blown up in order to clear a path for the troops. I do not see that the present legislation would allow in an Iranian who was attempting to avoid conscription for a war in which he would essentially be used as a completely disposable fighting individual in the cause which they are pursuing against Iraq.

Let us take the example of a Chinese woman who flees to Canada because she is in her second pregnancy and the Government of that country not only frowns on but takes some concrete and somewhat repressive measures against people who choose to expand their families. Where is there provision in the legislation which would allow that woman to be granted refugee status in Canada?

Finally, let us consider the situation of a woman in Beirut who, after all, wants to get away from the fighting. We saw a report in our newspapers a couple of months ago of a Beiruti who was willing to sell his eight children to anyone who would take them to a safe country. It is an indication of the level of desperation in some people trying to escape what is essentially a war zone. Could the person claim that he was being individually persecuted on any of the grounds of the Geneva Convention? He could not, but the fact is that the bullet from a Kalashnikov makes no such distinction. When a person is in peril of his life because he is in a war zone then obviously he has to be treated as a refugee and obviously he should be treated as a refugee in making application to Canada.

• (1640)

These would be examples that I feel, Mr. Speaker, the legislation must address. We must have measures in Bill C-55 to allow people to qualify and be treated as legitimate refugees, admissible to Canada on those grounds.

Hon. J. Robert Howie (York—Sunbury): Mr. Speaker, I am very pleased to have an opportunity to take part in this debate this afternoon. I have enjoyed very much the comments of my colleagues who have preceded me. This is a very important subject and it is one that has seen many issues raised on which we have had a good dialogue. I would like to commend all my colleagues who have participated and who will participate in the debate.

Proposals for a new refugee determination system have been tabled in Parliament. They establish a system which reinforces Canada's commitment to genuine refugees in fear of persecution. The new system has a number of features which provides significant rights to refugees. These rights are consistent with our obligations under the United Nations convention relating to the status of refugees and with the Canadian Charter of Rights. The system, above all, ensures that no genuine refugee will be returned to a country where he or she is in danger of persecution.

Canada is, and will continue to be, a place of safe haven for genuine refugees who need our protection. This system upholds our commitment, a long-standing commitment, which is a vital element of a policy which, since World War II, has enabled some 500,000 refugees to settle in Canada. The Government has tried to put in place a fair and compassionate structure that will admit genuine refugees and screen out those who make fraudulent claims.

The proposals for this new system represent substantial improvements over the existing one in a number of ways. I would like to touch on just a few, if I may. For example, arguable cases can be referred for determination within a few days, and decisions on refugee status can be made within months rather than years, as is now too often the case. I think this cures a very serious shortcoming in the existing system.

The new system provides a number of safeguards for the individual, including the right to legal counsel. This is very important. Legal aid will be provided where necessary. A safe third country list will be established by Cabinet, and Cabinet has indicated that it will give very careful consideration concerning that list. I think some of our colleagues who have participated in the debate today, notably the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) and the response from the Minister highlight and underscore the importance which this provision has and the importance of our giving very careful consideration to the legal interpretations so that we can make a very valuable contribution in committee.

A new refugee board will be made up of members with specialized training in refugee matters. The new refugee board will also have the resources to deal with claims quickly for the benefit of refugees who need our protection. Of course, every claimant will have the right to appeal by leave to the Federal Court on questions of law. This new system will support a fair immigration program of moderate controlled growth that will

benefit all Canadians. While we continue to have an open immigration policy and need the talents and skills that new immigrants will bring, we want to be able to manage our system in a way that better serves all refugees and all Canadians.

The new legislation will also allow us to focus our resources on overseas selection of refugees. There are some 10 million to 12 million people still in refugee camps throughout the world. That is a matter we should keep before us when considering important resolutions like this one and important Bills like the one tabled in the House.

This year Canada will welcome some 125,000 new immigrants. This figure is up from the target of 115,000 in 1986 and up from the 85,000 to 90,000 people who were admitted in 1985. The figure is also up from the 84,000 people admitted in the year we took office. It should be noted that our Government has taken giant strides forward in this area and we have had the courage to grapple with some very serious problems.

In every respect this new legislation is intended to protect the rights of genuine refugees so that anyone needing Canada's protection will not be turned away. This new system preserves the integrity of our over-all program, which includes mechanisms to discourage queue jumpers and to deal effectively and swiftly with people who circumvent the normal legal channels. It also serves better genuine refugees and those applying to join our Canadian family. New Canadians have made a great contribution to Canada, and under this legislation we are confident they will continue to do so.

An important aspect of immigration which I believe we all support and on which I would like to touch in passing is that of family reunification. These proposals do not compromise our commitment to family reunification. On the contrary, I feel that a managed and controlled immigration policy allows us to direct resources to family reunification in greater measure.

New Canadians contribute to every phase of Canadian life. We need new Canadians. We want them and we welcome them. I am hoping that this new system we are trying to put in place will speed their entry into Canada and discourage any of those who would impede their entry by making fraudulent claims or by trying to get ahead of the process and short-circuit the system. That is the purpose of the new measures, and that purpose is a worthy one which deserves our support. I believe that all of us want to see our country continuing to grow. We want to share the good things which Canada has to offer with all new Canadians. The more we are able to accommodate, the better and the happier we will all be. Thank you for allowing me to intervene in the debate, Mr. Speaker.

Mr. Marchi: Mr. Speaker, I listened with great interest to my friend and colleague. I happen to be in his Province of New Brunswick a couple of months ago where I met with refugee organizations. One major recommendation that I brought back was one very evident one in the recommendations of the major non-governmental organizations, the churches and the Standing Committee on Labour, Employment and Immigration. It was that of trying to protect the accessibility to the system, the philosophy that it would be very counter-productive to try to establish a new and improved system which would ensure accessibility is not available to the great number of refugees who come to our shores.

The legislation has a pre-screening stage at the very start whereby two officers would be making a determination virtually on the spot at our various border points. That has triggered within groups in New Brunswick, as well as in other parts of the country, a backlash against the whole question of protecting accessibility. What does the Member think of the pre-screening stage and then of the problems in which that stage is rooted in a third safe country concept when we are having difficulty, based on the answers we have been given, in defining what is a safe third country? How will that list be put together? Will diplomatic and political pressures precede any individual refugee claimant? How will that list get changed with the new uprisings that will inevitably surface throughout different parts of the world?

Mr. Howie: I thank the Hon. Member for his questions, Mr. Speaker. I am pleased to note that he was in New Brunswick and his performance in Parliament has improved immeasurably since he was there. I hope he returns soon.

Some Hon. Members: Oh, oh!

Mr. Howie: With respect to the list of safe countries, that question was answered earlier by the Minister of State for Immigration in response to the Hon. Member for Notre-Dame-de-Grâce—Lachine East. He indicated that it would be a valid and an honest list completed with great care. He said that the intention in producing the list was to improve the administrative process the Hon. Member and I want to see improved, as do the people from New Brunswick who made representations. The purpose of the list is not to impair the entrance of new immigrants; neither is that the purpose of the refugee board. This is intended to speed up the process the people from New Brunswick want speeded up.

• (1650)

Under the Hon. Member's Government which preceded this one, this same procedure took years. Our Government is attempting to put in place a system that will take days and at the most months. I am sure we would all want to support such a system and I would welcome the Hon. Member's support.

The question about the legislation tabled by the Government which was raised by the highly respected Hon. Member for Notre-Dame-de-Grâce—Lachine East is a matter of legal interpretation. I thought the answer of the Minister of State for Immigration (Mr. Weiner) was very good. My own interpretation, and I undertake to check it very thoroughly, is that the board has discretion and if a refugee coming from another country is in real danger of persecution, he would not be sent back to that same country. This is a matter of debate and it is a matter that I feel should be resolved in committee

through the best legal interpretation available to us. I thank the Hon. Member for his question.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I treat today's debate as one of the most important debates in which I have participated in this session of Parliament. I think there is no issue that demands more concern on the part of Members of Parliament than an issue that quite literally deals with life and death matters.

It has been said that one of the highest tests of a nation is how it treats its least well off citizens, the poor, the disabled and the disadvantaged. I propose an equally high test, which is how a nation treats those who are not its own citizens but find themselves in desperate circumstances, needing compassion and help from those able to provide it. That is what we are debating today. Is this nation living up to its fullest and best potential in helping those least able to help themselves? The clear answer is no.

What disturbs me most is that the legislation that has been introduced by the Government is a major alteration in an evolutionary pattern that began in 1951 with the signing of the Geneva Convention. After that, a series of steps were taken by successive Governments to improve, enlarge and enhance the capacity of the Canadian Government to respond to the refugee issue. We heard many horrific tales about great swarms of people trying to beat down the doors of Canada. I listened to the Minister of Employment and Immigration (Mr. Bouchard) exploit those numbers by trying to raise the fear that there would be a great flood of people.

In the last 30 years, Canada has accepted over 400,000 refugees. We have accepted more refugees per capita than any other country in the world. During that period of time, we began to lead the world in the way we dealt with refugee problems. Our record was not unblemished but it was always improving. It was always taking that extra step based upon a compassionate appeal, not upon an enforcement appeal.

What is so disturbing to those of us who have been personally and directly involved in refugee matters for many years is that this Government is breaking that tradition. This Government has turned its back on that tradition. It does not show the most compassion possible and is now following the pack. It is not attempting to build a consensus for a greater reception and treatment of refugees. Instead, it is turning the screws and saying that we must exploit our worst biases. That is the problem.

It was not always so. When I inherited the post of Minister of Employment and Immigration, a good series of initiatives had been taken by the Government of the former Prime Minister, the Secretary of State for External Affairs (Mr. Clark), on Indo-Chinese refugees. A sponsorship program for private citizens had been offered and we doubled that program and accepted well over 100,000 Indo-Chinese refugees between 1978 and 1982, perhaps the most exemplary record of any country in the world.

We tend to forget that Canada's refugee-determination procedure is quite new. It only really began in 1978 with the passage of the new Act. It was up to successive Governments to build around that legislation a policy, a program and an administration that would give life to the spirit of the legislation.

If Members would read the debates that occurred in this House for close to two years during the enactment of that legislation, they would find it very instructive because they would understand that the key to making an effective refugee policy work is bringing Canadians on side, working with the churches, working with non-governmental organizations, and providing leadership that would bring out the best in Canadians. Through that partnership, we are able to show an incredible amount of generosity and openness.

Rather than trying to build a consensus for a more open, tolerant and compassionate refugee policy, this Government, for reasons which are hard to understand, has turned in the other direction. Instead, it is trying to show leadership against refugees.

Time and again, I have heard the Minister of State for Immigration (Mr. Weiner) and the Minister of Employment and Immigration say that a genuine refugee would never be turned away. If that is the case, why is the safe country clause in the legislation? Because the Minister is in the House, I would like to pose an interesting proposition to him. Will the United States of America be considered a safe country? I presume it will be. It is a close ally and a democratic country. It meets all the so-called criteria on which one would judge a safe country.

Let me deal with some interesting statistics from last year. In the United States, the chance of a refugee claimant from El Salvador or Guatemala being accepted was about 2 per cent. For those from Poland, it was 49 per cent, and for those from Iran, it was 66 per cent. What is clear is that the refugee determination procedure in the United States is infused with the political and ideological objectives of the Reagan administration. For one who comes from Central America, the United States is not a safe country.

I can say from personal experience, having been in refugee camps in El Salvador, Honduras and Guatemala to witness what is going on there, that when those people are sent back to their countries, which is what happens under the so-called safe country policy, they are condemned to prison, to intimidation and to threat. That is the conundrum the Government has created with this legislation. It is attempting to tell Canadians not to worry about refugees because it has a list of safe countries.

Can anyone tell me that the Prime Minister (Mr. Mulroney) will tell his friend, the President, that the United States is not a safe country for refugees? Of course he will not say that. We know, however, from the facts, that it is not a safe country for refugees from Central America.

• (1700)

That is not new information. The Mennonite Central Committee and the coalition of church groups have told the Government time and time again that if it attempts that kind of pre-screening it is going to get itself involved in that kind of a dilemma.

What also bothers me a great deal is the attempt to suggest that somehow the Government was left with a mess and things were not being looked after. The Government knows that that was not the case. In 1981, we brought in new refugee guidelines. We set up the Refugee Status Advisory Committee as an independent organization. We established a task force to look at streamlining the refugee determination process. We established the Plaut Commission which came up with a series of recommendations. In other words, as the problem began to grow we responded. Those recommendations were on the table the day the Government took office. Two and a half years later it has rejected the proposals put forward by those independent groups and come up with its own made-in-the-department solution which emphasizes keeping people out, not providing the best way of bringing them in. All the Government had to do was to implement those proposals. However, because it was something the Liberal Government did, the Conservatives would not touch it. They wasted two and a half years, rejected the findings of a committee with a majority of Conservative Members, and now they have the nerve to say they inherited the problem. Of course there was a big problem, but a response was made.

Let me provide another small piece of history which may be constructive to this debate. At the beginning of 1982, in full recognition of a growing problem, that being the number of people who were trying to gain admission not only to Canada but to West Germany, the U.S., France, and all the other countries concerned at that time, the Government of Canada initiated a series of discussions beginning with the U.S. We then broadened it to include the Europeans, the Japanese and others in a series of international meetings designed to come up with an international approach to dealing with the refugee problem. We recognized that when one country closed its doors, that would create a problem for another country. So we started laying the groundwork for an agreement that would provide for a co-ordinated approach to the UNHCR. Each country could then follow the same pattern and we would make sure of an effective and co-ordinated allocation of responsibility.

What happened to that initiative? Why was it dropped? Recognizing that the UNHCR was not getting the necessary political motivation and that this country was being looked to for leadership, surely that initiative should have been followed through and built upon. Yet the Minister of Employment and Immigration said that his Government inherited the mess. What he inherited was a series of solutions which his Government rejected and discarded. I am surprised that even to this day there has been no attempt to resurrect that kind of international policy-making approach to the problem of refugees.

This past week-end I was at a round table discussion on Central America. It brought together people from Latin America, Central America, the U.S. and Europe to talk about how to deal with the incredibly tragic circumstances in Central America. It was both rewarding and instructive to hear the diplomats and political leaders of the various countries concerned repeating that Canada had a major role to play in that region. It was not a passive role, it was a major role. One of the errors they pointed to specifically was that of refugee policy. They pointed to the past initiatives we had taken for rescuing political prisoners from El Salvador and bringing them to Canada. We initiated a sanctuary program whereby someone who was being deported by the American authorities to Central America would be picked up and brought to Canada with the co-operation of church and refugee organizations. We were told that this kind of initiative established our reputation as well as trust and confidence in us in dealing with the most intractable problems in Central America.

Now we are erasing that and turning the clock back. Other countries were looking to us for leadership. They said we could make a valuable contribution in one of the trouble spots of the world. Yet, because of the initiatives taken in closing our borders last May and in this new legislation, we are foreclosing our options and refusing the opportunity to continue the initiative.

We have to ask ourselves why. It is not a partisan issue. No one is going to score any political points. Or are they? Is this something involving that kind of cynicism where you can pander to a bias out there and say, boy, we are getting tough?

Mr. Clark (Yellowhead): Even by your standards that is low and unacceptable.

Mr. Axworthy: I hear a comment from the lowest of the low. We have to consider the source.

What is the reason for this? If the Minister has an alternative reason, let us hear it. No rational reason has been given. No historical reason has been given. Clearly there are alternatives which are far more acceptable even to Conservative Members. One has to ask, why is the Government doing it? That is why we brought this legislation forward today. It is to try to focus the attention of Canadians on the fact that this is the wrong answer, the wrong approach.

There are other ways of handling the problem and streamlining the process. You can do it in a way that you do not strip people of their rights and liberties and turn your back on all those who look to this country for leadership and sanctuary.

That is why my colleague in his opening remarks said it is time Members opposite began to look at their conscience. They should begin considering how this legislation can be changed. It would not take much to turn it around. It would not take much to turn the legislation into something that is positive and useful. The first step would be to listen to the groups deeply

involved in the process. The Mennonite Central Committee and other church organizations, those who are working in the refugee camps, the non-governmental organizations, are all desperately opposed to this legislation. Surely that should tell the Government something. It should understand that if all those who have committed their lives and resources to work for and represent refugees are saying we are doing the wrong thing, it is about time the Government opened its ears and listened.

The proposals are not that difficult to deal with. The pre-screening process is certainly the first and foremost thing that has to be changed. By doing that, the Government would begin to show some good faith It would begin to show that you can bring in a determination procedure which recognizes rights and does not close doors. It comes to grips with problems as they need to be addressed. In that way the Government would bring on board that great well-spring of compassion and interest which exists in so many of the organizations and individuals involved across this country. That is the same kind of good will that was tapped when we brought in the Hungarians and Ugandans, the Chileans and Indo-Chinese, and the Poles, when they were all having their problems. When we brought in tens of thousands of refugees Canadians were prepared to accept them. Those people have become very much a part of the Canadian community. They have become resettled. They have found a home here and are making an important contribution to Canada. We did ourselves proud by managing that problem.

• (1710)

When the Government studies the evolution that has taken place since World War II, and particularly in the last 10 years during which Canada provided a standard of leadership and responsibility, it will recognize that what it has now done is wrong. Simply by admitting it is wrong and turning to a different course it can win the applause of everyone involved and begin to provide leadership so that those who are homeless can find a home.

Mr. Redway: Mr. Speaker, whenever I listen to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) I think back to the time when he was a Minister in the former Government. I think back to when he was responsible for employment and immigration. I listen to him with great care and I think of what he did when he was responsible for that portfolio. I have found some facts and figures which show that when the Hon. Member was the Minister of Employment and Immigration in 1981, we brought into this country just short of 15,000 refugees. In 1986, the Government brought almost 19,000 refugees into this country. In 1981-82, when the Hon. Member was the Minister, his Government spent $26,748,000 on international humanitarian assistance. In 1985-86, the last fiscal year for which we have figures, the Government spent $53,300,000 on international humanitarian assistance. In 1982, the Member's Government spent $30,435,000 on settlement for refugees. In 1986, the Government spent almost $50 million on settlement for refugees.

There seems to be quite a difference between the money spent on settlement when the Member was a Minister in the former Government and the dollars which were spent by the present Government in the most recent years for which figures are available. There has been quite a substantial increase in the amounts spent. There has been quite a substantial increase in the amounts spent on international humanitarian assistance as well. There has also been quite a substantial increase in the number of refugee landings in this country from the time when the Member was a Minister in charge of these matters.

This makes me wonder just how sincere the Member is and whether he is speaking from his heart or whether he is not only, as suggested by his former colleague, the Hon. Donald Macdonald, engaged purely in political posturing. Is that what the Hon. Member is doing today? The figures from the time when the Member was a Minister do not stack up very well against those of today. Is he engaged in purely political posturing?

Mr. Axworthy: Mr. Speaker, every time I hear the Member for York East (Mr. Redway) ask a question I am reminded of the time when he was the Mayor of the Municipality of Metro Toronto and came to me, as Minister of Employment and Immigration, asking for assistance in setting up a youth employment program which the previous Government did. I am glad to say that the program became a highly successful model for the youth job corps.

The Member seemed to have an awful lot more common sense at that time than he seems to exhibit now. I was very pleased to work in partnership and co-operation with him at that time in establishing major programs in his municipality.

The Member asks about sincerity. He saw examples of that sincerity when he asked for assistance with the problem he was facing. One of the problems which he faced in his municipality at that time related to visible minorities. Many of those who had come into his municipality through immigration programs did not have opportunities for retraining and employment. The pilot program which we designed was established to meet that problem. Unfortunately, many of the programs which we initiated have been erased under the Canadian Jobs Strategy. I suppose if we were guilty of anything, it was of being too softhearted with various mayors of municipalities at that time.

With regard to the statistics which the Member quoted, we must factor into the equation the difference of seven years. Over that time there has been inflation, which changes figures. Only about 2,000 or 3,000 people applied for refugee determination in that year. It was only natural that the available money was spent to meet that need. We are saying that as the numbers grow, the resources have to be increased.

Over the last two years, the Department has not been living up to those expectations. It has not even been applying the instruments which are available under the present Immigration Act and its regulations. The backlog has been allowed to grow

because the proper assessments and judgments have not been made and people who are not legitimate refugees have not been asked to leave. The Government has been stalling. It has been dragging its feet on this issue. We must ask whether it is doing so in order to create the impression that there is a backlog.

Members talk about the problem of people coming from Portugal and Brazil. Why was there not some sort of visa control? We used such provisions from time to time. We did so when we were faced with the question of the Sikhs in 1982 who were making manifestly unfounded claims. The Government has not been taking such measures.

I come back to the basic point that I do not think the Government has been trying to manage the issue or deal with the problem even under the present initiatives. We saw the problems on the horizon three or four years ago and responded by starting the oral hearings and putting the guidelines in place. Only three years after the legislation had been passed we did a major revision of refugee policy, put new measures in place, and started a major examination of the determination procedures.

It is now four years since those measures were put in place, and we are hearing a series of proposals which totally contradict the wisdom of those independent task forces. That is the real issue at stake.

• (1720)

If we are talking about political posturing, rather than trying to make those political posturing points, if the Hon. Member would take his powers of eloquence and persuasion that he used upon me when I got youth programs for him and used them on his Ministers and the Government to make alterations in the refugee program, he, I and everyone else in the country would be much happier.

Mr. Marchi: Mr. Speaker, I listened with great interest to the Member for Winnipeg—Fort Garry (Mr. Axworthy), the former Minister of Employment and Immigration, who obviously spoke with passion and deep-felt emotion about the issue.

It has become very evident that the Government will try to market its new product, Bill C-55, to the clientele, the Canadian population, on the basis of curbing abuse. There are two curious aspects to that marketing scheme.

First, the Member for Winnipeg—Fort Garry correctly articulated the point that Canada will be one of the first countries to legislate the third safe country concept which will encourage other countries to do likewise and thereby set up, in the Member's words, a pinball or domino effect in which there will be an international corridor of locked and jammed doors, only aggravating the desperate situation of individual refugees.

On the other hand, during this administration there has been an increase in the number of schemes and, perhaps scams, perpetrated by unscrupulous lawyers attempting to get refugees into the country through the front or back door. We can look, for example, at Lebanon, Turkey, Portugal and Brazil as well as other countries on the horizon.

This shows that inflexibility and rigidity is not the answer to curbing abuse. There is an interesting correlation, that the more severe and restrictive the policy, the greater desperation and fewer options are present for refugees throughout the world.

One comes to the conclusion that Canada is not doing itself any favours, nor doing any favours for the international community, in trying to come to grips with what is an international phenomenon that ultimately requires an international solution. Will the Hon. Member comment on those elements that I believe are very crucial in this debate and which should be brought to the attention of all Canadians?

Mr. Axworthy: Mr. Speaker, I will try to answer as succinctly as I can in the few minutes remaining. First, I believe the Hon. Member has pointed to a very important axiom. As I learned in the three and a half years during which I was responsible for that Department, the more one tries to restrict, the more there will be new channels found to get around those restrictions. Attempting to close the door simply means that cracks will be found in other places.

I predict that one of the consequences of the present Government's action will be to encourage and stimulate a much broader occurrence in illegal refugee immigration activities as people find other ways of moving around the system. Rather than ensuring that all those who apply are given the proper opportunity for a fair hearing and then dispatched quickly as recommended by various reports, we will see a much higher incident of illegal entry into this country.

Second, as I alluded to in my opening remarks, I am not rising to say to the Minister of State for Immigration that this is an easy problem. It is a profound, deeply complex problem. One of the answers that must be found is on the international level. It is clear that the United Nations High Commission for Refugees needs the assistance of member countries to give a new policy direction and response to this issue. That is something we began in 1982-83 when we convened those meetings of other host countries to discuss whether we could not find ways of sharing the responsibility since we had the great privilege of having great opportunities that many other people did not enjoy.

I can report that progress was being made toward finding some resolution among the various host countries on how to co-ordinate action and ensure there was a common approach that was based on the idea of an open door, and even letting many of the countries of origin deal with the problems beginning to emerge.

I do not know why that initiative was stifled when the new Government came to power. It would be worthwhile finding out why that very important development of a new international response to the growing refugee crisis was erased and why we retracted our leadership.

I say to the Minister, in closing, that it is not too late to resurrect that kind of initiative and begin putting it into effect. I think the intent of my colleague's motion and our interest in being here to speak to it is to encourage the Government to do that very thing.

Mr. Deputy Speaker: Resuming debate.

[*Translation*]

Mr. John Oostrom (Willowdale): Mr. Speaker, I welcome this opportunity to speak to the motion before the House today, a motion with which I certainly cannot agree. I would like to give the House an overview of the Bill tabled by the Government, which provides for a new process for determining refugee status in Canada. I am firmly convinced that this Bill strikes the right balance between justice for refugees and an efficient immigration program.

The present Government wants moderate and controlled increases in immigration levels. In 1985, the total number of landed immigrants was 85,000, and this number increased to 100,000 in 1986. In 1987, this figure is expected to be between 115,000 and 125,000. As was stated by the Minister of State for Immigration (Mr. Weiner), Canada's refugee program is based on a threefold approach, in accordance with the United Nations policy relating to refugees.

The first component consists of a refugee assistance program with a budget of over $170 million in 1986-87.

[*English*]

The second component is resettlement from abroad. This is in line with the United Nations' approach that for some, the only solution is resettlement in a country far away from their homeland. Voluntary return or local resettlement are considered the best options for most refugees. Canada's resettlement record is outstanding, with 18,000-plus refugees in 1986 and 500,000 since World War II.

The third element is the determination system in Canada. It is designed to help those who arrive looking for protection and have nowhere else to go. This determination system is under severe pressure. It can no longer respond to genuine refugees in need. Over the last few years, refugee claims have increased dramatically. Population pressures in the Third World have caused massive migrations to developed countries.

The Europeans have moved to control abuse of their systems. The United States recently took steps affecting thousands of illegal immigrants there. The spill-over from these events has now reached Canada.

[*Translation*]

There are 80 million people in the world who have left their homes, and 15 million are refugees. We must find solutions at the international level, and Canada is playing a leading role in seeking such solutions.

Mr. Speaker, in 1980, there were 1,600 claims in Canada. In 1986, that number rose to 18,000. The forecast for 1987 is 25,000.

Before dealing with the Bill and its provisions for claiming refugee status in Canada, we must first agree on some basic definitions of refugees and refugee claims.

• (1730)

[*English*]

What is the difference between a refugee and a refugee claimant? What is an economic migrant? People coming to Canada and claiming refugee status are refugee claimants. But a refugee claimant is not necessarily a genuine refugee. Many are economic migrants.

Canada respects the United Nations' definition of a Convention refugee. Briefly, this is someone who is outside his or her country and is unable to return because of a real fear of persecution based on race, religion, nationality, political opinion or membership in a particular social group. As a signatory to the U.N. Convention, Canada must give protection to those who have no other safe haven.

Economic migrants come to Canada to improve their economic well-being. They want to avoid immigration selection abroad. They are the major source of false refugee claims in Canada.

[*Translation*]

They should and must file an application through the usual channels at Canadian embassies and consulates.

Mr. Speaker, last year, two of the five main source countries of refugee claimants in Canada were Portugal and Turkey. These are not source countries of refugees. There has been a obvious abuse of our process for determining refugee status. Canada's ability to protect genuine refugees is being undermined and the process appears to favour these fraudulent cases. The consistent support of Canadians for increasing immigration levels and aid to refugees is suffering as well.

[*English*]

I now wish to outline the objectives of the proposed new system for refugee determination in Canada. The new Bill respects Canada's values and humanitarian traditions. Its objectives are to protect genuine refugees in need, to process claims fairly and quickly, to curb abuse, and to manage resources effectively. It ensures that refugees and immigrants are treated fairly.

There are several key features. The new process is streamlined. Refugee determination is completed in months. Now it often takes years. It quickly sorts out arguable cases from clearly unfounded claims. The system provides quality oral hearings before independent, well trained refugee board members, and provides for appeals to the Federal Court. The Bill sets up a new immigration and refugee board. There are two sections; an immigration board dealing only with immigration matters, and a Convention Refugee Determination Board dealing exclusively with refugee claims.

[*Translation*]

I shall now deal with how the new process works. Step one. Upon arrival in Canada, the individual claims refugee status and the claimant appears before an adjudicator and a member of the refugee board. Individuals with a defensible claim and those whose case is in some doubt are directed to the refugee board.

[*English*]

People who will not go on to the refugee board include people with refugee status elsewhere and people who arrive from a safe country where they have a claim, or a reasonable opportunity to make one. They will be returned to these countries. However, people who have simply passed through another country on their way to Canada will not be affected on these grounds. People with unfounded claims, such as the Portuguese claim of persecution as Jehovah's Witnesses, will be returned to apply in their home country. Anyone who was previously rejected as a refugee claimant in Canada, and anyone subject to a removal order, will also not proceed to the board. None of these people need Canada's protection.

Important safeguards are built into this process. The refugee board member must agree with the decisions. People not referred to the board are removed. However, they can appeal by leave to the Federal Court even though they are outside Canada. If the appeal succeeds, the person will be brought back at Government expense. Everyone has the right to counsel. A lawyer will be provided, if needed.

[*Translation*]

Mr. Speaker, these bona fide refugees will never be sent back to a country where they fear persecution. The list of safe countries will be short and will be drafted by Cabinet. Considerations in establishing the list will be the record of these countries on human rights and on the way they protect refugees. Cabinet will seek the advice of reliable sources including the U.N. High Commissioner for Refugees, non-governmental organizations and the new independent Refugee Board. Safe countries that do not have an unblemished record with respect to some of their nationals will not be eligible.

Claimants whose case has been referred to the refugee board must be given a firm date for a hearing within 10 days.

Step 2—At the refugee board, the claimant will be given a hearing before a jury of two. The claimant is entitled to counsel. The hearing will be held according to a non-adversarial formula. The claim will be accepted if approved by one of the members of the refugee board. The claimant will be given the benefit of the doubt.

[*English*]

Work permits can be issued at this point. Step three, claimants accepted by the board can apply for landing. If the claim is rejected, reasons must be given. The claimant has the right of appeal by leave to the Federal Court. Removal takes place only after appeals are decided.

To sum up, Mr. Speaker, the new refugee determination system ensures that genuine refugees are protected. Every claimant is seen by at least one member of the refugee board. Claims will be processed fairly and quickly. Refugee determination will be decided in months, not years. The new system responds quickly to abuse. People coming to Canada for reasons other than protection will be speedily removed. Workable procedures aim, above all, at giving protection to those who need it, not to those who do not.

There are three steps in the new system. The old system had eight. People will be referred to the refugee board in a matter of days. Determinations will be made in months. It now takes years. The new system will get rid of long delays and uncertainty for genuine refugees. Rejected claimants will be speedily removed.

• (1740)

The new system meets Canada's Convention obligations, respects the Charter and the Bill of Rights, maintains Canada's humanitarian tradition, and preserves the integrity of the immigration and refugee programs.

I wish to emphasize that Canada's refugee program measures up internationally. The new system has more safeguards than most refugee-receiving countries. Canada has a generous refugee aid program both at home and abroad.

Our best contribution is still resettlement from camps abroad. Many of the people in these camps have been there for years and have no other options. The Government sponsors thousands every year, and there is no limit on privately-sponsored refugees. The Government helps groups find refugees to sponsor, helps with language training and pays for other resettlement services.

I have personally worked hard to obtain support from the Canadian executive of the International Parliamentary Union to have the question of refugees placed on the fall agenda of the world-wide IPU conference to be held in Bangkok, Thailand. With the assistance of Senator Bonnell of the other place and the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen), Canada has gained support from the European 12-plus group of which Canada is a member. As a result, the international responsibility for refugees will be debated by the IPU next fall when Canada hopes to play the role of *chef de file*.

Canada's respected humanitarian record will continue. The Government is committed to protecting genuine refugees. It is firm in its resolve to curb abuse and committed to increased immigration.

Mr. Marchi: Mr. Speaker, I listened with interest to my colleague who sits on the Immigration Committee, the Hon. Member for Willowdale (Mr. Oostrom). The Hon. Member spent a considerable amount of time during his allotted time in the debate dealing with the question of fraudulent applications and the suggestion that Canada should not offer any assistance to those who wish to come in through the back door and break our regulations. I do not think there is one Member of

Parliament or one political Party which suggests that fraudulent claims should be rewarded to the detriment of those who are genuine and legitimate claimants.

I wish to ask the Hon. Member this. Instead of talking about the visa position and about getting tough with legislation, which in the end will hurt and handicap genuine claimants as has been suggested throughout this debate, what does the Hon. Member think of the Government's inaction in terms of bringing a great deal of the source of the cancer of fraudulent claims to some type of order? What does he feel about individuals such as John Santos who has made some $600,000 at the very least, who owns a $50,000 Mercedes and who lives by the sea in Portugal on the proceeds of fraudulent and scandalous schemes which take advantage of many innocent individuals? What does he think when he sees scams in Portugal, Lebanon and Turkey going on unabated and the fact that the Government is missing a chance to send a strong signal by prosecuting these individuals and by making a legitimate example of what we will not tolerate? How does the Hon. Member reconcile that action in the face of increased fraudulent and unscrupulous activities? What does the Hon. Member think ought to happen *vis-à-vis* unscrupulous consultants?

Mr. Oostrom: Mr. Speaker, I thank the Hon. Member for York West (Mr. Marchi) for his question. I do not find the proposed legislation very tough on the part of Government in terms of real refugees. I find it to be humanitarian. I think it will provide a faster process. It will provide a solution. These people will not be held in limbo for years, as was the case under the previous Government. I think we are speeding up the process so that people will know exactly where they stand within a very short period of time. I think it is unjustified to call this policy tough. I would rather call it humanitarian.

With respect to the second part of the Hon. Member's question concerning fraudulent applications, I think that the Government has been trying to gather evidence, and I have been trying to gather evidence, to convict fraudulent immigration consultants. If the Hon. Member has any solid evidence to bring forward so that the Government can convict these consultants, we would be only too pleased to have it since we are having some difficulty in obtaining real evidence to convict these consultants. As I have said, I have been trying to obtain some solid evidence on this matter. Some people who have come to Canada, in particular those from Portugal and other countries, have come forward. They want to help the Government to convict these fraudulent operators in order that their families back home will not be harassed.

I hope that the Minister of Immigration, in consultation with the Department of Justice, will allow these people to stay here for perhaps a year. I hope that they will be given a work permit so that they can give evidence to the Government in order to prosecute these fraudulent operators in the near future.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to participate in the debate today, although I am saddened by what is contained in Bill C-55. As we have listened to government Members rise one after another a theme is clearly coming out through the speech notes that they have prepared or have had provided to them. They have used words such as "stop abuse" and "curb abuse". As has been pointed out by some Hon. Members, there are no Members in the House who support the abuse of the process as it has been set up to this point. But for the Government to try to claim that the approach it is taking through Bill C-55 is somehow streamlining and making the process more fair and so on is simply not the case.

I listened with care to what members of the Opposition had to say in terms of this type of legislation being a method of pandering to ideological biases and to certain perceived unfairnesses in the system. I think that we can see not only in this piece of legislation but in others a theme coming forward from the Government. In terms of the pornography legislation, rather than dealing with kiddie porn and violence against women the Government has gone much further. It is attempting to reach out to those biases that are floating around within Canadian society in terms of the legislation. In relation to the return of capital punishment, again, we find the same type of tone and the same kind of theme. We see the same words reaching out to Canadians which seem to say: "Look, we are going to reduce crime. We will bring back capital punishment. We will reduce the number of sex offences with this pornography legislation. We will reduce the amount of abuse of Canada's immigration system in terms of refugees and economic migrants," as the Hon. Member who just spoke called them.

A lot of the concern that there is throughout Canada, and I am talking about both urban and rural areas, has been created by some Members who sit on the government side. There is a concern on the part of those Canadians who are waiting for family reunification, for relations or for friends to come from the country from which they have come. They have been led to believe, through a lot of what has been said by government Members in speeches that they have given and in articles that they have sent out, that the reason they are having to wait such a long time is that our Canadian officials throughout the world are somehow spending all their time on cases of abuse by refugees, economic migrants and others. The concern is that the legitimate aspirations of other Canadians to have a son, daughter, mother, father, uncle, other relative, or friend join them in Canada are being held in abeyance, because the system is fouled up with those who are abusing it and the Government, for some reason, is spending all its time and energy in dealing with abuses.

• (1750)

The Minister who spoke did not give us any statistics on abuse. None of the government Members gave us specific cases of abuse. We know that there have been some. However, to say that the legislation is required to stop that leads me to

feel that the Government is looking at the whole refugee matter in terms of numbers rather than in terms of real families and the real pain behind many of their cases. The Bill is designed to deal with numbers.

It is not just a merry-go-round. Some government Members have tried to make it sound as if some people have had to return to a safe third country and then come back for another process, that the federal Government pays for them to come back, and all this kind of thing. In fact, it is quite different, and I will come to that in a moment.

Who are the refugees? Who are they? Members of the House talk about different clauses of the Bill, different procedures, and so on. However, one Canadian in 50 living in Canada today, on May 12, 1987, came to Canada since 1945 as a refugee under the various and changing pieces of legislation Canada used to deal with refugees. Canada has had a good record in most areas in terms of dealing with refugees.

I should like to spend a moment on what exactly is in today's motion, what has been proposed by the Canadian Council of Churches, and why groups are working in Central America, in South America, and in other parts of the world to assist refugees who are trying to flee persecution in other political systems on the basis of race, religion, economic participation in the economy, and, most often, political involvement. In terms of refugees fleeing to Canada, certainly in terms of Central America and South America, in most cases they are fleeing from extreme right wing dictatorships. I hope as well to have time to come to the ideological bias we find in the concept of safe third countries.

However, let us look at the motion before the House. It is reasonably clear. In part it suggests that the Government establish a system which would:

> (1) guarantee full accessibility to the system for refugee claimants by rejecting any pre-screening stage within the process;
>
> (2) ensure maximum protection and safety for all refugees and a comprehensive and adequate hearing of their claims by abolishing the highly restrictive "safe third country" concept as an integral part of the refugee determination process;—

As other Hon. Members have pointed out, between 1983 and 1986 the United States only accepted 2 per cent of those claimants who were trying to obtain refugee status, particularly from countries like El Salvador, whereas Canada accepted almost 50 per cent of such claims.

The Government says that Cabinet will decide what is a safe third country. Any of us who have been around here for a while—and I have been here for the last eight years—knows that Cabinet will not have monthly or bimonthly meetings to decide which countries are safe third countries. It will come from within the system. This is where the ideological bias of the Government is being built into it.

I think we all know of the pressures which are brought by Governments in places like El Salvador, Guatemala, India, and other nations around the world to bear on the Secretary of State for External Affairs (Mr. Clark), on other Ministers, and on the Government of Canada. They ask: "Why did you let so and so come to Canada as a refugee?" They ask why we let certain groups into the country and about the numbers. Because they have a certain level of trade with us, they want us to slow down and make them remain in such and such a country. This sets up a whole new bureaucratic mechanism. As other Members have pointed out, should Canada move in the direction of starting to close doors to make the whole system less accessible and of saying that someone must return to country *x* or go from there to another country, it will force more and more bona fide refugees.

Let us pull the mask off these unknown refugees. Who are these people? Half a million bona fide Canadians came to the country as refugees. Who were they? Who was persecuting them? Why did they choose Canada? I have dealt with many refugee cases in my own constituency. Generally, when they arrive at the borders of Canada, at an airport, on a boat, or whatever, they have used the last of their resources. Very few refugees have an opportunity to sell their home or their car and casually board a Boeing 747 to fly to Canada. Very few of them can say that they will set up a business or do *x*, *y*, or *z*. It is a totally different situation.

Our refugee system and the legislation to deal with refugees face to face must be incredibly sensitive to the reality of what these people and their families have gone through. They fled the countries where they were born. They fled a political system. They fled the reality of the country in which they were living and tried to find a safe haven.

As the legislation is drafted, some of these people will simply come before an almost untrained officer, perhaps at a border crossing or at an airport. They might have to spend three hours or four hours at an airport after having come perhaps half way around the world and having been in all kinds of unsavoury situations from which they have fled. They are given a few moments of time, quite often after having arrived here as part of a busload of people.

As other Hon. Members have pointed out, 18,000 refugees arrived in Canada last year. The Government is sending out signals that there is abuse and indicating the reasons one's grandmother cannot come from Scotland is the refugee problem, the abuse which has been created by the Liberals, the abuse in the system, and so on.

We must understand that the Bill was not drafted by the Minister of State for Immigration (Mr. Weiner). Those of us who have been around here for a while know that pressure was brought from within the system. Are we really to say to Salvadoran refugees that the United States is a safe country?

Let us look at the evidence given before a Senate hearing in the United States. It is shocking. In testimony before a Senate subcommittee in April, 1985, the American Civil Liberties Union found evidence that returnees were abducted, murdered, beaten, and arrested. It also indicated that the United States only granted asylum to 2.6 per cent of those who applied between June, 1983 and January, 1986.

We know that the Government is trying to curry favour with the United States Government on free trade and all kinds of other issues. The Government would not want to say to the United States: "You are not a safe country". If the Minister of State for Immigration were serious, why would he not indicate that Parliament or a committee of Parliament would determine the safe countries? It has been left to Cabinet.

What grounds are there for the Government to refuse to accept the proposal put forward by the Canadian Council of Churches? What could be more practical and more reasonable than its five points? They read as follows:

STAGE 1 ARRIVAL

Refugee claimant arrives at border. Immigration Official registers person and refers to the Refugee Board. Claimants cannot be returned.

STAGE 2 REFUGEE CLAIM

Claimant makes an appointment with Refugee Board for an oral hearing within a fixed time period after referral.

STAGE 3 ORAL HEARING

Claimant and legal counsel present case to a two person panel of competent specialized persons of a Refugee Board who will decide whether or not they believe the person is a refugee.

Stage 4 is the appeal/review, and Stage 5 is the Federal Court. Why did the Government not go that route?

The Government wants to create the belief among Canadians that there has been abuse, that the entire system is sort of stalled, that there cannot be family reunification and so on because of the ongoing process.

I know the Minister is a compassionate person. He must return to the drawing board. The "safe third country concept" simply must go. Other substantive changes must be made to the Bill.

To this point in time we have been a beacon of fairness around the world in terms of dealing with bona fide refugees. None of us support the abusers, the economic migrants, and so on. However, the Bill falls short of what all Canadians support, that is, a true sense of fairness in dealing with refugees from around the world.

I am sorry I do not have more time. I look forward to participating in the debate again.

[*Translation*]

Mr. Deputy Speaker: It being 6 p.m., it is my duty to inform the House that pursuant to Standing Order 82(12), the proceedings on the motion have expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

DISASTERS—ANNIVERSARY OF CHERNOBYL NUCLEAR ACCIDENT—IMPACT ON CANADA. (B) REQUEST FOR INFORMATION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, Sunday, April 26 marked the first anniversary of the Chernobyl nuclear reactor accident in Ukraine. I am pleased to have this opportunity to pursue a question I asked the Minister of National Health and Welfare (Mr. Epp) on Monday, April 27, concerning the impact of Chernobyl on Canada.

On April 27, I asked the Minister to make public information relating to what radionuclides were found in Canada following Chernobyl, where they were found, in what quantities and from what sources. This is not the first time I have requested such information. The Minister will remember that I requested details on Canada's radiation monitoring capabilities on several occasions immediately after Chernobyl. More recently, I have asked him in this House and in correspondence to outline exactly what the Government knows about radioactive fall-out over Canada following Chernobyl.

Specifically, I requested such information in the House on December 3, in a detailed three page letter on January 22, in the House on March 12, and again in the House on April 27. To date, all I have received from the Minister is the skimpy eight page report he released on December 11 and a two page letter dated March 13 in reply to my letter of January 22. Both the report and the Minister's letter, not to mention the Minister's comments in the House, are full of generalities and bland assurances, but do not answer my specific questions and concerns.

To make matters worse, Mr. Speaker, the Minister continually states that all information on the Government's post-Chernobyl monitoring is readily available. This may be the case for certain scientists in Canada and abroad, but it certainly is not the case for Parliament or for the Canadian public at large. As a case in point, I recently received a report on the medical consequences of Chernobyl that had been prepared by researchers at the Manitoba Cancer Treatment and Research Foundation. Not only is this report far more detailed than anything the Minister has released to date, it is based on data that the Minister's own Department provided to these researchers, the very type of information I have requested and have yet to receive.

Briefly, Mr. Speaker, allow me to outline, once again, exactly what I want from the Minister. First, I want detailed information on what Government and non-government monitoring equipment was activated following Chernobyl, where it was activated, when it was activated and what was the sophistication of such equipment. Second, I want to know exactly what radionuclides the monitoring network was looking for, what radionuclides were discovered, where and in what quantities. Third, I want to know what radionuclides and methodology were used to calculate the microsievert doses and the long range risk projections outlined in the Government's report of December 3. Finally, I want to know whether the Government was capable of determining, whether it tried to

determine or did determine, that all radioactive fall-out over Canada in the wake of Chernobyl, did, in fact, come from Chernobyl and not from nuclear weapons testing, notably the "Mighty Oak" bomb blast in Nevada on April 10, 1986.

This is the type of information I have been seeking and have not received. This is the type of information the Government has made available to selected individuals but not to Parliament or the public. Instead, Parliament and Canadians are told they must wait for a detailed report that the Minister says he hopes to release some time in the next two months, over one year after the Chernobyl accident. Over one year later, Mr. Speaker.

To say that I am irritated by this delay and lack of information would be an understatement. The Minister knows my long standing interest in this issue and, as I have just noted, the Minister is aware of the number of times I have requested this information. Surely, if the Minister has any respect for the parliamentary process, he should attempt to provide me, and other Members of Parliament for that matter, with the information I am seeking. What is more, the Minister knows that Canadians generally are concerned about the impact of Chernobyl on Canada and he must recognize, whether he likes it or not, that a great many Canadians simply do not believe the Government is open when it comes to things nuclear. By not providing me with this information, the Minister is simply reinforcing that image.

Considering the widespread public concern that exists on this issue, surely it is time that the Government and the Minister stopped dealing in generalities and provided Parliament and Canadians with all known information about radioactive contamination of the Canadian environment in the days and weeks following Chernobyl. Failure to do so can only be interpreted as meaning that the Government lacks the capacity to effectively monitor radioactive fall-out over Canada, is unwilling to effectively monitor radioactive fall-out over Canada or is unwilling to provide Canadians with information on radioactive fall-out over Canada. All three possibilities are equally unacceptable.

• (1805)

I would like to deal briefly with the Government's over-all response to the Chernobyl crisis. As the Government's own Prince report concludes, the Government's ability to respond to nuclear accidents is woefully inadequate, just as I and many others have suspected for some time. It is obvious that the Government needs to re-evaluate and restructure its nuclear emergency response capabilities, and I was pleased to hear the Minister say that changes are under way though I think it would be helpful if he outlined in greater detail what exactly is being done to improve the situation. Again, there has been a great lack of detail and information.

I would point out to the Government that part of the problem stems from the uncritical approach successive federal Governments have taken on nuclear issues in general. This Government, like previous Liberal Governments, has demonstrated itself to be far too willing to accept the assurances of nuclear technocrats that everything is under control and that there is no need to worry. Chernobyl, like Three Mile Island before it, demonstrated clearly that nuclear technology is by no means infallible and that there is always reason to worry, even with Canadian nuclear technology.

The Government needs to do more than simply tinker with its nuclear-response capabilities. The Government needs to completely rethink its approach to nuclear issues and part of that process could and should be the establishment of the sort of independent inquiry into the nuclear fuel cycle that the Conservative Party promised in 1979 and again during the election campaign of 1984. Another part of that process could and should be a greater willingness on the part of the Government to provide Parliament and Canadians with detailed information on nuclear issues, including the type of detailed information on radioactive fall-out that I am seeking tonight.

From what I can make out, given the little information on which I have been able to get my hands, I do not think the impact of the Chernobyl accident on the Canadian environment was great. I suspect from what I have heard from a number of people that the amount of fall-out was insignificant compared to the amount of fall-out in the Canadian North in the 1960s as a result of atmospheric testing. However, that is not the point. If that is the case, I would be very happy, but I want to know the details, the real information on which that kind of judgment is based. The Government's consistent refusal to provide me with those kinds of details is totally unacceptable. I hope some day, somewhere, some Minister will answer the questions I have been asking for a whole year now.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, in response to the question put by the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) on April 27 concerning information on radioactivity levels in Canada following the Chernobyl reactor accident, the Minister of National Health and Welfare (Mr. Epp) assured the House that he would make available information that comes to his attention. The Minister of National Health and Welfare wishes to remind the House that information obtained following the Chernobyl reactor incident was provided to the House as soon as it was available.

Within hours of learning of the accident, the Department of National Health and Welfare began an intensive monitoring program across Canada. In the six weeks following the accident, over 2,000 samples were analysed with results and interpretation provided on a day-to-day basis.

The report tabled in the House of Commons in December 1986 presented the conclusions drawn from the results that had been made public earlier on the impact of the fall-out on Canada and Canadians. This intensive monitoring program was reduced at the end of June 1986. The Department of National Health and Welfare continues, however, to closely monitor both domestic and imported foodstuffs.

• (1810)

Air, rain-water and milk samples continue to be checked on a regular basis to ensure there is no continuing risk to Canadians. More detailed analyses of the samples collected in the intensive monitoring program have been conducted. The Minister of National Health and Welfare has assured the House that radioactivity levels in Canada are at or close to those present before the Chernobyl accident. Of 350 imported food samples tested to date, 25 have been refused entry to Canada because they do not meet the stringent Canadian screening limits.

The Department of National Health and Welfare publishes each year an account of its environmental radioactivity monitoring programs across Canada. This report is presently being prepared for 1986. It will contain the results of the fallout monitoring program, the Canadian reactor monitoring program and the measurements of natural radioactivity made in Canada for the entire year. Because of the significance of the Chernobyl reactor accident, all of the data collected by the Department of National Health and Welfare following the accident and made public will be included, as well as data provided to the Department by many other agencies which conducted monitoring and assisted the Department by sharing their results. This entails the consolidation of many thousands of measurements and is a major undertaking. It is anticipated that this report will be available within the next month or two.

STATUS OF WOMEN—HARASSMENT OF WOMAN FIRE-FIGHTER. (B) REQUEST FOR PAYMENT OF COMPENSATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, last November the Prime Minister (Mr. Mulroney) said at the First Ministers' Conference in Vancouver:

> The federal Government, as Canada's largest single employer of women, is committed to ensuring the equality of women within its own workforce. We trust others will be encouraged to follow suit.

He outlined the federal government work plan for women in the *Dimensions for Equality* document. The case of Bobbi Stadnyk does not reflect any such commitment and most certainly does not set an example for the private sector. The refusal of the Minister responsible for the Status of Women to come to her defence is a denial of the Vancouver commitment as well as the Charter, in my view.

The experience of Bobbi Stadnyk, a fire-fighter for Transport Canada at the Regina Airport, demonstrates that as an employer the federal Government is guilty of allowing blatant sexual harassment of a woman who had the courage to become one of the first women fire-fighters in Canada. Bobbi served for four years as a term employee of Transport Canada, during which time she was subject to continuous harassment from her male co-workers. Her fire truck was deliberately polluted with Raid insecticide with the full knowledge of management. Her picture was pinned up on the dartboard and her fellow workers threw darts at her image. Her male counterparts took liberties by engaging in bum slapping. Bobbi Stadnyk was allowed to work for a year and a half in a dangerous operation in a mask and uniform that did not fit her. Not only was a blind eye turned to the intolerable sexual harassment she was receiving, but her very health and safety were being jeopardized. The negligence on the part of her superiors in Transport Canada is inexcusable and unconstitutional.

Bobbi Stadnyk did not quit. She was not beaten down by the abuse she was subjected to. Finally she was promoted to full-time and put on probation. She became pregnant and went on maternity leave, which is her right. However, three days after returning from maternity leave this tenacious and brave woman found herself fired. Upon reading her personnel record she discovered it had been doctored by additions after she had signed it.

The case of Bobbi Stadnyk has been investigated by three separate bodies, Transport Canada, the Public Service Commission, and the Human Rights Commission. All three investigations found in favour of Bobbi. Yet over a year has passed and she has not received full reinstatement, back pay and damages.

On March 1 I asked the Minister responsible for the Status of Women to take a personal interest in seeing that the case of Bobbi Stadnyk was brought to an equitable conclusion. I was astounded when she refused and would only commit herself to "developing further policies in this regard". It is very hard to understand why the Minister charged with being an advocate for women would refuse to intervene in this case. This is not an isolated incident. It is part of the systemic discrimination which women often suffer in non-traditional jobs. The Minister has a responsibility to use her influence to ensure justice for Bobbi and to provide a positive example for all other women in the same position.

• (1815)

Bobbi Stadnyk is still fighting for her job. Negotiations with Transport Canada are dragging on. Although Transport Canada has admitted liability in the circumstances, compensation offers are unsatisfactory. She wants and deserves full reinstatement with back pay and damages.

I ask the Minister again to personally intervene in this case to ensure an equitable settlement for Bobbi Stadnyk and the women of Canada. Anything less will make a mockery of the Government's stated commitments to women as stated in *Dimensions of Equality* and of the credibility of the Prime Minister. When will the Government live up to its commitment to women starting with its own federal employees?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, all Members know that these types of cases are difficult for both sides. I suppose it will be so as long as we are human beings. There are always two perspectives.

However, I would advise Hon. Members that both the Public Service Commission and Transport Canada have conducted an investigation into Ms. Stadnyk's complaint. They have concluded that although the Department had a legal right

to reject her on probation no proper cause justified the rejection. However, neither investigation found evidence of sexual harassment. In fact, Ms. Stadnyk did not complain of sexual harassment until her press conference in Winnipeg on March 18 of this year.

The Public Service Commission and Transport Canada officials have been negotiating a settlement. The most recent meeting took place on Friday, May 8, 1987, and a number of options were considered at that time.

A final review of Ms. Stadnyk's case is ongoing and it is anticipated that a settlement offer will be made to her within the next 30 days. I am sure we are all hopeful that the dispute will be settled at that time in a manner satisfactory to both sides.

NATIONAL DEFENCE—POSSIBLE EFFECT OF CLOSURE OF PORTS TO NUCLEAR POWERED SHIPS

Mr. Alan Redway (York East): Mr. Speaker, do you have any peace groups or peace committees in your constituency? By that I mean, of course, committees or organizations whose members are dedicated to trying to help our country and all of us to achieve peace with nuclear disarmament. I suspect that you do, Mr. Speaker, and I certainly do in my constituency. I can think of many groups which are very active in this way.

I think particularly of the East York Peace Group and the Crescent Town Peace Group. A number of the churches have active peace organizations connected to them. The Canadian Martyrs Church certainly does, as does the Leaside United Church. I am sure you have individuals in your constituency, Mr. Speaker, as do I, who are dedicated to the cause of peace and disarmament in general.

I think of Betsy Carr from my riding who was here on Monday with the National Action Committee on the Status of Women. Her efforts with regard to peace have been focused through the National Action Committee. She is also a member of the consultative committee which the Secretary of State for External Affairs (Mr. Clark) has in connection with nuclear disarmament.

I think as well of a good friend of mine, a lawyer by the name of David Wright, who is the head of Lawyers for Social Responsibility. All of these individuals and groups in my constituency are dedicated to the cause of peace and disarmament in general. I am sure there are similar individuals and groups in your riding.

• (1820)

It is my belief that these people and committees reflect the overwhelming desire of Canadians for peace and disarmament. But you know as well as I, that while there is this common strain that runs through Canadian society in which we do want peace and disarmament, there is a great deal of disagreement about how that should best be brought about.

Many people have different points of view. There are those who feel that the only way we can achieve peace is through strength, and not to disarm or negotiate in any way, shape or form. Others believe the best way is to be strong, but to negotiate disarmament on a mutual disarmament and verifiable basis.

Others feel just as strongly that the best way to achieve disarmament might be through such things as a freeze on nuclear weapons and on the production of all nuclear weapons. They feel that not only do we have enough nuclear weapons, there are too many and there is certainly no need for more.

Some people feel that there should be no more testing of Cruise missiles, and others feel we should declare Canada or parts of it a nuclear-free zone. Some people feel that we should leave NATO or NORAD, while others believe that we should declare ourselves a neutral nation.

There are those who believe that the best way to peace and disarmament is by unilateral disarmament as a sign of good faith. Others feel that the important initiative is to show good faith to the other side and that they will respond with good faith to us.

We know that there are those who simply do not trust one side or the other. Some people do not trust the Soviet Union in anything the United States does. Others do not trust anything the United States does.

Recently, at the national convention of the New Democratic Party, they adopted a policy to ban the visits to Canadian ports of ships that were powered with nuclear fuel or had nuclear armaments. If Canada adopted a policy of that sort, it would present us with a difficult situation.

The United States Navy and the United States Government will not tell us or anyone else what their military ships contain. They will not disclose whether their ships are fuelled with nuclear power or whether they contain nuclear armaments. In fact, if we exercised that power and said that they could not come to our ports if they had those armaments or nuclear power, they would not send any more ships to our ports.

That is what New Zealand did recently. Is this the kind of approach that will achieve peace and nuclear disarmament, or disarmament in general? Will it achieve the ends we seek?

Recently I had an opportunity to talk with and be briefed by our ambassador to NATO in Brussels. Ambassador Gordon Smith indicated to me at that time that when the United States sits down to negotiate issues of peace and disarmament it consults with its allies. It consults with its NATO allies, and therefore consults with us as a member of NATO. It consults with Japan and Australia. The United States used to consult with New Zealand but no longer does so because New Zealand adopted the policy of restricting from its ports ships that have nuclear power or are armed with nuclear weapons.

Therefore, what influence does New Zealand have on the process? Ambassador Smith said that New Zealand has no influence on the disarmament discussions or the process of negotiating toward peace.

I asked Ambassador Smith whether we have any influence on the United States in these negotiations. He said that, in fact, we did. It was not the power to decide whether we would go to war or whether we would disarm or not. It was a more subtle power. That consultation gave us a restraining influence on the more drastic steps which perhaps the United States may take in its more bellicose tendencies, one might say. It also gave us the power to put forth new ideas and suggestions which might not have been thought of.

• (1825)

This would not happen, of course, if we adopted a policy similar to New Zealand. The question is, would that matter? I personally think it would matter. I personally think there is a great benefit in being able to discuss these things, to be consulted by the United States, to try to influence, even in a small way, its policies on these issues of peace and nuclear disarmament. It seems to me that if we ever get into a nuclear holocaust, the whole world could be destroyed and I know, Mr. Speaker, you know that as well as I do. Surely, if there is any small way in which we can influence that process, we have to grasp it and try to use it.

We know we do not have any influence with the Soviet Union. We would not have any influence with the Americans either if we adopted the policy suggested by the New Democratic Party. That is why I oppose that policy. I suspect, and I am almost absolutely sure, that you, Mr. Speaker, oppose that kind of policy as well. I would like to hear from the Parliamentary Secretary tonight whether he and the Government oppose this policy of the New Democratic Party.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, of course, we oppose that policy. The Hon. Member for York East (Mr. Redway) in a very thoughtful way has given us a vignette of sense and soundness and has certainly left us with a clear impression that he understands the difficulty of the western world as it approaches the vast and very important question of nuclear disarmament.

Once the Government of New Zealand had taken the decision that its territory should be nuclear weapons free, it would appear that Prime Minister Lange felt compelled to prohibit visits by naval vessels carrying nuclear weapons. Since, as the Hon. Member for York East has indicated to the Chamber, nations are quite reluctant to declare how they are powered and what weapons systems are on board, in the wisdom of Prime Minister Lange, he felt it necessary to simply prohibit the entry of United States naval vessels into New Zealand's ports and waters.

While it would seem that the New Democratic Party is prepared to adopt a similar policy, this Government believes as a member of NATO that an important element of Canada's security policy is, and continues to be recognition of the contribution of the nuclear deterrent to western security. Access to Canadian waters and designated port facilities is granted by Canada to allied vessels, including those which are in fact nuclear powered. This is considered a normal aspect of Canada's defence co-operation with our allies and a long established practice when navies work together in an alliance.

Throughout our history, Canada has sought its protection in defensive alliances, first, under the shield of the great British Empire, and more recently in the collective security we enjoy through NATO and NORAD. Collective security means that each of us, in our own way and in our own capacity, are our own share. The Prime Minister has repeatedly reaffirmed Canada's commitment to NATO. I would like to quote from his address to the Consultative Group on Disarmament and Arms Control last year. He said, and I quote:

> We are a member of the Western Alliance and we are members out of choice, not circumstances. It is an alliance which requires military commitment and political solidarity.

I hope it is clear that the Government would not even consider emulating the actions of the New Zealand Government and certainly not the policy adopted by the New Democratic Party in this area.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

At 6.30 p.m. the House adjourned.

HOUSE OF COMMONS

Wednesday, May 13, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S.O. 21

[*English*]

FINANCE

REQUEST FOR REMOVAL OF TAX ON POTATO CHIPS

Mr. George Henderson (Egmont): Mr. Speaker, in a statement given here on March 24, 1987, I expressed my strong opposition to the 12 per cent tax on potato chips contained in the February Budget. Since then I have received a number of letters from groups which are also opposed to this measure.

This tax remains a grave concern for the P.E.I. Potato Chip Co-operative, a new and important business in Urbainville, Prince Edward Island. At their annual meeting, the P.E.I. Women in Support of Agriculture passed a resolution requesting the immediate withdrawal of this tax. In addition, the Minister of Finance (Mr. Wilson) has received telexes from the P.E.I. Potato Producers Association and the Prince Edward Island Potato Marketing Board expressing their strong disapproval of the new tax.

The general manager of the marketing board lists the many direct and indirect benefits of the Canadian potato chip industry. He feels the new tax "will contribute to greater pressure on many Canadian farmers". Surely the Minister can see that this short-sighted tax is a serious blow to the entire potato-growing industry on Prince Edward Island. Therefore, I urge the Minister of Finance to revoke the tax immediately.

* * *

ABORTION

IMPACT ON ECONOMY AND JOBS

Mr. Alan Redway (York East): Mr. Speaker, as you know, many Canadians hold strong strong and diametrically opposing views on the subject of abortion. Often overlooked in this ongoing debate is the impact that abortion has on the economy and jobs. An example is the number of school classrooms that might have been filled had abortions not taken place.

In September, 1986, the children born in 1980 entered Grade 1. The unborn of 1980 would have filled 1,644 classrooms. Had these children been born, 733 more Grade 1 teachers in Ontario and 871 more Grade 1 teachers across the rest of Canada would have had jobs for the present school year. If there had been no abortions between 1971 and 1981, 14,117 more teachers could have been employed in Canada this year. It does not take much imagination to see the effect of this on the demand for and production of consumer goods and services.

• (1405)

The greatest impact, however, will come a few years from now when a shrinking number of wage earners will be required to provide pensions and health benefits for an increasing number of senior citizens.

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SCIENCE AND TECHNOLOGY

UNIVERSITY OF BRITISH COLUMBIA—SUB-ATOMIC PARTICLE PHYSICS—KAON FACTORY PROPOSAL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Province of British Columbia is seeking the support of the federal Government to build the world's first KAON factory by upgrading the existing TRIUMF cyclotron at the University of British Columbia. The construction of a KAON factory at the multi-university MESON facility would create jobs for Canadians. It would generate tremendous economic spinoffs both during its construction and its operational phases. The impact on scientific research and related technology development in Canada would be significant.

Building a KAON factory at UBC would also help to redress Canada's poor international standing in terms of the amount of money spent on research and development as well as the low proportion of federal R and D funds directed toward British Columbia. As Canada currently has only a one-year lead over world competition in the pursuit of this project, we should not ignore this vital opportunity to maintain our leadership role in the field of sub-atomic particle physics.

S. O. 21

SENIOR CITIZENS

ACTIVITIES OF FREDERICTON SENIOR CITIZENS' CLUB—SUPPORT FOR NEW HORIZONS PROGRAM

Hon. J. Robert Howie (York—Sunbury): Mr. Speaker, I would like to speak briefly on a subject of some importance to me. While in Fredericton recently, I visited a senior citizens' club which I feel presented a shining example of seniors helping seniors along with the financial assistance of the Government.

Government assistance was being transformed by senior citizens into programs and events for seniors aimed at promoting and enhancing the mental and physical well-being of all concerned. While there, I saw activities such as painting workshops, swimming, and even synchronized swimming, all of which demonstrated to me the active and contributive role seniors are capable of playing if given sufficient resources to do so.

While Budget constraints are a fact of life for this and every other Government, programs such as New Horizons richly deserve the support of the federal Government. I applaud the Government's past support and would urge that that support be continued.

* * *

NUCLEAR ENERGY

MANITOBA GOVERNMENT'S PROHIBITION ON DISPOSAL OF NUCLEAR WASTE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Manitoba Government has introduced legislation which would prohibit the disposal of high-level nuclear waste in the Province of Manitoba, in keeping with its long-standing position that provinces which generate nuclear waste, such as the Province of Ontario, ought also to be the provinces which take final responsibility for those wastes. The legislation was also introduced in response to the anxiety many Manitobans have about the fact that the Underground Research Laboratory, where AECL has chosen to do research into the deep geological disposal of high-level radioactive waste, exists in Manitoba.

One of the things Manitobans have been concerned about for a long time is that Manitoba ought not to become, either by accident or by design, a final site for disposal. In response to the refusal of this Government to give Manitoba the kind of guarantees it has been seeking for a number of years, guarantees that Manitoba would not be an option for high-level nuclear waste disposal, the Manitoba Government has done the right thing. I hope other non-nuclear provinces will do likewise and thus send a message to Ontario and other nuclear-waste-generating provinces that if they want to continue to produce nuclear waste and pursue the nuclear option, they will have to be responsible for it in the final analysis.

[*Translation*]

POLICE WEEK

TRIBUTE TO POLICE PERSONNEL

Mrs. Carole Jacques (Montreal—Mercier): Mr. Speaker, I am very pleased today to take the floor to commend our police officers, both men and women, for their dedicated, courageous and professional work to serve our communities and our country.

The House acknowledges the leading role of police personnel and the need to set a week aside for highlighting their special contribution to Canada. I am sure the House will also want to take this opportunity to pay tribute to the families of police officers.

Too often we hear about a police officer shot dead or seriously injured, a timely reminder of hazards inherent in police work. Still I am convinced that every day relatives of police officers live in anxiety and apprehension as they await the return of their loved one. I sympathize with them, Mr. Speaker.

• (1410)

[*English*]

In conclusion, I call upon this House to pay special tribute to the families of all police officers and especially to those who have lost a loved one in the line of duty.

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EXTERNAL AFFAIRS

VISITS BY UNITED STATES NUCLEAR WARSHIPS—CALL FOR PUBLIC INQUIRY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Canadian Government has a policy of encouraging visits to Canadian ports by U.S. warships. There is growing concern about this practice and growing public support for a comprehensive public inquiry into this policy.

Recently the Capital Regional District, representing 250,000 people of Greater Victoria and 14 municipalities, passed a resolution saying that the Capital Regional District Board asked the Prime Minister (Mr. Mulroney) to convene a formal public inquiry into all aspects of the issue of nuclear warships visiting Canadian ports.

There is concern about continued low-level radiation leakage, the possibility of a nuclear accident, and about whether or not our Government has any contingency plans in the event of such an accident. I urge the Government to convene that kind of formal public inquiry now.

NATIONAL TOURISM WEEK

IMPORTANCE OF TOURIST INDUSTRY TO ECONOMY

Mr. William G. Lesick (Edmonton East): Mr. Speaker, we are currently celebrating National Tourism Week in Canada which runs from May 11 to May 17. The theme is: "Canada grows with tourism". Its objective is to raise the public's understanding of the importance and economic potential of tourism in Canada.

Tourism is a $20 billion a year industry employing over 600,000 people. It is one of the largest and fastest growing industries in Canada, and the third largest in Alberta. The theme in Alberta is: "Smile, you're a tourist attraction". This campaign shows Albertans the importance of extending a friendly welcome to visitors.

The federal Government and the Government of Alberta have signed a five-year subagreement worth $56.3 million to be cost shared on a 50/50 basis. This rapidly growing industry is a key part of our economic diversification strategy and both federal and provincial Governments have demonstrated their commitment to tourism. I would like to take this opportunity to invite you, Mr. Speaker, and all other Members to come and enjoy our Alberta hospitality.

* * *

LITERACY

DIFFICULTIES ENCOUNTERED BY THE ILLITERATE

Miss Aideen Nicholson (Trinity): Mr. Speaker, too little attention has been paid to the alarming fact that large numbers of Canadians are functionally illiterate. Some four million cannot read or write well enough to function in society and a million more cannot read or write at all. Many illiterate Canadians are unemployed and cannot qualify for government-sponsored job training because they lack literacy skills.

Life is filled with obstacles and hazards for those who cannot read labels or street signs, identify emergency telephone numbers, do their own banking, read to their children, or accomplish many other tasks of daily life that most of us take for granted.

As a nation Canada has not come to grips with this crisis as we have with more visible disabilities. Canada lags behind other western countries which have recognized the problem and introduced programs to deal with it.

The key to fighting illiteracy is in heightening public awareness and providing the means to acquire literacy skills. In its last Throne Speech the federal Government indicated it is aware of the problem. What is needed now is the political will to act.

S. O. 21

ENVIRONMENTAL AFFAIRS

POLLUTION OF NIAGARA RIVER

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, a report issued last week again brought attention to the problems of pollution in the Niagara River. That river, indeed the whole Great Lakes system, has been the receptacle of a continuous stream of toxic pollutants for years. I believe this problem and acid rain are the two most important environmental issues this country faces.

It is sad to note that the vast majority of this pollution comes from the U.S. Some progress has been made and more is necessary for the Niagara River. What we are asking of the Americans I do not think is unfair or unreasonable. We are simply asking them to clean up the mess they have made. In helping us they will be protecting themselves from a world in which no one is safe.

* * *

• (1415)

CRIMINAL CODE

AMENDMENT URGED TO PROTECT CITIZENS FROM CRIMINALS WIELDING KNIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, citizens of Vancouver were horrified when four serious criminal incidents involving knives took place on city streets in a recent two-week period. Three incidents resulted in deaths. Of the 10 homicides in Vancouver this year five have involved knives. The same deadly pattern is reported across the country.

This situation is clearly intolerable. For many years community groups and police officers have called for amendments to the Criminal Code which would prohibit the carrying of knives in public and in licensed drinking establishments. Both the Conservative Government and the previous Liberal Government have done nothing while the use of knives in criminal incidents has steadily increased throughout Canada.

I again call upon the federal Government to act now to save lives. Do not wait for more killings. Amend the Criminal Code to protect average citizens from knives.

* * *

AGRICULTURE

CONVERSION OF SURPLUS GRAIN TO ETHANOL—POTENTIAL FOR NEW INDUSTRY

Mr. Gordon Taylor (Bow River): Mr. Speaker, the major problems with which our farmers are contending today originated with the high interest rates during 1982 and 1983 and a subsidy war wherein the European Common Market subsidized agricultural products to the hilt, thus accumulating

surpluses which it is dumping into every market it can find. The U.S.A. is now doing the same thing thinking that two wrongs can make a right. The Progressive Conservative Government and its Ministers are trying to talk sense into the heads of both the EEC and the U.S.A., but while they are doing so our farmers are suffering.

To reduce necessary subsidization in Canada we should start a new industry to convert surplus wheat and corn into fuel ethanol for blending with methanol and gasoline. This has the potential of creating jobs, helping the gas and oil industry, and providing a brand new market for our farmers. It can contribute to energy security, have significant environmental benefits, and bring buoyancy back to the economy. Will the Government take up the challenge?

* * *

CANADIAN TRANSPORT COMMISSION

CASE OF FRED TURNER—COMPENSATION SOUGHT FOR REVOCATION OF AIRLINE LICENCE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I rise to express my support for Mr. Fred Turner's request that the Government appoint an independent arbitrator to settle fairly his dispute with the Canadian Transport Commission. At a press conference yesterday hosted by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) and the Hon. Member for Edmonton—Strathcona (Mr. Kilgour), the former Parliamentary Secretary to the Minister of Transport, Members of Parliament from all three political Parties demonstrated their support for Mr. Fred Turner and their belief in his cause.

Mr. Turner lost his airline business because the Canadian Transport Commission removed his licence unfairly. Ministers of the Government have acknowledged that an error was made because they reinstated his licence and offered him a small *ex gratia* payment. However, the offer is a pittance compared to the loss of Mr. Fred Turner's livelihood.

I urge the Government to do the just and right thing—appoint an independent arbitrator to examine all aspects of this case and make the appropriate recommendations for a redress of this grievance.

[*Translation*]

PATRIOTISM

STIMULATION OF PATRIOTISM AND CITIZENSHIP AMONG YOUTH

Mrs. Lise Bourgault (Argenteuil—Papineau): For the thirty-seventh consecutive year, Mr. Speaker, the Ottawa Rotary Club is organizing a program designed to stimulate more patriotism and citizenship among our youth.

As Member for Argenteuil—Papineau I am extremely proud that my riding should be represented by Trent Mell of Lachute. My young constituent will represent all Argenteuil—Papineau youths, Mr. Speaker, and I want to commend him for taking part in this national program.

Mr. Speaker, young people in Quebec and Canada need examples for inspiration to get involved and participate in our country's social, economic and political life.

We should take every means available to encourage and congratulate the Rotary Club of Canada and the National Capital Commission for setting up this constructive patriotism program.

Such commendable and wide-ranging initiatives will make it easier for young Canadians to appreciate the true meaning of their actions in a great country like Canada as we mark the 40th anniversary of Canadian citizenship.

* * *

ENVIRONMENTAL AFFAIRS

DUMPING OF TOXIC PRODUCTS IN OTTAWA RIVER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, for some time, residents of Glengarry—Prescott—Russell have been working hard to rid the Ottawa River of residue that has accumulated over the years.

Several groups in my region, including the Hawkesbury hunting and fishing club, the Prescott—Russell joint county council, and the tourism association, are doing a large share of the work involved in cleaning up the waters of the Ottawa River and making general improvements in our area.

Unfortunately, some people seem to be completely indifferent to these improvements. Go-Hut Sanitation Services has been charged with dumping toxic waste in the Ottawa River. Even worse, Mr. Speaker, the toxic waste came from the Government of Canada, from four federal agencies, namely the Bank of Canada, the National Research Council, Transport Canada and Supply and Services, each of whom has been a customer of the Go-Hut company, from time to time.

Mr. Speaker, the moral is that when the Conservative Government brags about its record, it is really saying: Do as I say, not as I do.

• (1420)

[*English*]

SPORTS

NATIONAL HOCKEY LEAGUE—NON-AVAILABILITY OF TELEVISED BROADCASTS IN PEACE RIVER COUNTRY

Mr. Albert Cooper (Peace River): Mr. Speaker, as we all know, the best of hockey is presently being played, with two Canadian teams in the semi-finals. Tonight the Edmonton Oilers will be playing a big game at Northlands Coliseum. My concern is that my constituents in the Peace country are unable to view this game.

This problem has existed for some of the previous games played, as well as being the third year in a row that the series has not been aired in my area.

Carling-O'Keefe won out over the CBC in the bidding process for broadcasting rights and have entered into agreements with smaller television networks in order to broadcast the games. In Alberta they have utilized ITV's facilities which do not reach the majority in my riding.

I strongly urge Carling-O'Keefe and the CBC to reach an agreement in the negotiations taking place this week in Toronto to allow those games to be distributed fairly, not only for this series but also for next year's finals. If you think people have strong opinions on capital punishment, Mr. Speaker, try this one!

Some Hon. Members: Oh, oh!

ORAL QUESTION PERIOD

[*Translation*]

SCIENTIFIC RESEARCH

BRAIN DRAIN—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, two days ago, a survey of Canada's scientific community revealed that 40 per cent of our best researchers are about to leave the country because of a major reduction in federal funding for research and development. Yesterday, the Minister of State for Science and Technology announced a terrific new initiative, namely that the Government was going to set up a mailing list and ask scientists who are leaving the country to come back to Canada.

I would like to ask the Prime Minister, in the absence of the Minister: Is that the best the Government can do to stop our brain drain? Draw up a mailing list?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the remark of the Leader of the Opposition on the brain drain are grossly exaggerated. In fact, the Canadian Government has set up a National Advisory Science and Technology Board, which I have the honour of chairing. Last night, I met some of our leading scientists who spoke to me in very positive terms, not only about further developments in this area but also about their confidence and faith in the scientific dimension and the technological course Canada intends to take. They felt most encouraged, and I hope the Leader of the Opposition will be as well.

[*English*]

CUTS IN RESEARCH FACILITIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister is obviously not close enough to the scene because he would know—

Mr. Gormley: You are?

Mr. Turner (Vancouver Quadra): Yes, as a matter of fact, I am.

Some Hon. Members: Oh, oh!

Mr. Gormley: Tell us more, John.

Mr. Turner (Vancouver Quadra): Forty per cent of our scientists are ready to leave the country because of the lack of support to our scientific community by the Government. All the Government can do is come up with a mailing list prepared by the Minister of State for Science and Technology.

Will the Prime Minister ask the Minister of State for Science and Technology, when he is drawing up his brain drain mailing list, to use that list to inform our scientists why the Government cut the National Research Council laboratories, why it closed the Algonquin observatory, why it is closing down the Bedford Institute and why it is cutting out a number of other leading facilities, including the Canadian Centre for Toxicology at Guelph? Will he explain that to our scientists by using this new mailing list of the Minister in order to keep in touch with the men and women with brains in this country who are leaving because of the Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am really surprised that there would be criticism of the science policy of this or any other Government from a Party that devised the scientific tax scam that took billions of dollars from legitimate investment in Canada in science and technology.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The Scientific Tax Credit was a disgrace and dishonour that sucked hundreds of millions of dollars—

Mr. Broadbent: You voted for it.

Mr. Mulroney: —from the scientific community in Canada, and the Liberals will forever bear the disgrace of that initiative.

• (1425)

Mr. Broadbent: You voted for it over there.

Mr. Mulroney: We are in the process now of putting together—

Mr. Broadbent: You voted for it.

Mr. Mulroney: The Leader of the New Democratic Party should not get too excited. I am getting 24 Sussex all ready for you.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I even have a pair of shoes to go with that nice new suit.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I think there is general agreement in the scientific community. I had the honour of chairing the first meeting of the National Advisory Science and Technology Board for a number of hours. I then met at the University of Waterloo with some of our leading scholars and experts in science and technology. Last evening, as I indicated, I had the opportunity again. There is a strong view that collectively, with the co-operation of the provinces, the research institutes and universities and the Government of Canada, we are putting together a national science policy which will allow us to recapture a lot of the time lost over the last number of years and bring Canada to the forefront of science and technology.

REQUEST FOR GOVERNMENT ACTION

Right Hon. John N. Turner (Leader of the Opposition): Why then would 40 per cent of our scientists be prepared to leave this country because they have no faith in this Government understanding Canada's possibilities in the 21st century? Why prepare a mailing list to try to invite our scientists back to Canada once they leave? Why not do something now to persuade them to stay, with a constructive scientific policy in this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, is the Leader of the Opposition seriously suggesting that 40 per cent of the scientists in Canada are about to leave this country? Three times now—

Mr. Turner (Vancouver Quadra): Show him the report.

Mr. Mulroney: Does the Leader of the Opposition seriously believe what he has just said, that 40 per cent of the science community of this country—

An Hon. Member: That's right.

An Hon. Member: Wake up, Brian.

Mr. Mulroney: That is an absolute statement of nonsense. If the Right Hon. Leader of the Opposition does not know that, I fear he is in for even worse days ahead.

INSTITUTE FOR MARINE DYNAMICS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is also directed to the Prime Minister. The Prime Minister will know that the National Research Council's Institute for Marine Dynamics is located at St. John's, Newfoundland, and that centre, at a cost of $55 million, gives St. John's and, indeed, Canada, the leading institute of its kind in the world today. Why then has the Government of Canada put at risk the world-class potential and capabilities of this institute by underfunding by as much as $5 million a year the operating budget of that world-class facility?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, when we signed an agreement with the Newfoundland Government, especially with respect to offshore exploration, we brought a substantial and fundamental contribution to Memorial University and all research centres in Newfoundland. I am convinced that the Member is aware of that fact.

We are now negotiating with the Government of Newfoundland concerning grants for other types of research. I think that the Government of Canada is doing a lot in that field and that without the Government's action in the past, presently and in the future, Memorial University would not enjoy the scientific recognition it now has across Canada.

[*English*]

REQUEST FOR ADDITIONAL FUNDING

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): The facility was put there by the previous administration. It was supposed to be the most up to date place in the world to test the seaworthiness of drilling platforms, seagoing oil rigs and ships. The Director of the Institute says: "If we don't get the additional money, I guess what we will have is a great big pool of water". That was said by the Director of the National Research Institute. The kind of answer the Minister has just given is what we have been hearing for the last year.

• (1430)

When will the Government of Canada get serious and provide the dollars necessary for both scientists and basic research at a $55 million facility which can and should be a world leader in that particular kind of scientific research and which currently is not because of a lack of commitment by the Government?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I think that the Government of Canada has acted on the issue of research, especially as far as Newfoundland is concerned. I personally had the opportunity to visit the Research Centre mentioned by the Hon. Member and have discussions with the officials and, in the months to come, the Government of Canada in co-operation with the

Government of Newfoundland and not unilaterally, will ensure that research centres in Newfoundland maintain their degree of excellence.

[*English*]

Mr. Speaker: The Hon. Member for Oshawa.

Some Hon. Members: Hear, hear!

Mr. Young: Go get 'em, Eddie!

Mr. Broadbent: Mr. Speaker, I simply want to say that I have not ordered a single new pair of shoes—not one!

Mr. Clark (Yellowhead): Socialists wear sandals!

Mr. Speaker: Order, please. The Hon. Member for Oshawa.

* * *

ENERGY

PURCHASE OF DOME PETROLEUM BY AMOCO CANADA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. Yesterday I noted in Question Period that the final agreement in the takeover of Dome Petroleum by Amoco could well be signed within 24 hours. As the Minister knows that did in fact take place yesterday afternoon. Is the Minister aware that there is a provision in the takeover agreement which effectively precludes Dome, or any of its shareholders, from considering any other offer in the takeover bid?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, on April 22 this year, Mr. Macdonald, Chairman of Dome, was very specific in his public statement that under an existing agreement between Amoco and Dome, the latter could not seek competitive bids but would have to consider any bids that would be submitted.

The fiduciary function of the Board of Directors and especially its Chairman, as the person responsible for Dome, is set forth very clearly in the Canada Business Corporations Act, Section 117 (1), first paragraph, which says that every director and officer, in discharging his duties, shall act honestly and in good faith with a view to the best interests of the corporation.

Personally, I am not familiar with the contents of the definitive agreement referred to by the Leader of the New Democratic Party. I believe it is to be submitted to Dome's creditors this afternoon and tomorrow. Subsequently, creditors and shareholders will make a decision, and if they approve the proposal, it will be reviewed by Investment Canada.

This kind of definitive agreement does not constitute the final and irrevocable sale of Dome. It does provide details of financial and other conditions, so that the parties concerned, and above all the owners, in other words, creditors and shareholders, can ascertain the exact value of the offer.

[*English*]

REQUEST THAT GOVERNMENT INTERVENE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, part of the Minister's answer dealt with the actual question. Considering that our understanding is that the agreement that has been signed effectively precludes Dome and its shareholders from considering another offer, and since we know that Amoco has threatened to sue Imperial Oil as well as potential, would-be competitors with suits that could involve many millions of dollars, does the Government of Canada not think it is time that it intervened in this process and took steps to ensure that not only the interests of the shareholders and creditors are served in this multi-million dollar decision but that the interests of the people of Canada are served? Will the Minister intervene?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Leader of the New Democratic Party should at least acknowledge that we have acted in what we believe to be the best interests of the Canadian people. Dome, which was considered to be bankrupt last year, has now had three bids from three different corporations: Amoco, Esso and TransCanada PipeLines.

Everybody in Canada and anywhere else in the world who had any interest in this question knew that Dome was up for sale. That is why these bids were prepared. It is now up to parties other than Amoco to decide, advised therein by counsel, how they will proceed to make a bid.

However, I repeat what the Chairman of Dome said himself on April 22. Their agreement with Amoco provides that Dome will not seek any bids. On the other hand, Dome's Chairman and its board of directors have a legal responsibility, should a bid be made and they consider it to be in the interests of the shareholders and creditors, to advise the latter accordingly.

[*English*]

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Government stood back while Amoco got away and finalized its takeover bid of Dome. It is now standing back while the creditors are meeting. As we sit in the House this afternoon the creditors could take a decision that could force Dome into bankruptcy. Having stood back from these two important processes, does the Government believe that the Government of Japan, or the Government of the vast majority of countries in western Europe, would stand back when millions of dollars of their taxpayers' money are at stake and allow a decision such as this to be reached by, and only by, the private sector? Does the Minister believe that for a minute?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I realize that the Leader of the New Democratic Party—which is first and foremost a socialist party—would probably rather have the entire private sector in Canada run by the State. That is not the kind of country we live in. There are laws in this country that protect relations within the private sector. And that is the kind of framework in which these transactions are taking place.

[*English*]

ROLE OF INVESTMENT CANADA

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. On the one hand the Minister refuses to differentiate between the fiduciary capacity of the management and directors of Dome with the shareholders of that company and the management and directors' agreement with Amoco Canada on the other. They are two different things.

Yesterday the head of Investment Canada said that he is concerned about the sale of Dome Petroleum, yet he does not have the mandate to be able to review bids other than the bid that comes before it, which would be that of Amoco Canada. Why does the Government not honour its own Canadianization policy and insist that other bids come before Investment Canada instead of selling out the country's natural resources?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I would point out that, had it not been for the policies of the Liberal Party, Dome Petroleum might not be up for sale today.

What the Government wants to ensure, Mr. Speaker, is that the sale is made in keeping with Canadian laws and in the interest of Canadians, and the interest of Canadians includes that of Dome management. The law is there, everything is being done in accordance with it, Mr. Speaker, and we are concerned over the sale of Dome. Should a deal be concluded with a foreign controlled company, this company will have to submit its proposal to Investment Canada.

I can assure the House that we will take every step required to make sure that Canadian interests are better protected by this Government than they ever were under the previous administration.

• (1440)

[*English*]

RECORD OF INVESTMENT CANADA DECISIONS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, why doesn't the Minister of Energy admit that Investment Canada is no deterrent? It has not turned down one application to date. All it amounts to is an attempt to legitimize the Government's sell-out of our natural resources.

An Hon. Member: Absolutely.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, Investment Canada did not have to reject any bid because the offers were the subject of responsible negotiations and Investment Canada made sure that all final offers were in the interest of Canadians.

[*English*]

FORECAST OF ENERGY CRISIS IN 1990S

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I should like to take up the same line of questioning.

Given that we are going to have an energy crisis in the 1990s, as all of the commentators seem to say, and given that Dome in fact will be selling out this vast pool of oil and gas to Amoco, a big American oil company, would he not agree that this in fact is setting the energy policy for the 1990s, and isn't it a fact that the state that is going to be running the energy policy of Canada in the 1990s, if this deal goes through, is the United States of America?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, this is not the first time our colleague has predicted a crisis in the energy sector. He has been doing just that for 10 years and, as far as I know, the international problem right now is that we have surpluses in that sector. Besides, the best way to make sure that Canada does not run out of petroleum products is to see to it that Dome will be in a position to exploit the oil patch over which it now holds drilling rights. That is what the Government intends to do, Mr. Speaker.

[*English*]

QUERY CONCERNING POSSIBLE IMPOSITION OF TERMS ON PURCHASE BY AMOCO CANADA

Mr. Ian Waddell (Vancouver—Kingsway): The Minister should perhaps read the statement of his own Deputy Minister about the oil crisis that is coming up, a statement that was made in Paris yesterday.

An Hon. Member: He doesn't read such things.

Mr. Waddell: Let me ask him a question with respect to the meeting of creditors, to be held tomorrow in Toronto.

The Minister has already said in a press conference that he was going to require some terms of Amoco. He said that a couple of weeks ago.

Should he not, therefore, then tell those creditors, and the banks, and the companies which are putting this deal together,

what those terms are going to be? Those terms could affect the deal.

So, I would ask the Minister to stand in his place in this House and tell us the terms he intends to put on Amoco in respect of this takeover.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I would point out to my colleague that all countries attending yesterday's International Energy Agency meeting were in agreement on a basic principle, namely that energy supply will be guaranteed through a free market economy, a far cry from the proposal of the socialist party across the aisle. As to tomorrow's meeting, Canadian legislation provides that the Government can express its requirements through Investment Canada. Our general requirements have been made public. We are waiting for a proposal to make sure that once the final agreement is signed it is in the interest of Canadians, and the best interest of Canadians is to make sure that drilling operations continue on Dome lands, Mr. Speaker.

* * *

[*English*]

LOBBYISTS

REGISTRATION—INTRODUCTION OF LEGISLATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister, and it concerns the registration of lobbyists.

On September 9, 1985, in an open letter to Members of Parliament and Senators, the Prime Minister wrote:

> I have accordingly asked my colleague, the Minister of Consumer and Corporate Affairs to prepare on an urgent basis, legislation to govern lobbying activity.

On December 19, 1985, the Minister of Consumer and Corporate Affairs presented a White Paper on lobbying, instead of legislation.

On January 27, 1987, an all-Party committee presented a report recommending the registration of lobbyists.

My question, very simply, is: Where is the Bill?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the timetable outlined by the Hon. Member should have also included the fact that in February the House passed a motion agreeing to the committee's report; and based on that motion, I am preparing legislation, which I shall introduce in the House soon.

Mr. Boudria: So much for the promise of the Prime Minister.

[*Translation*]

SALARIES AND EXPENSES OF LOBBYISTS—REQUEST FOR INCLUSION IN TERMS OF PROPOSED LEGISLATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is directed to the Prime Minister who had promised to introduce this Bill urgently. Is the Prime Minister now prepared to assure the House that the Bill, when available, will provide for disclosure of lobbyists' salaries and expenses, as well as registration of the Government officials who have rallied to their cause? Is he determined to include these specific provisions in the legislation?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the report of the committee, which was unanimously endorsed—and I think the Hon. Member was on the committee—specifically recommended against including fees. Given that fact, I find it strange that this representation would now be made.

A Bill reflecting the deliberations of the committee will be brought forward.

I hope that the Hon. Member has not changed his mind from the position he took while a member of that committee.

Mr. Boudria: You don't read *Hansard* too well, either.

* * *

ENERGY

OWNERSHIP OF OIL RESOURCES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources.

As the Minister well knows, other oil-producing countries around the world have taken steps to ensure domestic control over that particular aspect of their respective energy sectors. One needs only to consider what has taken place in such countries as Norway, Great Britain, Venezuela, Mexico, as well as all of the countries of the Middle East, and even the United States of America.

Would the Minister indicate to the House and to the people of Canada a single oil-producing country that has not taken steps to ensure that the ownership and control of that critical resource remains in domestic hands? Could he name a single country that falls into that category?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, this is the most extraordinary question I have ever heard in the House. The energy reserves are on Canadian territory. They are developed under the jurisdiction of Canadian laws, whether in the area of transport, labour or even income tax. Mr. Speaker, all the countries of

the world have organized their respective systems along that line. The royalties are paid to the provinces. They are not paid to the state of California or the state of Louisiana. The labour force operates under Canadian legislation generally and, in particular, under Alberta and Saskatchewan legislation. Mr. Speaker, I can hardly believe that there is a Member of this House who does not know that the energy industry is first and foremost under the control of Canada with the support of the various provinces, which are responsible in this country for natural resources management.

[*English*]

PURCHASE OF DOME PETROLEUM BY AMOCO CANADA—REQUEST FOR COMMITTEE REFERRAL

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, that is the most extraordinary response I have ever heard in this House. You know full well that Amoco shifted $600 million out of this country in the first few months of this year.

Mr. Masse: You should at least know that. Ask a question about what you do not know, not what you should know.

Mr. Riis: My supplementary question for the Minister is as follows: The Minister will know that the President of Investment Canada indicated yesterday in committee his personal concern regarding this takeover. He said he was very, very concerned about the implications for Canada.

Considering the importance of this takeover bid, and to ensure fair treatment in the bidding process, would the Minister give consideration to referring this matter to a special committee, to ensure that the three bids do receive consideration and that, whatever the final decision, that decision is in the best interests of Canada and Canadians?

An Hon. Member: It might even help your Party.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Again, Mr. Speaker, it is clear that the Government generally, including our administrators, is determined to make sure through Investment Canada that the proposals which are accepted in the end are in Canada's best interests. I wish to indicate to the House that since our Government came to power in 1984, the proportion of Canadian property has increased from 42.5 percent to 47 percent, and that of Canadian control from 40.5 percent to 48.4 percent. We should be commended for that, Mr. Speaker.

[*English*]

Mr. Broadbent: It goes in reverse, with Dome.

An Hon. Member: You are inconsistent.

THE DISABLED AND THE HANDICAPPED

GOVERNMENT'S EMPLOYMENT OF DISABLED PERSONS

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, my question is for the Minister of Employment and Immigration.

The Sub-committee on the Disabled and the Handicapped released recently the Challenge Report, which shows that the Government's employment record for disabled persons is only 2 per cent, compared to 6 per cent for the private sector.

When is the Minister going to take action to follow the guidelines of equality? His own Department's record is one of the worst in the Government, with a one-fiftieth of 1 per cent employment record for the disabled.

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Government is concerned over the issue of employment for the handicapped, and one of the objectives of the Employment Equity Act was to give various categories or workers ready access to the labour market. I would suggest that the act is being implemented to meet the objectives I have just mentioned.

• (1450)

[*English*]

DEPARTMENT'S RECORD

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I am not talking about accessibility, I am talking about the employment rate. When we realize that one in every 17 people in Canada is disabled or handicapped and the Minister is only employing one in every 5,000 in his Department, what kind of guidelines and program for employment is his Department, which is supposed to be the Department of Employment, giving as an example to the rest of the country?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): When we came into office three years ago, Mr. Speaker, federal departments had practically no handicapped employees on their payroll.

When I was Secretary of State we invested $16 million to promote—and this going on now—access not only to employment but also to all economic and other sectors where the handicapped should be represented. The Secretary of State is implementing and will implement other policies.

As to Employment and Immigration Canada, with a staff of 25,000 it is obvious that it is much more complicated to set up facilities accessible to the handicapped.

But I agree with my colleague that even though we are now making every effort in Canada Manpower Centres there is still some way to go. Of course this will take more than three years, given the situation we were faced with when we took over.

[*English*]

NATIONAL PARKS

DESIGNATION OF SOUTH MORESBY AS NATIONAL PARK—CO-OPERATION OF BRITISH COLUMBIA GOVERNMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Prime Minister. I would first like to thank him for his personal determination to preserve South Moresby.

Some Hon. Members: Hear, hear!

Mr. Fulton: Over two months ago the Prime Minister met with the Premier of British Columbia, sought and found his support for the designation of South Moresby as a national park reserve as demonstrated in the March 9 B.C. Speech from the Throne.

Would the Prime Minister advise this House whether he has been able to resecure the co-operation of British Columbia on this in light of the bad faith demonstrated earlier this week by British Columbia in its proposal to log until 1997 within the proposed park boundaries?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, negotiations are continuing with the Province of B.C. on this very important national and, indeed, international question. I was talking to my opposite number, Bruce Strachan, who is responsible for the park system in British Columbia, as recently as a few moments before Question Period. I am awaiting a new proposal from the B.C. Government which, I understand, is being discussed by the B.C. Cabinet even as I speak. It would be premature for me to comment further on this matter except to say that both Governments are negotiating in good faith.

For our part, the entire Cabinet, in fact the entire caucus, including the B.C. caucus, supports the establishment of a national park in what is arguably the most important wilderness treasure in the entire Dominion of Canada.

Mr. Benjamin: It is not arguable.

Mr. Fulton: I would like to thank the Minister of the Environment publicly. I know he has always negotiated in good faith with the Government of B.C.

REQUEST THAT PRIME MINISTER SEEK END TO LOGGING OPERATIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Prime Minister, who I think is the only person who can ensure at this point in time that the Premier of British Columbia's word to the Prime Minister is lived up to, namely, that the area proposed by the Government of Canada is the only part of South Moresby now left that could ensure a national park reserve.

Will the Prime Minister call the Premier of British Columbia today and ask him to live up to his word and not allow any further logging? Will the Prime Minister himself call the Premier of British Columbia and ask for an end to the logging, because that is the first step to securing this area as a national park reserve?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, because this issue is a government-wide priority, and because of the importance which the Prime Minister himself attaches to the question, in addition to the negotiations that I myself am conducting with my opposite number, the Prime Minister has raised the issue with the Premier, as did the Deputy Prime Minister yesterday.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REIMBURSEMENT OF EARLY RETIREES—REQUEST THAT PROCESS BE ACCELERATED

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and it concerns the reimbursement of Unemployment Insurance cheques for 35,000 early retirees in Canada who were unfairly cut off by the Conservative Government in 1985. So that these elderly workers can receive the cheques to which they are entitled, would the Minister, in order to speed up the process, be willing to ask the Unemployment Insurance Commission to start the reimbursement process immediately by advising these 35,000 people to report to the Unemployment Insurance office and start completing their benefit reimbursement card?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the condition we had set for reimbursing claimants before January 1986 was that they had to fill out the benefit application form. As soon as the form is completed by all persons eligible for the reimbursement, and as soon as the legislation is adopted by the House, the process will start automatically, since the benefit applications are already on record at the Canada Employment Centres.

REQUEST THAT BILL BE DIVIDED

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, for 18 months these people have been fighting and waiting for their reimbursement, in many cases so they can pay back the money they had to borrow. Will the Minister be willing to let these people receive the unemployment insurance cheques to which they are entitled within a month at the latest, and have the House immediately adopt that part of the Bill that allows for this reimbursement? And if not, why is the Minister holding these 35,000 people hostage to discriminate against other elderly workers?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, how typical of the speeches of the Hon. Member for Montreal—Sainte-Marie, who is always trying to scare people for no reason at all. The Hon. Member

will soon have a chance to vote for the whole Bill, not half and not one quarter, and that is when . . . You have been trying to scare people for a year now. Vote for the Bill and we will take care of reimbursing these people.

* * *

[*English*]

PHARMACEUTICAL INDUSTRY

IMPACT OF DELAY IN AMENDING PATENT ACT

Mr. William G. Lesick (Edmonton East): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs concerning Bill C-22. As a pharmacist I believe in the necessity of enhanced patent protection to further research and development in Canada. Earlier we heard the Right Hon. Leader of the Opposition tell us about the supposed exodus of researchers and scientists from Canada with the accompanying loss of millions and millions of dollars.

Could the Minister please tell this House what is the impact of the continued delay of passage of Bill C-22 on research and development in Canada?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, there is no question but that each day of delay in the passage of and Royal Assent to Bill C-22 is a further delay for those scientists who are waiting for the $800 million of additional research that has already been committed. There are grants to universities included in the amount which are all conditional on the Bill's passage. Each day of delay means a further delay for Canadian scientists who want to get to work in this very important area.

* * *

CANADIAN TRANSPORT COMMISSION

DECISION ALLOWING VARIABLE GRAIN FREIGHT RATES

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a question for the Minister of Transport. The Saskatchewan Wheat Pool has expressed, to use its words, "disappointment", "shock", "intolerable", concerning the CTC ruling to allow variable grain rates between certain grain companies and the CNR in certain selected locations in Saskatchewan, which flies in the face of a High-Court decision on western grain movement. The only shipper is the Canadian Wheat Board, not the grain companies and not even the farmers.

Since the Sask Pool which represents 80 or more per cent of the farmers in that province and the National Farmers Union have appealed to the Cabinet to overturn that CTC decision, is it the intention to entertain that appeal and when will they get a decision?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is an issue of great interest to grain farmers and, of course, there is divided opinion on it as there is on many issues both in western Canada and elsewhere. A number of groups appeared before the CTC supporting the variable innovation, and a number of groups, including the group which the Hon. Member mentioned, opposed it. They have appealed to the Governor in Council. That is now being processed and we will have to make a decision on it. I cannot say very well what the decision will be until we have considered it.

• (1500)

Hearings were held in the west and the experienced persons who make up the CTC have given their views on the matter. Of course they have instituted certain safeguards, including the fact that this is for a trial period of one year.

REQUEST THAT MINISTER OVERTURN DECISION

Mr. Les Benjamin (Regina West): Mr. Speaker, the CTC chose to ignore the evidence. As the Minister is aware, variable rates mean that farmers who live closer to Thunder Bay and Vancouver will pay higher freight rates than those who live farther away because they happen to live at or near a place where there are variable freight rates. Is it the intention of the Government to allow the railways and a few private grain companies to play God, picking and choosing which farmers will pay less and which will pay more? Will he overturn the CTC decision?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Canadian Transport Commission is a quasi-judicial body. To have a Member play-acting in the House saying that they ignored the evidence is beyond all comprehension, and is certainly improper, to put it at the very minimum.

Mr. Broadbent: Improper?

Mr. Crosbie: The hon. gentleman laughs. That is why he will not be first for very long.

* * *

ENERGY

CONVERSION OF SURPLUS GRAIN TO ETHANOL

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Hon. Minister of Energy, the best Minister of Energy Canada has ever had.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Taylor: Given that the use of grain-derived ethanol as an octane enhancing additive for gasoline would use hundreds of ton of wheat and corn, and given that early adoption of U.S. standards in gasoline, plus a reduction in sales tax of two cents

per litre on gasoline containing a minimum of 3 per cent ethanol and 5 per cent methanol, would use up large surpluses of wheat and corn and would provide benefits for all of Canada, will the Hon. Minister provide the leadership and action required so all of these good things can happen in a free enterprise way?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I am grateful to my colleague. Indeed truth sounds better from that side than it does from the other side. I can assure my colleague that the Government is aware of the great interest in the use of ethanol and all mixtures like methanol as fuel. This is what my department had in mind recently when it carried out a study on oxygenated fuel in Canada. Being a Government which likes to consult with all interested groups we have sent this analysis to all interested parties to find out exactly what they think of this Government approach. Hopefully their comments will reach me by May 31, and department officials will prepare a summary of their views before making recommendations to the Minister this summer.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—REDUCTION IN STAFF OF DEPARTMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. Last week we learned from two University of Toronto researchers that as much as 175 tonnes per year of toxic chemicals are released into the air from the mist at Niagara Falls. How can the Minister's Department be of assistance to Canadians who live in the Niagara Peninsula, particularly in relation to their health and to the tourist industry, considering that this year the Department of the Environment has cut its strength by 106 employees, from scientists to technicians and from field workers to administrators? In what way can the Department be of assistance?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, this is the kind of question the Hon. Member has raised with me in committee and it is no more valid merely by being repeated in the House of Commons. The fact is that the budget of Environment Canada is now higher than it has ever been in the history of this country except for one fiscal year.

Mr. Caccia: That does not negate the fact that Environment Canada has lost 106 valuable people.

Tabling of Documents

PROPOSED TOXICOLOGY CENTRE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in light of this rather disturbing development which threatens the health of Canadians who live in a peninsula that is international in scope, will the Government now reconsider its decision to cancel the Toronto-Guelph toxicology centre which was cancelled in November, 1984, and go ahead with the construction of that very necessary establishment?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the premise of the question is that the Government of Canada is neglecting toxicology. The facts are contrary to that premise.

At present 368 person-years are being devoted by the Government of Canada to this important field. We spend $20.4 million every year on toxicology in-house. To boot, we contract out an additional $5.6 million, not to mention the $15 million we cost-share with the provinces. This is one area in which I would have thought the Hon. Member for Davenport would avoid asking questions because the record is good.

Mr. Speaker: I must advise Hon. Members that the time for Question Period has ended. I regret that there are some Hon. Members to whom we could not get today and I hope we will be able to get to them tomorrow.

ROUTINE PROCEEDINGS

[*English*]

CANADA DEVELOPMENT INVESTMENT CORPORATION

TABLING OF 1986 ANNUAL REPORT

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, pursuant to Standing Order 67, I have the honour to table in both official languages the 1986 annual report of the Canada Development Investment Corporation.

* * *

TARIFF BOARD

TABLING OF REPORT ON CANADIAN NATURAL SWEETENER INDUSTRY

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to the provisions of Standing Order 67(2), I have the honour to lay upon the table copies in both official languages of a report to the Tariff Board on the Canadian natural sweetener industry.

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to the following petitions: 332-1830 to 332-1840 inclusive, 332-1872 to 332-1875 inclusive, 332-1880 to 332-1895 inclusive, 332-1901 to 332-1913 inclusive, 332-1922, 332-1927 to 332-1930 inclusive, 332-1936 to 332-1945 inclusive, 332-1952 to 332-1959 inclusive, 332-1961 to 332-1963 inclusive, 332-1966 and 332-1968 to 332-1975 inclusive.

* * *

[*English*]

SECURITY INTELLIGENCE REVIEW COMMITTEE

TABLING OF CORRESPONDENCE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, yesterday the Solicitor General (Mr. Kelleher) undertook to obtain correspondence between the Minister and the Security Intelligence Review Committee and I am pleased at this time to table in both official languages that correspondence.

* * *

ENERGY, MINES AND RESOURCES

PRESENTATION OF SIXTH REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present the Sixth Report of the Standing Committee on Energy, Mines and Resources in both official languages.

* * *

PETITIONS

OPPOSITION TO PROPOSED VARIABLE FREIGHT RATES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I have a petition from residents of several different areas in my riding. They are petitioning the House of Commons and the Government of Canada and note that the application for variable rates made by Canadian National Railways and six grain companies will lower freight rates which will adversely affect the quality and stability of rural life in Saskatchewan since they will only apply to a few places.

• (1510)

The petitioners say that the expense of hauling grain will fall back on the producer. Longer hauls will increase trucking and fuel costs and increase the upkeep on municipal roads, and will eventually allow the disintegration of the railway branch line network. They humbly call upon Parliament to reject the proposal to apply variable freight rates to 47 delivery points in western Canada.

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have a duly certified petition concerning the report of the commission of inquiry into unemployment insurance, known as the Forget Commission.

The petitioners point out that the Forget proposal to annualize the UI program will reduce benefits to the unemployed by 31 per cent over all, forcing over 62 per cent of the unemployed to live on less than $140 a week.

Therefore the undersigned call upon Parliament to reject any legislation designed to eliminate federal contributions to the unemployment program or reduce UI benefits for unemployed Canadians.

RIGHT TO LIFE OF UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I have the duty and pleasure to table several petitions with over 100 signatures dealing with Motion No. 37 presently before the House.

The petitioners indicate that because of the killing of thousands of unborn Canadian children every year for reasons of convenience, they call upon Parliament to approve this Private Members' motion which asks the Government to protect the right to life for the unborn in the Canadian Charter of Rights.

The petitioners come from several communities in The Battlefords—Meadow Lake constituency, and I am very pleased to note that the majority of signatures are from John Paul II Collegiate in North Battleford.

* * *

MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-58, an Act to provide for the implementation of treaties for mutual legal assistance in criminal matters, to amend the Criminal Code, the Crown Liability Act, and the Immigration Act, 1976.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, question No. 112 will be answered today.

[*Text*]

FEDERAL PENITENTIARIES—UNIVERSITY PROGRAMS

Question No. 112—**Mr. Howie:**

1. For the fiscal year ending March 31, 1987, did persons in federal penitentiaries avail themselves of university programs and, if so (*a*) how many (*b*) in what penitentiaries (*c*) what was the total cost of this program?

2. In what manner and to what extent were appropriate program objectives achieved as a result of the program?

Hon. James Kelleher (Solicitor General of Canada): 1. Yes. (a) For the fiscal year ending March 31, 1987, average full-time equivalent students; 247. Inmates in all institutions could also avail themselves of university correspondence courses. As of March 31, 1987, there were 369 registrations in university correspondence courses.

(b) In the fiscal year ending March 31, 1987 university programs were offered at Archambault and Cowansville institutions in Quebec; Prison for Women, Kingston Penitentiary, Collins Bay and Millhaven institutions in Ontario; Stony Mountain institution in Manitoba; Saskatchewan Penitentiary in Saskatchewan; Drumheller and Edmonton institutions in Alberta; and Kent, Matsqui, William Head and Mountain institutions in British Columbia.

(c) The total cost for university programs in 86/87 was $904,000.

2. Educational programs are intended to provide opportunities for academic advancement as well as personal development through goal setting and achievement.

University programs provide an improved ability to find and hold a job thus potentially reducing recidivism. Taking such programs also improves self-image and increases the ability of the inmate to participate in further educational programs. The pursuit and achievement of a university degree has been found to be a positive contributing factor to the rehabilitation of the inmate students.

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 95 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: The questions mentioned by the Parliamentary Secretary has been answered. Is it the pleasure of the House that Question No. 95 be made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

TRAVEL OUTSIDE OF CANADA BY MEMBERS OF PARLIAMENT

Question No. 95—**Mr. Fulton:**

For the period September 4, 1984 to March 4, 1987, did Members of Parliament travel outside of Canada at the expense, in whole or in part, of any department of the Government of Canada and, if so, for each Member and each trip what was the (*a*) sponsoring department (*b*) purpose (*c*) destination (*d*) cost?

Return tabled.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all Notices of Motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motions stand?

Some Hon. Members: Agreed.

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

PRIVILEGE

REPLY TO MEMBER'S ALLEGATION

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to raise a question of privilege with respect to a statement made by the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) during question period yesterday, while I was away from the House.

The Hon. Member said that on May 5 this year, I deliberately misled the House when I said that the agreement between Amoco Canada and Dome Petroleum allowed for other bids to be made.

Yesterday, he said that the agreement prohibits or would prohibit or prohibited other companies from making bids, under threat of a suit.

Mr. Speaker, perhaps I may refer you to the statement made by Dome Chairman Mr. Macdonald, who explained at a press conference in Calgary on April 22 this year that under the agreement with Amoco, Dome could not seek other bids but would nevertheless have to consider any bids it would receive.

In a letter to Imperial Oil dated April 24, 1987, the president of Amoco Canada, Don Stacy, recalled details of the memorandum of agreement concluded by Dome and Amoco, to warn the company not to make a bid. That was what the letter contained. The complete text of the memorandum of agreement was subsequently submitted to the U.S. Securities and Exchange Commission on May 4, 1987.

It will be up to counsel for the parties interested in making bids to interpret the details of this memorandum of agreement. Any conflict between Amoco, Dome and other parties regarding the interpretation of the conditions of the agreement will have to be settled by those parties and not by the Government of Canada.

As I pointed out in a letter I sent last week to the Leader of the New Democratic Party, Mr. Broadbent, according to the legal advice I received from the Department of Justice, I may not intervene in this basically private matter, which should be resolved by the parties themselves.

I maintain what I said in my answer to the Hon. Member on May 5 and subsequent days. The Government of Canada will examine all bids to purchase Dome Petroleum which are submitted for review under the Investment Canada Act.

Mr. Speaker, that is how we will ensure that the transaction, once it has been accepted by Dome, will provide a net benefit to Canada.

[*English*]

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, on May 5 I did not say the Minister was intentionally misleading the House. I said he was misleading the House. As you will remember, Sir, you rose to state that you hoped I was not implying that he was intentionally misleading the House and I said that I would not do that. That seemed to clarify the issue at that time.

• (1520)

With regard to the Minister's statement, I said "misleading" because in answer to my question the Hon. Minister said:

> I can only refer the Hon. Member to the statements made by the President of Dome Petroleum where the answer is yes.

I had asked, "Does the agreement between Amoco Canada and Dome Petroleum allow for other bids to be made?", and the Minister said yes.

In my opinion and that of others the memorandum of agreement which was signed by the Chairman of Dome Petroleum on April 17 and the President of Amoco Canada on April 18 states that Dome Petroleum will not enter into any agreements with any other bidders, which indicates to me, as do other things in the agreement, that Dome Petroleum cannot entertain any other bids.

Regardless of what the fiduciary responsibilities of the management and directors of Dome are to the shareholders, that is not stated in the agreement. We must look at what is stated in the agreement, which is that Dome Petroleum cannot enter into an agreement with any other party.

My feeling was and still is that the Minister's statement that Dome could entertain other bids was a misleading statement. I still stand by that. I cannot say that the Minister intentionally misled because I do not know whether the Minister actually read that memorandum of agreement. He should have had access to it, but I cannot say whether he read it and I thereby cannot say he intentionally misled. However, I do think this is an important question and I think it is misleading. I certainly am not attributing any clandestine motives to the Hon. Minister.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to begin by saying that the Hon. Minister of Energy, Mines and Resources (Mr. Masse) was completely in error when he said that the Member for Cape Breton—The Sydneys (Mr. MacLellan) claimed that the Minister had deliberately misled the House with respect to the agreement in question. At no time, either today or on May 5, did the Hon. Member say anything of the kind. In fact, you were good enough to intervene on May 5 to confirm that it was not the Member's intention to allege that the Minister was deliberately misleading the House.

Second, if the Hon. Minister had a question of privilege about the May 5 question, surely the time to have raised it was on May 5, and the Hon. Minister did not do that.

Mr. Masse: He said that yesterday.

Mr. Gray (Windsor West): The Hon. Minister says that he is complaining about what the Member for Cape Breton—The Sydneys said yesterday. I repeat that nowhere in *Hansard* is it recorded that the Hon. Member claimed that the Hon. Minister deliberately misled the House.

In any event, if I am not mistaken, the Minister's complaint is not the basis for a question of privilege. If he has a complaint, it may be the basis for a point of order. Even then, it is a valid point of order only if, as I have already said, the Hon. Member for Cape Breton—The Sydneys stated that the Hon. Minister deliberately misled the House which, I repeat, he did not say.

Also, the Hon. Minister's point is defective because he did not say that if you found a prima facie case of privilege he would move a motion referring the matter to the Standing Committee on Elections, Privileges and Procedure. He has not stated that intention and his point is therefore defective.

Finally, I respectfully refer you to page 12 of Beauchesne's, citation 19, which says:

> A dispute arising between two Members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.

The Hon. Minister has raised a grievance about what the Hon. Member said. I respectfully submit that it cannot be a point of order for the reasons I have stated, and certainly it cannot be a valid question of privilege.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would like to make two points, if I may, on this question of privilege. Both of them are directly related to the comments of the House Leader of the Official Opposition.

First, if time were to be of the essence in every question of privilege, as the Member alleges, there would be very few questions of privilege debated. I think the Speaker has been wise in allowing questions of privilege to be aired as a safety valve, as a method of allowing Members to expound upon their points of view. I think we should continue to ignore the time factor in favour of allowing questions of privilege to be brought forward as a safety valve.

Second, I noted with interest my hon. friend's argument that a question of privilege must be concluded with a motion. I welcome his joining me in this argument. He has argued the other side of the case on previous occasions, I believe. I have made the argument time and again that a question of privilege must be concluded with a motion. If not the Member himself, other members of his Party have disagreed with me and I welcome his joining with me on this technical point. The Hon. Minister has made his case. It may indeed be a matter of debate, but I think we have aired it.

Mr. Gray (Windsor West): You have erred, that's right.

Mr. Lewis: As my colleague has pointed out, no one would suggest for a minute that the Hon. Minister would deliberately mislead the House. I conclude my argument on that point and leave it to you, Mr. Speaker, to decide on the question of privilege.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, as a somewhat dispassionate observer, being neither a member of the Party, a member of which, it is being suggested, has suggested that another person has misled the House, or a member of the Party of the Minister who is making the point, it seems to me that the problem is that there is no point really. In order to mislead the House you must have some leadership in the House. To "mislead" you must have some "lead" and then you mislead.

The problem is that we are not getting any statements at all from the Minister with respect to this deal. He should stand up and make a statement in the House and not smuggle it in on a question of privilege.

Mr. Speaker: The Member for Vancouver—Kingsway (Mr. Waddell) has evidenced again his great genius at managing to find ways to make points on behalf of the people he represents. Hon. Members will, of course, appreciate the points which he has made.

I will check the "blues" carefully. I want to thank the Minister and Hon. Members for their representations. I will give them careful consideration.

* * *

PRIVILEGE

ALLEGED DIVULGING OF *IN CAMERA* COMMITTEE DELIBERATIONS

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I rise today on a question of privilege with regard to confidential information from an *in camera* committee hearing being made public. I respectfully refer to Erskine May, Nineteenth Edition, page 146, Chapter X "Breaches of Privilege and Contempts", which reads as follows:

> The publication or disclosure of proceedings of committees conducted with closed doors or of draft reports of committees before they have been reported to the House will, however, constitute a breach of privilege or a contempt.

On Tuesday, May 5, 1987, your Standing Committee on Energy, Mines and Resources met *in camera* to discuss a motion previously adopted. A great deal of debate occurred, and at the termination of this debate a motion was adopted to rescind the previous motion. Approximately 30 to 40 minutes following this meeting the press phoned my office, recited the discussions, the motion, and the exact way the committee voted and then, of course, asked for my comments in reply, to which I said everything was confidential.

On May 6, 1987, the following day, a Canadian Press article appeared in *The Calgary Sun* which described the committee proceedings on the motion as follows:

> • (1530)
>
> At yesterday's review, two Conservatives voted to reverse that decision, a committee member told the Canadian Press. Another Tory and a Liberal MP voted to stick to the original decision. Conservative chairman, Barbara Sparrow, who urged the committee to look at last week's decision again, cast the deciding vote.

Articles also appeared in *The Ottawa Citizen* and *The Edmonton Journal*. I have those articles if you wish to see them.

My duties as a Member of Parliament, a member of a Standing Committee of the House and also as a chairman of that Committee have been degraded, curtailed and indeed somewhat inhibited by the leak of confidential information.

The proceedings of my Committee and, by extension, of all other Committees of the House have been jeopardized by this divulgation of *in camera* deliberations.

If you find there is a prima facie case of privilege, I will be prepared to move that the matter be referred to the Standing Committee on Elections, Privileges and Procedure.

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I was going to address the last point, but I will address this one inasmuch as I was a member of the Committee. I can vouch for the facts as expressed by my colleague, the Member for Calgary South (Mrs. Sparrow).

I also want to point out to the Speaker that on May 5, at page 5777 of *Hansard*, the Member for Kamloops—Shuswap (Mr. Riis) raised a similar point of order on this very matter, bringing to the attention of the House deliberations that had taken place *in camera*. I want to emphasize to the Speaker that I find it ironic that the House Leader of the New Democratic Party raised his point on May 5 when the NDP had no member present at either of the votes.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, as a member of that Committee I do not disagree with what has been stated by the Member for Calgary South (Mrs. Sparrow) and the Member for Calgary North (Mr. Gagnon). However, I want to add some further information.

First, we are talking about two meetings. One meeting, at which certain questions were asked about inviting witnesses, occurred the week before. That was the sum and substance of the *in camera* meeting the week before and the *in camera* meeting of May 5.

These meetings were dealing with questions of Steering Committee and a matter of inviting witnesses. Those were the sole topics of conversation of those two meetings.

Shortly after the first meeting it became public as to who would be invited to appear as witnesses. Not only was information leaked from the second meeting, but obviously it became public from the first meeting.

My other point is that before the second meeting a reporter came to me and said, "I understand the witnesses will not be coming, that something else has been arranged". In the case of the second meeting, the press not only knew what might have been said at the first meeting and subsequently knew what was said at the second meeting, they knew what was going to be said at the second meeting before it took place. I believe that this is an embarrassment.

I also have two major concerns about this issue. The first is that the matters discussed were of a steering committee nature. The information from the first meeting about the witnesses to be invited having been made public, there would be a problem if we were just concerned that it became public that the witnesses would not be invited as a result of the second meeting? After all, how will witnesses know not to appear if they are not told not to appear? It is a difficult question.

My third point does not relate to what has been said but I think it is important. If there are to be Steering Committees, then that is what should take place. If there is to be information discussed in Steering Committees, that is where it should take place rather than in *in camera* meetings.

Holding *in camera* meetings any time one wishes to keep information private will only exacerbate the leakage of information. We have never experienced this type of situation before. It is unfortunate, but information that pertains to the Steering Committee should be discussed only in the Steering Committee rather than an *in camera* meeting.

Mrs. Sparrow: Mr. Speaker, the Standing Committee on Energy, Mines and Resources does not have a Steering Committee. There are only seven members present and when we began one and a half years ago it was moved and voted upon by all members present that the full committee would be the Steering Committee.

In addition, I want to refresh the memory of the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan). The meeting that was held two weeks ago was not just in regard to inviting witnesses. We discussed the full agenda in regard to our crude oil reserves and security of supply study.

If you require more information in regard to the two meetings that took place I would be glad to discuss it with you, Mr. Speaker. Obviously there is a leak of confidential information. We rarely hold *in camera* meetings, having had only three or four.

Hon. Herb Gray (Windsor West): Mr. Speaker, the Hon. Member has based her question of privilege on a precedent which she describes as something from Erskine May. I must admit that I may not have heard everything she said, but I presume she was talking about the resolution of the House of Commons of the United Kingdom in 1937 that, in effect, says that documents of the kind she mentions if prematurely disclosed could be a basis for a question of privilege.

However, I want to refer you to page 203 of Beauchesne's Fifth Edition, Citation 647(2) which cites a Speaker's ruling reported in the House of Commons Journals for June 23, 1977 at page 1209. The citation states:

> In Canada, when a question of privilege was raised concerning the publication of a committee report before it was presented to the House, the Speaker ruled that the matter could not be resolved as in the British practice because the motion appeared to attack the press for publishing the confidential document but did not attack Members of the House for their attitude in respect of their own confidential documents, and in missing this point, it missed something most important with respect to the privileges of the House.

I do not have the complete ruling to which this edition of Beauchesne refers. There may well be other pertinent paragraphs in it that you may want to consider. However, it struck me, in listening to the Hon. Member, that her motion simply asked the House to refer this matter to the appropriate Committee. It did not contain the essential element apparently required, according to this citation, and that is that there be

some attack on Members of the House for their role in this particular matter.

• (1540)

While I understand that the Hon. Member is concerned about this particular issue, I ask the Chair to take into account whether the nature of the Hon. Member's point of privilege, and the motion she says she will present if a prima facie case of privilege were to be found, meets the requirements for a prima facie case of privilege and a proper motion founded thereon, or whether, as I said earlier today in the House of Commons, we are not again seeing a matter of dispute as to facts or of a sense of grievance which may well be in the mind of the Hon. Member a well founded one, but not a bona fide question of privilege?

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, this is the second time in a couple of weeks that the deliberations of an *in camera* meeting have been discussed as point of privilege on the floor.

With specific reference to the point raised by House Leader of the Official Opposition, and his quoting of Beauchesne's, Section 647(2), it seems to me that on a reading of the substance of that citation, that refers to a privilege of the House being breached because of publication of the deliberations of a committee before they got to the floor of the House. What my colleague, the Hon. Member for Calgary South (Mrs. Sparrow) is specifically complaining about is the disclosure of what took place, the deliberations, the proceedings, at an *in camera* meeting.

I go back to what I said on that earlier occasion, committees would not be able to function without the ability to hold *in camera* meetings, to have the give and take which one requires from time to time in this business—in any business, at any level, in fact—away from, and I do not even have to read Beauchesne, the glare of publicity. I think that is what my hon. friend is driving at when she says her privileges as a member of that committee have been breached, and her ability to do her job as a member and chairman of that committee is being derogated by the fact that on this occasion the deliberations of that committee, the proceedings—not the committee report, *per se*—were disclosed. I respectfully suggest that the final report would be eventually tabled in the House, in any event.

I do not have an awful lot of trouble as to whether or not the media might receive it a half hour before the House. However, I have a great deal of difficulty with the problem the Hon. Member had, and the problem brought up two weeks ago, when Members go behind closed doors to discuss and deliberate, and then find that what was discussed *in camera* becomes the property of the media and the public. I do not think this helps the House or Hon. Members. I think the Hon. Member made an excellent point as to her question of privilege.

Mr. Gray (Windsor West): Mr. Speaker, I thank my hon. friend for clarifying the matter of concern. However, I think it is still sound for me to ask the Chair to consider whether the point I raised is not equally relevant to the fact situation, which is the basis for the complaint of the Hon. Member for Calgary South (Mrs. Sparrow).

Are we faced with a complaint which is so vague as to whom it is directed, particularly with respect to the role of Members of Parliament, that the complaint is not a sound basis for a motion to be voted on by this House to refer the matter to the Committee on Elections, Privileges and Procedure? Such a motion, and the investigation by a committee which would flow therefrom, is a serious matter, and one which takes place rarely.

While I understand the Hon. Member's concern, especially now that it has been clarified for me by the Parliamentary Secretary to the Government House Leader, I wonder if it is still not the case, and I would argue that it is, that any motion the Hon. Member for Calgary South would move, if the Speaker found a prima facie case of privilege, would be of such a vague nature it would not be a proper basis for a vote of this House with a resulting inquiry by the Standing Committee on Elections, Privileges and Procedure?

Mr. Speaker: The Hon. Member for Cape Breton—The Sydneys on the same point?

Mr. MacLellan: Mr. Speaker, there was just one thing which concerned me and I think it has been made clear by the House Leader of our Party, so I am prepared to let the matter stand.

Mr. Speaker: I thank Hon. Members for their interventions, all of which are helpful to the Chair. I should advise the House that a week or so ago an application, not exactly the same as this, but similar, was brought before the House by the Hon. Member for Selkirk—Interlake (Mr. Holtmann) with respect to a statement made in this House relating to an *in camera* meeting by the Hon. Member for Kenora—Rainy River (Mr. Parry). I think I should advise Hon. Members that that matter has given the Chair a great deal of difficulty. However, the Chair will be ruling on that matter tomorrow.

With respect to the matter I have heard today, I will be giving it very careful consideration. I can indicate to Hon. Members that there have been enough of these cases now that the Chair feels duty bound to Hon. Members to take the matter very seriously, indeed, and I will be returning to the Chamber tomorrow with a ruling.

GOVERNMENT ORDERS

[*English*]

SOFTWOOD LUMBER PRODUCTS EXPORT CHARGE ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-37, an Act respecting the imposition of a charge on the export of certain softwood lumber products, as reported (with an amendment) from a legislative committee.

Mr. Deputy Speaker: As Hon. Members are aware, there are 12 motions on the Notice Paper in amendment to Bill C-37, an Act respecting the imposition of a charge on the export of certain softwood lumber products.

Motion No. 1 attempts to import into the Bill provisions found in the Indian Act which were not contemplated at the second reading of the Bill. This amendment falls clearly beyond the scope of the Bill and I must therefore rule it out of order. In doing so, I wish to refer the Hon. Member to Citation 773(1) of Beauchesne's Fifth Edition.

[*Translation*]

Motion No. 2 was moved in committee and ruled out of order. It falls beyond the scope of the Ways and Means resolution on which the Bill is based. On the basis of Citation 523 of Beauchesne's Fifth Edition, and after careful examination, I must rule this motion out of order.

[*English*]

Motions Nos. 3 and 5 seek to introduce some new kind of mechanism in the establishment of the export charge of 15 per cent. I have come to the conclusion that these motions fall outside the scope of the Bill and the Ways and Means Resolution upon which the Bill is based. No provision for adjustments in the determination of the export charge was contemplated in the resolution of the Bill. Therefore, I have to rule the motions out of order. I refer the Hon. Members to Citation 773(1) of Beauchesne's Fifth Edition which states, and I quote:

> An amendment is out of order if it is irrelevant to the Bill, beyond its scope or governed by or dependent upon amendments already negatived.

[*Translation*]

Motion No. 6, which is consequential to Motion No. 3, will not be selected for debate and will not be put to the House.

• (1550)

[*English*]

Motion No. 4 was ruled out of order in committee on the basis that it goes beyond the scope of the Ways and Means resolution by attempting to exempt joint and several liability to a corporation or a region exempt from a charge. I have come to the conclusion that this motion, in attempting to exempt U.S. harvested logs, goes beyond the scope of the Bill and introduces a new concept not contemplated in this Bill. Hon. Members are referred to Citation 523 of Beauchesne's Fifth Edition which states:

> Amendments must not exceed the scope, increase the amount or extend the incidence of any charge upon the public, defined by the terms of the Ways and Means resolutions, by which the provisions proposed to be amended are authorized.

On these grounds I must rule this motion out of order.

Motions Nos. 5 and 6 were dealt with earlier.

Motion No. 7 was ruled out of order in the legislative committee. It could be argued that the motion, if carried, might encroach on provincial jurisdiction, although that would be a matter for the courts to decide. However, the Chair recognizes that in procedural terms it is a borderline case. After careful examination the Chair has decided to give the Hon. Member the benefit of the doubt. Therefore, Motion No. 7 will be put to the House, debated and voted on by itself.

[*Translation*]

Motion No. 8, in the name of the Hon. Member for Skeena (Mr. Fulton), seeks to amend the same clause of the Bill in a manner similar to motion No. 7, in the name of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), and therefore will not be selected for debate.

[*English*]

Motion No. 9 will be debated and voted on separately.

Motions Nos. 10, 11 and 12 will not be selected for debate.

Mr. Axworthy: Mr. Speaker, I rise on a point of order. I appreciate the Chair having provided us with a written version of its ruling. I wish to draw the attention of the Chair to the apparent discrepancy in the ruling on Motion No. 1. Citation 773(1) of Beauchesne's Fifth Edition is cited as the rationale for ruling this motion to be beyond the scope of the Bill. When we presented a similar amendment in committee the Chair at that time cited Citation 773(10). It is a citation which I would submit might be more subject to debate in re-examination.

I am wondering if the Chair is prepared to clarify why it is now referring to Citation 773(1) as opposed to Citation 773(10) which citation is more appropriate to the decision made by the Chair.

Mr. Deputy Speaker: The Chair will consider the remarks made by the Hon. Member for Winnipeg—Fort Garry and come back to the matter. In the meantime we will proceed with debate.

Mr. Fulton: Mr. Speaker, I rise on a point of order in relation to the Chair's ruling on Motion No. 4. The Chair has quoted Citation 523 which states:

> Amendments must not exceed the scope, increase the amount or extend the incidence of any charge upon the public, defined by the terms of the Ways and Means resolutions, by which the provisions to be amended are authorized.

I ask, Mr. Speaker, that you look at what I propose in Subclause (3) and Subclause (4). In Subclause (3) the attempt is to exempt those wholesalers who are temporarily holding softwood lumber which comes from corporations that are

exempt under the Schedule in Bill C-37. If the softwood lumber was going directly from the exempt mill into the United States then it would be exempt all the way.

What I am attempting to do is not to increase the scope. All I am attempting to do is ensure that those wholesalers who move ribboned lumber, lumber which has been sawn in an exempt mill, held temporarily on their site but which is going to the United States, are not required to pay the 15 per cent export tax because that wood was, and always is throughout its movement to the United States, exempt.

In Subclause (4) I am not attempting to expand the scope. What I am attempting to do particularly is in relation to the border mills. It refers to trees that are grown in the United States and harvested there and for which the U.S. countervailing action never sought to go after. The Americans have never contended that their stumpage system was subsidized. That wood is brought into Canada, milled in Canadian mills, principally the 13 border mills in the Province of Quebec, and then as it goes from the site or from a wholesaler back into the United States it is presently subject to the 15 per cent export charge.

I have been through the Memorandum of Understanding with a fine-tooth comb. I am unable to find language which leads me to believe that either our negotiators or the American negotiators ever intended, because it was not put into the Memorandum of Understanding, to catch either this wood from the Quebec mills that was grown in the United States, or to capture our wholesalers who were simply temporarily, and at times not even physically, holding the wood. They would simply order the wood from an exempt mill. It would come through. They would ribbon strip it for their buyers in the United States. So I do not believe, from my understanding of Citation 523, that either of these two subclauses would expand or exceed the scope.

I also do not find wording in the Memorandum of Understanding, or as a result of the extensive committee hearings which we held for six weeks, that these commodities and these Canadian businesses were intended to be captured by the 15 per cent export tax.

If you could have another look at this matter, Mr. Speaker, it would be helpful. I think the cost being added on, both to the border mills and to the wholesalers, is inappropriate. This is the only way that Bill C-37 can be remedied.

Mr. McDermid: Mr. Speaker, I rise on the same point of order. I admire the ingenious way in which the Hon. Member for Skeena (Mr. Fulton) got his point to the floor of the House of Commons after it had been ruled out of order by the Speaker. I can tell you, Mr. Speaker, that because it is not in the Memorandum of Understanding we cannot create other issues. That would be in violation of the memorandum of understanding, something which the Hon. Member understands and knows.

He also understands that a commitment was made by the Minister and by her staff members that these points would be raised in negotiations with the Americans once this Bill is under way and passed. The ruling is accurate. The amendments would increase the scope of the legislation. Therefore the Memorandum of Understanding stands and the rulings are correct.

Mr. Axworthy: Mr. Speaker, I rise on a point of order. I wish to go back to Motion No. 1. The Parliamentary Secretary who is in the Chamber will recall that during the committee hearings I raised a question as to which took precedence, the Indian Affairs Act or the Income Tax Act. Under the Indian Affairs Act, natives on reserve land or in the territory of band councils are given exemptions from provisions of the Income Tax Act. We had asked for a ruling by Revenue Canada which I think would go to the whole point of the amendment that we presented. We are trying to help the Government to be legal and not to abrogate or to eliminate provisions of the Indian Act which, in my understanding, might take precedence over this particular proposal dealing with an imposition of a tax upon native or aboriginal peoples. I am wondering if at this time the Parliamentary Secretary is in a position to provide us with the ruling from Revenue Canada.

• (1600)

Mr. McDermid: Mr. Speaker, I can make inquiries in that regard. I do not have the ruling with me at this particular moment. Certainly, I think it can be obtained fairly quickly.

Mr. Fulton: Mr. Speaker, on the same point of order, I would ask the Chair to reflect for a moment on the point just made by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

The Chair is ruling Motion No. 1 out of order on procedural grounds. The point raised by the Hon. Member for Winnipeg—Fort Garry is fundamentally important. I was in attendance when the Hon. Member raised the point during committee consideration. I believe the Deputy Minister for Revenue Canada was in attendance. That was on March 23 last, some seven weeks ago now. The Government has had sufficient opportunity to find out whether or not the Indian Act, in terms of this particular taxation matter, is a more powerful piece of legislation.

The attempt here is simply to protect aboriginal people who might in some way now, or in the near future, be operating logging operations, harvesting operations, sawmilling operations, and particularly where they are exporting lumber to the United States.

Certainly Revenue Canada is abundantly aware of the ruling of less than a year ago, the famed Nowachut case; and certainly I am sure the Parliamentary Secretary is also aware of the March, 1987 ruling of Revenue Canada in relation to aboriginal peoples, status Indian and Inuit people in Canada, pursuant to which it is no longer simply the case of their being employed on or paid on reserve lands where they do not have to pay taxes, whether export taxes, or otherwise, but where the moneys are paid to an establishment on the reserve.

In fact, I met with the Minister of National Revenue (Mr. MacKay) yesterday and it is my understanding that where aboriginal people are working off the reserve but the funds earned are paid to an establishment on the reserve, no taxes are payable.

In respect of the logging and sawmilling operations in my own constituency, and elsewhere in the country, this is a fundamentally important amendment. The proposed amendment reads:

"or temporary license but does not include a person within the meaning of the *Indian Act*;"—

The purpose of the amendment, as the Hon. Member for Winnipeg—Fort Garry has pointed out, is simply to ensure that Bill C-37, when passed, does not have to come back to the House for amendment because that particular section would be *ultra vires*.

Mr. McDermid: Mr. Speaker, I do not wish to prolong the debate, but my recollection is that Revenue Canada made a ruling on that point at the hearing, stating that in fact the export tax was applicable to everyone, including Indian people who export lumber; that the tax situation that both Hon. Members have referred to pertained to the reserve and the reserve lands and the use of the particular material on the reserve.

Once the material is moved off the reserve it is subject to taxation. Once it is exported it is subject to the excise tax regime.

As I understand it, Indian people making an export would have to pay the export tax, in the same way as any other exporter. They would be the exporter of record and licensed to export and in fact would have to pay the export tax. That ruling was given by an ADM of Revenue Canada at the committee hearing.

I will leave it in your good hands, Mr. Speaker, to look at that, as you said you would, and suggest that we get on with the debate on the two amendments that have been accepted by the Chair.

Mr. Deputy Speaker: I have looked into the matters raised by the Hon. Member for Winnipeg—Fort Garry and the Hon. Member for Skeena.

With respect to the matter raised by the Hon. Member for Winnipeg—Fort Garry, I should like to advise him that in fact the citation of Beauchesne concerning Motion No. 1 is in fact 773(1), as set out in the decision of the Speaker.

Let me now deal with the matter raised by the Hon. Member for Skeena. I thank the Hon. Member for his argument. However, the ruling made by the Speaker on this matter will stand.

We will now proceed with the two motions that have been accepted, Motion No. 7 and Motion No. 9.

We will first deal with Motion No. 7, which will be debated and voted on separately.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry) moved:

Motion No. 7

That Bill C-37, be amended in Clause 14 by adding immediately after line 29 at page 10 the following:

"(4) Revenue derived by Canada from the charge imposed on softwood lumber products under this Act and payable to the provinces according to subsection (2) may be applied by the province to the awarding of contracts for silviculture, roadbuilding, recreational, and other foresting activities on a non-competitive basis."

He said: Mr. Speaker, I believe that this amendment goes to the heart of the debate that has emerged over Bill C-37. It is one that is related directly to the right of this Parliament, in its time-honoured tradition, to designate how tax moneys raised by this Parliament should be spent.

The importance of this amendment goes back to the controversy surrounding the introduction of the Memorandum of Agreement by this Government on that famous cold wintry day of December 30 last when, in a last-ditch effort, the Government signed an agreement with the United States pursuant to which there arose the obligation of imposing a tax upon Canadian softwood lumber producers.

Subsequent to that, there was provided a letter written by the Secretary of Commerce, a very substantial official in the U.S. system, along with the Chief Trade Negotiator, Mr. Yeutter, to Mr. Dennison, the head of the Coalition for Fair Lumber Imports in the United States. In that letter, the writers made a very clear commitment as to how the funds raised by the Canadian Government could or could not be used. In specific reference, they said that moneys raised by the Government could not be used for the "awarding of contracts for silviculture, roadbuilding, recreational, and other foresting activities on a non-competitive basis".

At that time, Mr. Speaker, we raised the matter of the very clear infringement upon the sovereignty of this country that such a limitation on how Canadian tax moneys could be spent would represent. We were given assurances that it was only the "musings of the Secretary of Commerce of the United States", that it did not have any clear standing in law and that it was not a formal part of the Memorandum of Agreement.

But, Mr. Speaker, the fact is, a major signatory to that Agreement, the Secretary of Commerce, as well as the Chief Trade Negotiator, put in writing a clear commitment to their own lumber lobby in terms of what they interpreted to be the meaning and significance of that Agreement.

Certainly that has provided a number of Canadians, both in the industry and without, a real reservation. If one regards the statements made by the provincial Ministers, there is a feeling, as well, that there is delineation, a prescription, as to how the $500 million to $600 million raised through this new tax in fact can be used.

If the Government of Canada has agreed implicitly to the kind of interpretation provided by Mr. Baldrige and Mr. Yeutter in their letter to Mr. Dennison, then certainly in my view it is clear that it has agreed to limit a very fundamental right. But, because the Government did so is no reason why the

Parliament of Canada should do so. As a sovereign body able to make our own laws, we should ensure that there is no ambiguity or any implicit or accepted argument for the way in which tax moneys can be spent in this country.

• (1610)

Therefore, I have introduced an amendment that specifically authorizes the expenditure of money in those areas, such as silviculture, roadbuilding and recreation mentioned in the Yeutter-Baldrige letter. That does not mean to say the provinces must spend the money in those areas, but it clearly says that they may spend it in those areas and there should be no hesitation or reservation on the part of the provinces, thinking they would be abrogating the treaty or the understandings reached by using the tax moneys thereby raised in these important areas.

Let me point out that we are talking, for example, relating to the matters of silviculture and roadbuilding, about two of the most important activities in the whole program of reforestation that we have been promised. One of the original arguments used by the Minister for International Trade (Miss Carney) and the Minister of State for Forestry and Mines (Mr. Merrithew) for keeping the money here in Canada was for reforestation purposes.

As I recall, the Minister for International Trade said that she thought the forests of British Columbia were some kind of a slum, and this initiative of the Government would be to invest in these important activities, silviculture, roadbuilding et cetera.

Mrs. Finestone: What is the et cetera?

Mr. Axworthy: But that question mark hovers over the whole understanding. When you have a letter written by one partner to the agreement saying the money cannot be used for these reasons, and if it is they can apply Section 301 of the U.S. trade Bill—which would be a kind of automatic trade penalty imposed by the President of the United States—one assumes there would be a lot of nervous people saying that we better not trifle with it, that we better not take the risk or have the American President zap us with some kind of effective penalty, so we will not do it.

I make the case to you, Mr. Speaker, that unless this amendment is accepted, the letter to Mr. Dennison signed by the Secretary of Commerce and the Chief Trade Representative of the President will stand as a clear signal as to how Canadian tax money must or can be used. The only way we can erase that reservation or answer that question is through this amendment. If the Parliament of Canada accepts it, then we are clearly saying that we are a sovereign body, we have the right to raise taxes and we also have the right to spend that tax money, as Canadians, as we see fit. We do not care about what the Secretary of Commerce has to say or the chief negotiator of the president, we decide for our own right.

This is particularly important because as we enter into the broader trade negotiations one of the question marks hovering over that whole negotiation is how far and in what way will the sovereignty of Canada be limited. How will Parliament deal with the various kinds of understandings, reservations and limitations put upon our ability to decide for ourselves? How will we manage the economy or decide on industrial support? Will we instead be accepting a whole series of prescriptions determined in Washington rather than in Ottawa?

I make the case as strongly as I can, that if the Government of Canada is being forthright in saying that the Baldrige letter is of no importance, then the Government should have absolutely no reason for not accepting this amendment, because it would simply clarify and make clear that the letter has no standing. It would not in any way interfere with Government policy. It would reinforce it. It would support it and it would give the mandate and stamp of approval of Parliament to statements that have been made. If, however, the Conservatives reject this amendment and vote against it, we will know that we have surrendered part of our sovereignty and that the Government is simply trying to fool Canadians.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to speak very much in favour of Motion No. 7. The letter just referred to by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is a crucial document, and the Government has tried to downplay what it might or might not mean. We have to provide some specific wording in Bill C-37 to give assurance to the provinces, the people of Canada and those who work in the forest industry.

The U.S. trade representative, Clayton Yeutter, signed this letter on December 30, 1986, along with the Secretary of Commerce, Malcolm Baldrige, two Cabinet level members of the Reagan administration. It is worth putting a couple of points on the record, and then I will direct myself to the specific wording.

In the third paragraph of the letter addressed to Mr. Stanley S. Dennison, Chairman of the Coalition for Fair Lumber Imports in Washington, D.C., we find the following:

> —the U.S. Government will monitor closely the operation of this agreement to insure that the amounts collected through the export charge or replacement measures are not returned to or otherwise used to benefit producers or exporters of Canadian softwood lumber.

Then it goes on to the really crucial language that you find in the amendment now before us. At the bottom of page 2 we find:

> We would consider that the follow-up actions by the governmental bodies in Canada could have the effect of offsetting or reducing the export charge or replacement measures within the meaning of Paragraph 6 of the Understanding.

Then it lists rebates, remissions and so on. More crucial language comes in point number 7 right above the signatures of Mr. Yeutter and Mr. Baldrige where it says:

> —awarding contracts for silviculture, roadbuilding, recreational, and other foresting activities on a non-competitive basis.

We find those same words in the amendment by the Hon. Member for Winnipeg—Fort Garry, namely, silviculture, roadbuilding, recreation and other foresting activities on a non-competitive basis.

We went through this matter at some length in the committee. We could not get some of the expert witnesses that we wanted, but I attempted, as you will note in Motion No. 8, to do the same form of clarification by stating definitively that for further clarification forest management includes silviculture, conifer release, reforestation, site stabilization and general forest rehabilitation. I also state:

> The revenue derived by Canada from the charge imposed on softwood lumber products under this Act shall be used for the purposes of forest management in the regions from which those revenues are derived.

As Members of this House will know, the Minister for International Trade (Miss Carney) pointed out quite accurately that the Province of British Columbia, the largest producer of softwood lumber used not only in Canada but exported to the United States has become a silvicultural slum. We are aware on the coast that we have only, according to Dr. Peter Pierce, 14 years of forest supply left. We have Bill Ewing's report in relation to Prince George and the northern Cariboo, which report said very much the same thing as Dr. Pierce, that by the year 2000 we will be out of wood. Clearly in British Columbia we need to use all of that $300 million a year to get cracking on forest rehabilitation. While the Government claims that the letter outlining the U.S. Government's interpretation of the export tax agreement has no weight, let us keep in mind that the letter was sent the same day the Memorandum of Understanding was signed. It was cranked up the same day and given to the Coalition as the U.S. Government's interpretation.

Now that we have waived our opportunities to go before a GATT panel we have put ourselves in the position that if we do not live up to the expectations of the United States the Americans can slap Section 301 on us 30 days after they back out of this agreement.

Let us look at what was said by Max Cohen, one of Canada's foremost experts on international law, once a judge on the international Court of Justice and former chairman of the International Joint Commission. In evidence given before the Standing Committee on Banking, Trade and Commerce on February 19 he said:

> I conclude by saying to you that in my view it would be very difficult for the legal adviser of the U.S. State Department to deny the effect of the interpretation given by Mr. Baldrige or Mr. Yeutter.

• (1620)

In *International Trade* of January 3, 1987, Mr. Cohen went on to state:

> It is a strange procedure to allow someone to monitor our own stuff.

The committee did try, but did not get very far, to have the Chair accept these amendments while we were still in committee some six weeks ago. Of course, at that time, the Government felt it was urgent that we finish the committee process so that this could return to the House, but that was six weeks ago.

The committee sent a letter signed by the Hon. Member for Prince Edward—Hastings (Mr. Ellis), the Chairman of the committee, drafted on March 25 and addressed to the Hon. Minister for International Trade. In that letter, point number five made by the Chairman with the unanimous support of the members present asked that an attempt be made during negotiations to clarify the confusion as to the application of tax revenues brought about by the so-called Dennison letter. The House now has the opportunity to do that.

We have before us the evidence of internationally renowned legal expert Max Cohen. We have before us the letter signed by Malcolm Baldrige and Clayton Yeutter. We have before us an amendment and we know what the committee sought unanimously. The committee still has not received a response from the Minister for International Trade on what kind of clarification there has been from the U.S. to the Minister for International Trade on the Baldrige-Yeutter letter to Mr. Dennison. This leaves us with only one opportunity.

I am quite certain that we on this side of the House will vote unanimously for the motion and I hope that government Members do not get nervous because this amendment is brought forward by the Opposition. I hope that they will think coolly and carefully about this. Canada's sovereignty was massively invaded by this whole process. Even if government Members do not believe that this will have an impact on sovereignty, then there will be no reason for not voting in favour of the motion. I would encourage government Members to speak in favour of this amendment and also, when they have the opportunity, to vote in favour of it.

It is very important that we send that signal from the House of Commons to Washington and to the U.S. coalition. As well, we should send a nice clear message back to British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, the maritime provinces, the Northwest Territories and Yukon.

This House has a vital responsibility to pass an amendment like this, making it clear that the money gathered under Bill C-37 and returned to the provinces can be used for rehabilitative work, silviculture, roadbuilding or anything else the provinces are planning to do, using either their own revenues, revenues that will be returned to them from the 15 per cent export tax or revenues from any new measures that might be brought in, like a provincial export tax or an increase in stumpage fees. If nothing else, that will protect our sovereignty. If nothing else other than that, it will send a clear smoke signal to Washington, indicating that we will not be shilly-shallied about on sovereign issues like taking care of our own forests and natural resources.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I would like to say a few words in support of the amendment to

Bill C-37 that has been proposed by my hon. friend and colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). In speaking in favour of this amendment I would like to underline what the two previous speakers have said.

The failure to approve this amendment and have it become a part of Bill C-37 will make it possible for the very long arm of Washington to reach into provincial administrations and, in fact, to dictate forest resource policy. I do not think Hon. Members opposite want to see Ontario's forest management policy dictated from Washington.

Mr. McDermid: You're dictating from Ottawa.

Mr. Penner: If my hon. friend thinks that that is acceptable, then he has not properly understood the effects of Bill C-37.

I submit as well that Mr. Baldrige and Mr. Yeutter, in making the argument they made in their letter to the Coalition for Fair Lumber Imports, that somehow silviculture activities, roadbuilding into places where wood is overripe and would otherwise be subject to blow-downs and be lost entirely or engaging in some sort of assistance for the recreational use of forests, is considered to have the effect of offsetting or reducing the export charge, have made an argument that escapes me entirely. For example, we know that there are forest-management agreements in the Province of Ontario at the present time. These agreements place upon the companies an obligation to reforest.

In accepting certain timber limits, the companies agree with the provincial administration that they will undertake certain obligations in the restoration of the cut-over area. However, it has not always been so. There was a time when the Ontario Ministry of Natural Resources assumed that responsibility itself. At that time, seedling nurseries were entirely operated by the Ministry of Natural Resources. Now that particular obligation has been passed to the private sector. The private sector grows the seedlings which are then sold to the companies that are obligated to plant them.

I must tell the House that the Ontario forest management agreements are experimental in nature. It is believed that they will be more successful than entirely government-operated ventures had been in the past. However, that is a philosophical discussion and all of the facts have not yet been submitted. We do not know for a fact at this point in time if forest management agreements are a better method than operations entirely within the scope of the Ministry of Natural Resources.

The point I am making is that if at some point in time it were to be decided that forest management agreements were not as successful as some have argued they will be and the Government of Ontario or any other provincial administration wanted to assume this obligation for itself, there could be a direct challenge to the provincial authorities on the legality of this if this amendment is not passed. The very fact that that possibility exists is the reason Members of my Party and Members on the government benches must approve this amendment. Approving this amendment will leave the door entirely open for provincial administrations to make these decisions.

We know that in the past there have been agreements between the provinces and the federal Government under the Department of Regional Industrial Expansion to undertake road and bridge construction in isolated areas, where the costs are enormous or in fact prohibitive, in order to access a resource that is ready to be harvested. If you cannot access that resource, if industry finds the cost prohibitive, then the province and its people have lost a resource which could otherwise be used.

• (1630)

What will happen to it? During a lightening storm a fire will start and will be allowed to run its course because it is in an isolated area as sometimes happens in northern Ontario, or there will be exceedingly expensive operations to put the fire out. That is why it was decided in agreements between the Government of Canada and the provincial Governments that these overripe areas should be accessed and that they have a joint responsibility to assist the industry so that the resource can be used.

Now we are saying, if we accept the arguments of Mr. Baldrige and Mr. Yeutter, that this can no longer be done. The responsibility is totally that of the industry. Spruce Falls Power and Paper, Domtar, or Abitibi-Price must bear that cost themselves and somehow recoup it in the sale of their products.

Mr. McDermid: Do they now?

Mr. Penner: It has already been proven in many cases that the industry cannot bear that cost.

Mr. McDermid: Do they now?

Mr. Penner: What choice do we have? We can let the trees stand and either suffer a blowdown from high winds, a fire, or rot. In any case it is a waste. It is stupidity. It is bad forest management policy and something no one will accept.

Why would we want to prohibit the provincial Governments from making those kinds of decisions? How can it possibly be argued that to access an overripe resource and make use of it is in some way offsetting this 15 per cent charge on the production of softwood lumber? It makes no sense at all. If it does not make sense for those reasons, then how even more remote is it to argue that a provincial Government cannot make use of its resource by spending tax dollars for recreational purposes? How would we be offsetting the 15 per cent charge by opening up a lake, for example, through the provincial Ministry of Natural Resources so that cottagers can, under a Crown lease arrangement, erect a cabin or residence for summer use? How would that be offensive?

My friend seems most anxious to speak, so he will have answers to all this.

Mr. McDermid: On a point of order, Mr. Speaker, I just wanted to ask my hon. friend, who is waxing eloquent—

Mr. Penner: I am not waxing eloquent. I am speaking about a concern in the region I represent. Get it straight, John.

Mr. McDermid: I meant that as a compliment, so I am not sure why the Hon. Member is so uptight. I want to find out if he will accept a question at this time.

Mr. Penner: You are on your feet, so don't waste time.

Mr. McDermid: Will you accept it?

Mr. Penner: Certainly.

Mr. McDermid: Mr. Speaker, I understand the Hon. Member is talking about his region. My question is: Do the provincial Governments build those roads now? Did they before the agreement was reached? Was that part of the Ontario provincial Government's program before this tax came in? Did they put those roads in to access forests and cottages before the agreement of December 30?

Mr. Penner: The answer is that it has been done, it is being done, and they want to continue doing it.

Mr. McDermid: Fine. They can.

Mr. Penner: The letter I am referring to from the U.S. Secretary of Commerce and the U.S. trade representative argues that this kind of activity violates the agreement between Canada and the U.S. with respect to the 15 per cent export tax. In the region of Ontario that I represent there is great concern that the freedom to make policy in these areas is being restricted by an agreement we have negotiated with the U.S.

I come back to the point I made at the very outset. Forest management policy is, to a very significant extent, being restricted and controlled by Washington. In the province from which I come, and more particularly the region I represent, we find this to be offensive.

We are not arguing that this is a partisan issue. We are arguing that this is a reasonable amendment, and I am delighted that Your Honour has accepted it although I understand that you are concerned it may be in the provincial domain. I do not think it is. We are not entering the provincial domain by this amendment. We are saying that we should not enter the provincial domain by an agreement we made with the Americans. This amendment is quite the opposite. It leaves the door open for the provinces to make important decisions concerning a resource that belongs to them and not to Ottawa. We should not be making agreements with Washington which limit provincial government policies.

I argue that Members opposite would be assisting the region I come from and acting in the best interests of the Province of Ontario if they agreed to support this very reasonable amendment put forward by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

[*Translation*]

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, I am also very happy to join my predecessors in unreservedly supporting this amendment, which to me seems more than reasonable in the circumstances. I view the amendment as improving what was simply and squarely shameful. For discussion's sake, Mr. Speaker, let me read the amendment, which is more than reasonable in my view. It states:

> "(4) Revenue derived by Canada from the charge imposed on softwood lumber products under this Act and payable to the provinces according to subsection (2) may be applied by the province to the awarding of contracts for silviculture, roadbuilding, recreational and other foresting activities on a non-competitive basis."

Here, Mr. Speaker, you have an amendment which beyond the shadow of a doubt would make an interesting and reasonable improvement to something that is totally unacceptable. When the Government signed that agreement, of course the arguments used by myself and other Members on this side of the House were quite numerous, in the sense that we deplored that in a way we had been "had" financially, in a way we had given our American friends what clearly we would not have had to pay had we left things on the course that had been taken.

Here is an agreement that in effect forces producers to pay inordinate amounts. I submit, Mr. Speaker, that as far as I am concerned, although the Government in fact signed in a hurry, in a sense it has been "had" financially, this is something that can always be repaired, something that can always be remedied. But where sovereignty is involved, Mr. Speaker, this is a matter of untangible, undisputable principle. It is my sincere belief that the amendment now before us results in a direct improvement to the most offensive aspect of the Bill in my view. Improvement in the sense that we would say to our American friends: Look here, this is our land, our country, we want to use that revenue, that money as we see fit. And the amendment proposes that the money be spent in specified areas to the benefit of all provinces which in fact will be collecting the tax.

With your permission, Mr. Speaker, I would like to go back a little in time, since this is the most important aspect in my view. As I said earlier the question of money is important because the amounts at stake are considerable. But what made all opponents mad was the aspect of sovereignty, and if I may, Mr. Speaker, I should like to refer to certain comments concerning that part of the agreement, to the effect that letting somebody else control what belongs to us in the first place is a rather bizarre process. They maintained the unilateral aspect of something which in fact we share in common, for the Americans have the right to know everything about Canadian activities, be it with respect to information or anything else. Of course, these were the comments of Mr. Maxwell Cohen.

And then the Premier of Ontario is telling us that we have let another sovereign country gain control not only over our resources and taxation policies but also, to a certain extent, over our employment and regional development policies, which is a dangerous precedent.

Somebody has suggested that the agreement can only encourage the United States to extend their protectionist measures to other sectors.

Or that natural resources constitute an absolute right which should not be abandoned to any foreign government.

The final argument is that even if Canada were to lose the case it would be well-advised to state its position immediately lest it might jeopardize our sovereignty for years to come.

Mr. Speaker, the comments and criticism I just mentioned went beyond the purely financial aspect and straight to the crux of the problem raised by this agreement, namely that Canada's sovereignty is at risk, and that from now on our American friends will be able to call the shots in this country, which is particularly dramatic in an industry that is of strategic importance to the Canadian economy, to the economy of the provinces and to local economies.

The Hon. Member's amendment is eminently reasonable and fair, and I think the Government has no choice here, if it was at all sincere and honest at the time when, in answer to the Opposition's comments about the sovereignty issue, it said: No, our sovereignty is not at stake. No, we will continue to manage this natural resource. No, the Americans will have no authority to intervene in the management of this resource. Mr. Speaker, if they were at all honest and sincere at the time, they could hardly object to the House adopting an amendment of this nature, because I think this is a perfectly reasonable proposal which would show that Canada intends to continue to be the master of its own house and to manage its own affairs like any sovereign country.

The Government is saying that they got back $500 million which would otherwise have gone to our American friends. The point as such may or may not be acceptable, but it is not unreasonable.

But with respect to the question of sovereignty the only statements to which we were entitled were fuzzy, confused and ambiguous. I think that in the next few days we will see the true nature of the Government and find out whether Members over there really intend to show that Canadians are masters in their own home and can indeed lay claim to the autonomy which any sovereign country enjoys. Mr. Speaker, should the Government fail to accept this amendment it will reveal for everyone to see that it is altogether indifferent and could not care less about such indecent interference flowing from this agreement which allows our American friends to tell us what we should do, how we should plan, and what approach we should take with respect to so basic a natural resource as softwood lumber.

As I see it, Mr. Speaker, it is altogether normal, reasonable, fair and equitable that the producers expect that money, collected from the producing provinces, to be spent in this area.

From my standpoint the amendment of my colleague is more than reasonable. I wanted to echo the views of others who spoke before me and express unqualified support for what seems to me to be more than reasonable. I sincerely hope that the Government will lay its cards on the table and agree to this amendment.

* * *

• (1640)

[*English*]

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I wish to advise the House that the Government will designate tomorrow as an allotted day.

* * *

[*Translation*]

SOFTWOOD LUMBER PRODUCTS EXPORT CHARGE ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-37, an Act respecting the imposition of a charge on the export of certain softwood lumber products, as reported (with an amendment) from a legislative committee.

Mrs. Sheila Finestone (Mount Royal): I heard the Hon. Member talking about calling the shots, and I think that is a very good point. Are we going to call the shots in this country or will they be called elsewhere, in Washington, for instance? The point is whether we are going to be masters in our own house or whether others are going to decide how we are going to run things. It is a matter of cultural and economic sovereignty.

[*English*]

It is strange that this question arises today. It seems to me that the cultural and economic sovereignty of Canada has been on our plate time and time again. The Government has not the courage to talk back to the Americans and say that we are who we are, that these are the things we stand for and this is what we believe in. An example is the film distribution Bill. That Bill has curried great favour and could be well received. If the Government only had the courage of its convictions, the film distribution Bill would be in the House today. This is as is

usual in Canada because the Government has not said no to American pressure, and we have seen what they can do in one industry.

Before the issue of the film industry came up we had the issue of the softwood lumber industry. It is a sad day when we have to debate the extremely intelligent, well thought out and reasoned amendment of my colleague, the Member for Winnipeg—Fort Garry (Mr. Axworthy). I urge all Members of the House to support this amendment to Bill C-37 as it makes intelligent, good sense. We want the right to stipulate how tax dollars raised on our goods will be spent.

I am going to read into the record a letter which was sent to Mr. Dennison by Mr. Clayton Yeutter and Mr. Malcolm Baldrige. According to that letter, we are talking about $500 million to $600 million. That is not peanuts. That is a lot of money. It could be used to rebuild our forests, to build roads, to expand Canada as we see fit. The provincial Governments, on whose territory this money will be raised, should be able to use this money in the manner in which they determine.

The question is whether we will show broad-mindedness or narrow-mindedness by accepting or rejecting this very sound amendment which would tell the Americans to stay home, that we know how to look after our own business. The amendment would tell the Americans that we know how to manage our own economy, not to tell us how, that we wish to determine for ourselves through our provincial Governments how we are going to handle our money, that we are not passing the buck to them and did not ask them to stick their nose into our business. That is essentially what we will be doing by saying yes to this amendment.

My colleague, the Member for Winnipeg—Fort Garry, said that we are talking about the role of Government and the role of the Parliament of Canada. He was calling upon all of us to be parliamentarians, to forget about our partisan point of view in this instance and think about the well-being of Canada.

• (1650)

I see that one of my hon. friends opposite is not particularly pleased. That is unfortunate.

Let us consider the letter that was sent to Stanley Dennison, Chairman of the Coalition for Fair Lumber Imports, on behalf of Secretary of Commerce Malcolm Baldrige and U.S. Trade Representative Clayton Yeutter. It indicates that when the export tax is removed, future provincial stumpage increases must raise lumber prices at the border by an amount equivalent to the 15 per cent export tax.

The letter further indicates that certain actions will be considered to be in violation of the agreement, including the awarding of contracts for silviculture, road building, recreational, and other forestry activities on a non-competitive basis.

The provincial Governments have stated that they wish to use the funds from the export tax for reforestation, among other uses. If one interprets the United States position correctly, the letter seems to indicate that some of these uses may be regarded as indirect subsidies to the industry. The Government should have taken the issue to GATT originally. The Americans went to GATT on the corn issue, but the Government did not see fit to use that route with respect to softwood lumber.

Now the Americans are trying to tell us what we should do with what they perceive to be an indirect subsidy.

The Canadian Government has declared that the letter has no standing in Canada and that the document does not reflect the terms agreed upon in the memorandum of understanding. The letter states:

> Dear Mr. Dennison:
>
> Several questions have arisen in the course of the negotiation of the recently signed U.S./Canadian softwood lumber agreement. We record here the understanding of the U.S. Government with respect to several of the key provisions of the agreement. These understandings have been conveyed to the Government of Canada although they have not been explicitly expressed in that agreement.

First they twist our arm and tell us what they think, then they tell us how to proceed. The letter continues:

> First, as the 15 per cent export charge is a substitute for a countervailing duty, and is being imposed for the purpose of offsetting Canadian stumpage subsidies, the U.S. Government intends that collection of the charge will begin immediately upon withdrawal of the countervailing duty petition, effective on cessation of bonding. The charge may be collected by either the Government of Canada or the Government of the United States. We intend that the charge will be collected until agreed replacement measures have the equivalent economic impact on average on each unit of exports to the United States as the 15 per cent charge or that portion of it which is being replaced.
>
> The United States would not object to replacement measures being implemented by individual provinces and the export charge being reduced or eliminated accordingly for such provinces.
>
> Second, the U.S. Government will monitor closely the operation of this agreement to insure that the amounts collected through the export charge or replacement measures are not returned to or otherwise used to benefit producers or exporters of Canadian softwood lumber.

We will see later that they list 10 areas in which they will absolutely not agree to our having any say about how we should handle our undertakings.

They point out that the export charge represents at least $500 million and they want a right to have a say in what should be done. In point 10 they state that they would consider that the follow-up actions by the governmental bodies in Canada could have the effect of offsetting or reducing the export charge or replacement measures within the meaning of paragraph 6 of the understanding. They specifically point out the measures that they will find unacceptable. I do not have time to read them all, but point 7 is the awarding of contracts for silviculture, road building, recreational, and other foresting activities on a non-competitive basis.

The letter is signed on behalf of Clayton Yeutter, U.S. Trade Representative and Malcolm Baldrige, Secretary of Commerce.

Is this a fair and unbiased situation in which to place the industry, the Government and the House of Commons?

I urge all Members of the House to support Motion No. 7, moved by the Hon. Member for Winnipeg—Fort Garry, which states:

> That Bill C-37, be amended in Clause 14 by adding immediately after line 29 at page 10 the following:
>
> "(4) Revenue derived by Canada from the charge imposed on softwood lumber products under this Act and payable to the provinces according to subsection (2) may be applied by the province to the awarding of contracts for silviculture, roadbuilding, recreational, and other foresting activities on a non-competitive basis".

That is the way to send a message to the United States,

[*Translation*]

—that we are masters in our own house.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I want to participate in this report stage debate on a Bill that has extreme importance to my constituency of Thunder Bay—Atikokan and all of northwestern Ontario. It is one area of the country that depends on the forest industry for much of our economic livelihood.

The Government's decision which has resulted in this Bill has a very great impact on us. We have already seen softwood lumber mills close as a direct result of the tax, and others are in jeopardy.

The amendment moved by the Member for Winnipeg—Fort Garry (Mr. Axworthy) is very similar to the motion that was moved by my colleague, the Hon. Member for Skeena (Mr. Fulton), but ruled out of order.

This motion basically allows the provinces to spend the revenue for silviculture, roadbuilding, recreational, and other foresting activities on a non-competitive basis.

Clearly, the provinces must be able to use this revenue to assist in the reforestation and ensure their longevity.

Over the years we have argued about policies of provincial Governments as well as harvesting companies and whether or not enough is being done for reforestation, recreational use of the forests and the construction of roads.

The Canada-Ontario forest agreement provides for federal funding for silviculture, for road construction, and other aspects of providing for our forests. It is very sensible to ensure that the funds being extracted from our forest industry can be recycled in that industry. I do not believe this will jeopardize the ability of the Americans to compete with us if they have a quality product and the dollar is such that there is balanced competition. However, I believe it is very important that the legislation state that the provinces have a right to spend the money in the forest industry. If not, the money will be diverted to other areas at the expense of the forest-based industry.

It is my understanding that this amendment arises from a letter from Malcolm Baldrige, U.S. Secretary of Commerce, and Clayton Yeutter, U.S. Trade Representative. Mr. Yeutter is the United States Trade Representative. In a letter to the Chairman of the Coalition for Fair Lumber Imports he states, and I quote:

> We would consider that the follow-up actions by the governmental bodies in Canada could have the effect of offsetting or reducing the export charge or replacement measures within the meaning of paragraph 6 of the Understanding.

• (1700)

He lists some of them, including awarding contracts for silviculture, road building, recreational and other foresting activities on a non-competitive basis. Those are very interesting words. What he is trying to say is that the United States does not want us to be able to do that, and that the lobby for the lumber industry in the United States is in effect telling its Government to dictate to our Government and, therefore, to the people of Canada, how we should manage our forests and how we should spend the money which we are duly collecting supposedly on behalf of the people of Canada.

I think that is an insult to the integrity of the Government and the people of Canada. I would hope that all Hon. Members will agree to accept this amendment so we can give that right— it does not say the provinces must do it but that they may do it—to spend the money on matters directly related to the forest industry.

Mr. Maurice Foster (Algoma): Mr. Speaker, this is an important amendment before us, as the entire Bill is important and the whole issue is important, because it really sets a tone for the relationship between the Government of Canada and the United States, which has been essentially designed to appease in every way any relationship where Canada might be standing up as a sovereign nation. The entire legislation and the approach of the Minister and the Government has been that way since last June when this issue first got under way.

The amendment before us at report stage was moved by the Hon. member for Winnipeg Fort Garry (Mr. Axworthy). It is an amendment to Clause 14 of the Bill. It provides that:

> Revenue derived by Canada from the charge imposed on softwood lumber products under this Act and payable to the provinces according to subsection (2) may be applied by the province to the awarding of contracts for silviculture, roadbuilding, recreational, and other foresting activities on a non-competitive basis.

I think that is an amendment which should be passed just to show that the provinces will not be intimidated by the actions of the United States. If the Government does not accept this amendment we will know that it is really scared and totally intimidated by the letter which was sent by Mr. Yeutter. The letter is dated December 30, 1986. I do not believe he spent New Year's Eve preparing it. He outlines in very clear terms that the United States will move against Canada under Section 301 as provided for in the agreement if Canada moves to support the provinces with the export charge with regard to roadbuilding and those other activities.

The letter states very clearly under item 10, and I quote:

> We would consider that the follow-up actions by the governmental bodies in Canada could have the effect of offsetting or reducing the export charge or

replacement measures within the meaning of paragraph 6 of the Understanding.

It then cites item 7, awarding contracts for silviculture, roadbuilding, recreational and other foresting activities on a non-competitive basis. It is that letter, signed by both the U.S. Secretary of Commerce and the U.S. Trade Representative, sent to Stanley Dennison, Chairman of the Coalition for Fair Lumber Imports, we are trying to overcome. We want to ensure that Canada says to these two representatives of the United States that regardless of how acquiescent the Government is, regardless of the fact that the United States snaps its fingers and we have higher drug prices in this country, and regardless of whatever other actions have been taken in the past year, this legislation will not bypass the laws of Canada and tell the provincial Governments what they can or cannot do.

I thought Premier Peterson of Ontario put it very succinctly in an article reported in *The Globe and Mail*, on January 6, 1987 that "they—the U.S. Government—will have the thumbscrews on us at all times and if we do not behave they will put the blocks to us. I do not like a deal like that". In an article in the Ottawa *Citizen* on January 6 he stated:

We've turned not only our resource and taxation policies but in a sense our regional development and employment policies over to another sovereign country. It is a dangerous precedent.

I think that is what Hon. Members from Northern Ontario are extremely concerned about. We have seen a pro-active Government during the last two years in Ontario. It has tried every possible device to develop roads, and our tourism potential because we have not shared in the tremendous growth of economic activity of southern Ontario, for instance.

Since January 1, in my constituency alone, every month $1 million dollars from one company alone goes to the federal Government. It does not get anything for it. It just gets the incompetence of the Government in negotiating this arrangement. If the Government had fought it all the way in the United States trade tribunals, if the Government had fought it in the GATT, this company would not have to send a cheque every month to the Government of Canada.

What this motion seeks to do is to say no to Mr. Yeutter and Mr. Baldrige. It is saying: "We are the sovereign nation. If this export tax is passed on to the provinces, it can be used for roadbuilding, recreational development and for all those other uses". Obviously, the Government of Canada is extremely concerned that the agreement is binding, and it intends to knuckle under to the threats and intimidation of the U.S. Secretary of Commerce and the U.S. Trade Representative.

I would like to read a paragraph of a legal opinion concerning the Dennison letter, and I quote:

The Dennison letter is a contemporaneous expression of the understanding of one of the parties to the Agreement. Therefore, to the extent the language of the Agreement itself fails to resolve any disagreement between the parties, the letter may be used to construe the Agreement. If the U.S. industry were to file a Section 301 case it almost certainly would submit the Dennison letter as evidence of the meaning of the Agreement, and the Administration would be hard pressed, both legally and politically, to disavow its own interpretation as expressed in the letter. Even before a more objective body, such as a GATT panel, the letter would be strong evidence of the meaning of the Agreement.

Thus, to the extent the Canadian Government's interpretation of the Agreement differs from the interpretation expressed by the U.S. government, it should seriously consider stating publicly the Canadian position, perhaps in a letter to the Department of commerce and the United States Trade Representative.

• (1710)

The Government has not taken that action. The House of Commons can take such action. I believe that as a sovereign nation we are obligated to take this action by adopting the amendment to the Bill and by placing it right in the legislation. In this way it will be clear to the Americans, to the Provinces of Ontario, B.C., Alberta and Quebec, that they will not be bound by that United States letter. In this way we will know, and everyone will know, that we are masters in our own house and that we will not be intimidated by that letter from United States cabinet Ministers. It is essential that the Parliamentary Secretary accept the amendment.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I will be brief. I have been sitting listening to the debate this afternoon on this particular amendment brought forward by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). I would first like to make a couple of points, if I might, just to cover the sovereignty issue.

I think a country loses its sovereignty when laws of another country are brought forward to force a country to do certain things within one's country. Had the countervailing duty proceeded it would have allowed the American Government to come into Canada to check the books of the Government. It would have been able to check the books of individual exporters. To my way of thinking that would have damaged the sovereignty of Canada.

When two sovereign nations such as the United States and Canada sit down to negotiate an agreement that is not losing sovereignty, that is putting into practice sovereign rights. That is exactly what the Government did. It negotiated an agreement with the United States which allowed Canada to place an export tax on lumber and to keep the money in Canada, money which will go to the provinces.

In our federation the provinces own the resources, that is, the lumber. In co-operation with the provinces, and with the consent of the provinces with the exception of one, we proceeded in this manner. We have agreed with the provinces that the money from the federal Government will go to them, with the exception of a small administration charge.

There was a great deal of talk about who can spend the money and what can be done and so on. I enjoy members of the Opposition quoting Clayton Yeutter and Malcolm Baldrige's letter to Dennison which has nothing to do with the memorandum of understanding whatsoever. It has no legal status whatsoever. It may be their interpretation of what they think the memorandum of understanding states. But we have

also made our interpretation of what is stated, and I have not heard any disagreement from the United States with respect to our interpretations.

Mr. Fulton: Oh, come on.

Mr. McDermid: I sat and listened very patiently all afternoon to my hon. friends opposite. I have been restraining myself all afternoon. I thought I was pretty good. I have behaved myself very well. I did not interrupt Hon. Members but sat and listened attentively to them. I find it interesting that they concentrate more on the American letter than on what the Minister has said and on what our Government's interpretation of the agreement is.

I can tell Hon. Members this. If the provincial Governments planted trees before and did silviculture before, then they can do it with this money. If they built roads with it before, then they can build roads again with this money. They can use it for employee adjustment. They can do these things with this money as long as it does not form a grant back to the industry, a direct grant, or something that could be considered to circumvent the memorandum of understanding. We said that. We said it in committee. Hon. Members who were there and who are in the House today know full well that that was said in committee.

I find it rather amusing that the amendment was drafted by Malcolm Baldrige and Clayton Yeutter and not by the Hon. Member for Winnipeg—Fort Garry. The amendment is word for word out of their letter. It is not original on the part of the Hon. Member. I do not want him to take credit for it.

Mr. Penner: Come on, John, you can do better than that.

Mr. McDermid: I find it interesting that Malcolm Baldrige and Clayton Yeutter drafted this particular amendment. It has been lifted from the last few lines of their letter.

Mr. Penner: What has that to do with anything?

Mr. McDermid: We cannot accept this amendment. It would be inconsistent with our understanding with the provinces for federal legislation to state how the provinces may spend revenues arising from the export charge.

Mr. Penner: It is just the opposite, and you know better than that, John.

Mr. McDermid: My friend opposite can sit and argue all he wants. He can holler and yell and rant and rave. It is inconsistent with the agreement we have with the provinces in this regard. There is no stipulation in the Bill, no conditions whatsoever, with respect to what use the provinces may put the revenues generated from the export charge. It is not in the Bill. We are not going to limit them. We are not going to give them permission or anything else. They know how they can spend the moneys. It is their money because it is their resources about which we are talking.

The Minister for International Trade (Miss Carney) and the Minister of State for Forestry and Mines (Mr. Merrithew) have already stated very clearly many times that they hope the provinces will use this money for reforestation and silviculture. They have stated that many times.

All I can say is that the amendment would be inconsistent with the agreement that we have with the provinces. Therefore, on behalf of the Government, I say that we cannot accept the amendment. We will be voting against it.

Mr. Penner: May I ask a question of the Hon. Member, Mr. Speaker?

Mr. Deputy Speaker: Is there unanimous consent to allow the Hon. Member for Cochrane—Superior (Mr. Penner) to ask a question?

Some Hon. Members: Agreed.

Mr. Penner: Mr. Speaker, I have one question for my hon. friend. He mentioned in his remarks to the House something about the possibility of the countervailing duty having proceeded. Of course there is no proof that that in fact would have ever happened. Spokesmen in the industry argue that they could have won that countervail action. They argue that they could have been successful, as they were in the past.

My friend also suggests that to negotiate is a sovereign act. I agree with that. But will he not accept the fact that it is possible in those negotiations to bargain away a portion of one's sovereignty?

My real question is this. The amendment proposed by the Hon. Member for Winnipeg—Fort Garry puts no obligations on the provinces at all. It says that they may be applied. The letter from which the Hon. Member for Winnipeg—Fort Garry gets this concern states that this is an interpretation of the Government. The Parliamentary Secretary says: "We have a different interpretation". I wish to ask the Parliamentary Secretary this. How do we know which interpretation will prevail? Does he not agree that it would make good sense to put this amendment in, so that we have greater certainty? Would the Hon. Member not agree with that?

• (1720)

Mr. McDermid: In the first place, I do not think it offers greater certainty—

Mr. Penner: That is exactly what it does.

Mr. McDermid: To answer the first question, when two sovereign countries negotiate an agreement, sign an agreement, each gives up a little something. There is no question about that.

Mr. Penner: What did the Americans give up?

Mr. McDermid: What have they given up?—$600 million, or $500 million, or however much they would have received by way of a countervail duty.

Mr. Penner: Oh, come on!

Mr. McDermid: The Hon. Member makes the assertion that we would have won the case. The best advice we could receive, advice which came from the same people who were involved in the 1983 case, was that we were not going to win. That was the advice we got, and that was from the same people who worked on the 1983 case. They told us we were not going to win it, and we were not going to win it because of the change in attitude in the United States.

Everyone knows that the protectionist mood in the United States has grown rather dramatically over the last number of years, and particularly so since the 1983 case.

At the time of the 1983 case, there was a different mood in the U.S., a different Government, a different mind-set entirely.

The Hon. Member is a great crystal ball gazer. It was a judgment call by the provinces and by this Government. In fact, if one takes the time to go back and check, one will find that the lumber producers themselves suggested a negotiated agreement. That is well documented.

The sovereignty issue Hon. Members opposite keep raising is, to my mind, a smoke and mirrors type of argument.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 7 standing in the name of Mr. Axworthy.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), a recorded division on the proposed motion stands deferred.

The next motion is Motion No. 9, standing in the name of Mr. Fulton.

Mr. Jim Fulton (Skeena) moved:

Motion No. 9

That Bill C-37, be amended in Clause 15 by striking out lines 4 and 5 at page 11 and substituting the following therefor:

"Act;

(c) conditionally or unconditionally exempt any softwood lumber products from corporations that can demonstrate that they meet the requirements met by those corporations presently exempt from the charges of this Act;

(d) conditionally or unconditionally exempt any softwood lumber products from corporations that can demonstrate that their raw log supply comes from regions not named in the 1986 U.S. Countervailing Duty action.

For greater certainty this includes those areas outside of B.C., Alberta, Ontario and Quebec; and

(e) conditionally or unconditionally exempt those softwood products such as remanufactured products which were not named in the 1986 U.S. Countervailing Duty Action."

He said: I am pleased to speak to Motion No. 9. The proposed paragraph (c) is as follows:

(c) conditionally or unconditionally exempt any softwood lumber products from corporations that can demonstrate that they meet the requirements met by those corporations presently exempt from the charges of this Act;—

As many Members of this House will know, there are some two dozen corporations that have been exempted. Those corporations are not set out by way of appendix or annex to the Bill, notwithstanding the suggestion in the committee that that be done. They are, however, to be found in the memorandum of understanding.

During committee consideration of the Bill, we heard time and time again from witnesses from across the country the fact that over the course of last summer some companies happened to hear about the procedures to be undertaken to obtain an exemption, and in fact did so, but that others simply were not aware of it.

It has never been entirely clarified as to who was responsible for getting this information out. I am not laying blame on anyone's doorstep. However, as a consequence, many firms simply were unaware of the steps to be taken to obtain an exemption.

By the time the preliminary determination came down on October 16, 1986, it was too late for them, and certainly by December 30, 1986, at which point the negotiations were over and the memorandum of understanding signed, many companies had not taken the necessary steps to be exempted from the 15 per cent export tax.

What has happened is that in some parts of the Atlantic Provinces, a very substantial percentage of the companies are on the exempt list. In some regions, notably in the Province of New Brunswick, over 90 per cent of the forest lands held by corporations are exempt, with the percentage in other parts of the country being much lower.

As a consequence, we have something that we do not find across the landscape of Canada in any other sector that I am aware of, that being that there can be two forest products companies operating on opposite sides of the street, both harvesting the same species, paying the same wages, and selling product into the same markets, one of which is exempt from the 15 per cent export tax and the other not.

What we discovered happened was that during the negotiations it was decided that the short list of those corporations

which had gone through the earlier process to obtain exemption were those who were subsequently included on the exempt list.

Subsequent to December 30, 1986, the Minister of State for Forestry and Mines (Mr. Merrithew) commented how great it was that he had been able to do such good work for the Maritime region in obtaining these exemptions—and that is something that irritated me. He is a Member from that region and as such he has every right to get out and provide information to corporations, small or large, as to how they should go about getting exempt status. During committee consideration, it became abundantly clear to us that this kind of unfairness of treatment could not go on.

If a company is exempt, whether that company is based in British Columbia, Alberta, Ontario, Quebec, or the Maritime region, it has an unfair advantage over the non-exempt company when it comes to shipping product into the U.S. market. Given two companies in exactly the same circumstance—the same wage rate structure, cost structure, taxation structure—one exempt and one not exempt, we are faced with an unfair situation.

If we as a Parliament cannot find a way to remedy that unfairness, a number of things will ensue. The banks are obviously going to be more inclined to advance funds to the company with the exemption, with the result that over time that company will buy up the forest lands of the non-exempt company, ultimately ending up with the market and operations of that company.

We heard evidence from companies right across the country, and there were very few if any that could say they were making a 15 per cent profit. Most said they were barely keeping their heads above water, and that what little profit they were making would be eroded by the 15 per cent export tax.

Those who are exempt from this export tax are in a position to take over the operations of those who are not. Those companies without the exemption are going to have to cut corners, perhaps leading to lower safety standards, lower production levels, and the seeking of other markets.

Strictly from the point of view of fairness, this situation needs to be remedied. Canada has always at least attempted to have its tax laws operate fairly.

It has never, of course, been a level playing field, as Sam Gibbons and others like to call it, but at least there has been an attempt to have tax measures apply reasonably fairly cross the landscape.

I am not proposing a mandatory provision that all forestry companies are immediately exempted; what I am proposing, through this amendment, is that the Minister, as is provided in Clause 15, be given the opportunity to grant exemption. It would provide the opportunity for corporations to demonstrate that they meet the requirements to be conditionally or unconditionally exempt in respect of the charges under this legislation.

This is crucially important, and particularly so for the Maritime region, where we do have the situation where it is only the large corporations that are exempt. In many cases, the smaller operations, operations that have been owned in many cases by the same family for many generations, find themselves in the situation where they either did not apply at all or just missed gaining exempt status. I think it important that the Government accept this amendment.

• (1730)

The next paragraph (d) reads:

> Conditionally or unconditionally exempt any softwood lumber products from corporations that can demonstrate that their raw log supply comes from regions not named in the 1986 U.S. Countervailing Duty action.

I have very broad support for this amendment from right across the country because, as I point out:

> For greater certainty this includes those areas outside of B.C., Alberta, Ontario and Quebec.

This would provide an exemption to those companies operating in Saskatchewan that were not named in the U.S. CVD action which provides exemptions for all of Maritime Canada, and should products from Yukon or NWT start to come on the market, it gives them an exemption. The United States and the U.S. coalition in the CVD action went after the four provinces which they felt were subsidizing logging and trees, namely B.C., Alberta, Ontario and Quebec, so this would provide the opportunity for the Minister conditionally or unconditionally to exempt the products.

It also does another thing which I raised earlier today, namely, the matter of wood coming from south of the border. These are trees grown in the United States. The Americans never named the United States in their own CVD action. Wood comes into western Canada, and particularly into the Province of Quebec, to the 13 border mills. They get almost all of their wood from the United States, and clearly that wood was never named in the U.S. CVD action. That wood was never named during the negotiations in Washington leading up to that fateful agreement of December 30. It seems highly odd to me that in committee we did not find some fertile ground on the government side to provide the kind of opportunity for conditional or unconditional exemptions that I am suggesting here for wood produced in those regions.

I would like to hear from government Members who participated in this process. I find it interesting that on the last day of our committee, the Minister for International Trade (Mr. Carney) happened to be in New Zealand, just as on December 30 we happened to find her in Hawaii, and we found that the Conservative Members who had participated earlier in the committee process had suddenly vanished. Once again, today, we find that those government Members, particularly from the west but also from Ontario and other parts of the country who had participated in the hearings are not here in this debate. This disturbs me profoundly and

should profoundly disturb those million workers right across the country who are involved in Canada's largest industry, the forestry sector, which is the largest source of revenue in our balance of trade. Why is it that the Government urged us to hurry through the committee stage in hearing all of the witnesses and made us finish on March 24 to hurry the Bill into the House? Yet here we are another six weeks later dealing with it supposedly because the U.S. is considering a Section 301 action. We still have not heard from the Minister for International Trade on our unanimous requests from the committee.

Part of my amendment is contained in the request that went to the Minister for International Trade (Miss Carney) on March 25. Supposedly negotiations were going on in Washington and supposedly we were going to get some added exemptions in terms of corporate exemptions, regional exemptions and exemptions of remanufactured products. But there has been no action, Mr. Speaker. It somehow demonstrates the inactivity on the government side on this issue.

We know about the 10 per cent one time only offer. We know about the bungling and the incompetence. It is sad that those government Members who did participate in the committee process have found it impossible once again to participate in public debate, to tell the public where they really stand and whether or not they support those corporations which are duly deserving of the exemption. Where do these Members stand? I hoped they would support that. They always claim so privately. I hope to hear that support on the record today. What about the U.S. logs that are being milled in our mills and re-exported to the United States? Why are they not being provided with the pathway and the opportunity to obtain the exemption?

Paragraph (e) reads:

> Conditionally or unconditionally exempt those softwood products such as remanufactured products which were not named in the 1986 U.S. Countervailing Duty action.

We listed those in our unanimous letter to the Minister for International Trade. They are the following:

> Specialty Remanufactured Cut Stock (including precut pallet stock; precut spring mattress frame components; crating stock; box stock; cleat stock and blanks; turning squares), Furring Strips/Roofing Strips, Remanufactured Studs, Softwood Lumber Pressure Treated with Preservative or Fire Retardant Chemicals With Respect to the Value Added by the Pressure Treatment, Tongue and Groove Roof and Floor Decking, Remanufactured Cedar and Pine Boards, Industrial Clears and Shop (Remanufactured)(Shop and Better) Edge-Glued Panels, Select Fascia, Custom Kiln Dried/Custom Planed Lumber, Finger-Jointed Lumber, Car Lining and Decking, Machine Stress Rated (MSR) Lumber, Bridging, Vegetable Stakes, Spruce Patterns.

In paragraph (e) I am suggesting those products which we have now finally added.

For the reason they were not in the memorandum of understanding and are not to be found in the schedules of exemptions in Bill C-37 we can only go back to the evidence given to us. Some of the witnesses made it very clear that they were never given an opportunity to provide a complete list that could have been added. We have learned that it is hundreds of millions of dollars, close to a billion dollars in product that has been thrown into the hopper for an added 15 per cent export tax, simply because the Government did not have a proper negotiating process at that time leading up to that fateful day of December 30.

This amendment, Motion No. 9, speaks for itself. It provides for anomalies that never should have been included in the memorandum of understanding. They were never sought by the U.S. Coalition for Fair Lumber Imports. They were never sought by Mr. Baldrige, Mr. Yeutter or Ronald Reagan. They were thrown into the hopper. What this amendment does is to provide a pathway within Clause 15 for the Minister to take that opportunity conditionally or unconditionally to exempt those products that I have identified.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I want to remind the House of the words of the Minister for International Trade (Miss Carney). When she arrived back from the shores of Hawaii she said, "This is a good deal for Canada". You will find it very hard to convince people in the Maritime regions, the very large number of firms across Canada in remanufacturing that this is a good deal for Canada, Mr. Speaker. They are now in danger of losing their jobs, their businesses and their livelihood. One can hardly call it a good deal. The Government negotiates an agreement which puts a penalty on its own citizens.

Let me quote from the submission made to the Senate Finance Committee on behalf of the British Columbia Secondary Softwood Lumber Manufacturers. It reads:

> Unfortunately, the B.C. secondary softwood lumber industry is finding that the agreement is seriously flawed from a technical standpoint. Due to the Government's insistence upon proceeding alone with the negotiations, Canadian officials did not enjoy the same benefits of industry expertise as did their U.S. counterparts. As a result, the Understanding is damaging the future viability of our industry.

Let me quote another submission, this one from the Coalition Against Unfair Labour Taxes, basically the organization representing the Maritimes softwood lumber people. It says that a survey of 79 members of the Maritime Lumber Bureau indicates that 57 per cent of those employed by non-exempt firms will be laid off within one year of the imposition of the tax. This amounts to 4,167 of a total of 11,000 direct industry employees.

It is hardly a fair description to say that this was a good deal for Canada when in fact those very industries directly affected, in their words, have pointed out how seriously flawed this may be.

• (1740)

This amendment which we support and endorse proposes a way of correcting that particular exclusion by providing within the Bill the clear power to add substantially for exclusions those in the Maritimes region in particular and, for the remanufacturing people, those products which are not presently excluded.

I heard the Parliamentary Secretary say that we did not lose our sovereignty. It is interesting to see the process we are now going through. The United States Government and the United States lumber industry is saying that they will not negotiate changes in the agreement until we pass the Bill. Even the Minister for International Trade has almost come to her senses and said that she thinks the Americans are violating the spirit of this agreement. On the other hand, we are faced with the comments of the famous Mr. Dennison who says that they will not negotiate anything until the legislation is passed. Then, according to the Vancouver *Sun* of April 9, 1987, he said that nothing will be done until the legislation is passed. He said that there are changes the coalition wants too and that there are companies completely excluded from the tax that do not deserve to be excluded. He said that some of them are just wholesalers and he thinks they will want to take them off the list.

The Government is in fact asking us to give it a blank cheque removing the leverage provided by this legislation so that the Minister for International Trade, who at this point might be on the shores of the Fiji Islands will have her negotiators begin negotiating with the Americans so we will have to give up more than we gave up originally. We know the kind of negotiation of which the Minister is capable, and that is simply to surrender.

Now we are faced with what can only be called a form of international blackmail. We are told to pass the Bill so that the American industry can be totally satisfied that it gets everything it wants. It is prepared to negotiate after that, but it has taken a new bargaining position which is that it wants to eliminate companies that have already been granted exclusions. We are in a classic Catch-22 situation.

The Parliamentary Secretary wants a further explanation. Perhaps he is busily involved in matters of great substance, so let me repeat for him that Mr. Dennison, the chief lobbyist for the U.S. lumber industry, has said they will not do anything until the legislation is passed, and then he went on to say that they want changes in the legislation and the memorandum of agreement because there are Canadian companies completely excluded from the tax that do not deserve to be excluded and they want them off the list. That sets off warning bells suggesting that the next stage of negotiations will be one further stage of retreat.

Mr. McDermid: Oh, oh!

Mr. Axworthy: Apparently I struck a funny-bone in the arm of the Parliamentary Secretary. How else would he explain that when the original negotiations took place, certain companies gained exclusion and others did not? According to the brief presented by the Maritime Lumber Bureau, 57 per cent of them are facing a loss of close to 4,100 jobs because the Government did not do an effective job when the original negotiations took place. That is hardly a laughing matter. It is hardly something that would cause great hilarity.

We are now being faced with the obvious conclusion that one of the results of this negotiation will be that Canadians will lose jobs. Members of the industry have detailed exactly how that will happen. In the remanufacturing industry, 300 or 400 lay-offs are taking place in British Columbia already. A number of firms have already indicated that they will move their operations to the other side of the border. They say they are doing that because when the Government negotiated this, it held no consultations with the industry and somehow forgot to put them on the list.

Let me remind Hon. Members of the incredible mistake that was made during negotiations to compound the injury. When the original countervailing duty was imposed, U.S. authorities made it clear that the value-added portion of any remanufactured product would not be included in the assessment of duty. The Minister for International Trade was such a great negotiator that she managed to include Canadian secondary lumber manufacturers in the deal, and the tax is now imposed on them. That $500 million industry was put in jeopardy because of the skill of that negotiation. That has to go down as one of the most brilliant negotiations in the annals of Canadian commercial relations.

This amendment seeks what we have sought throughout, and that is, to say that it is proper for the Parliament of Canada to assert its own right to protect its own citizens. If we are as sovereign as the Parliamentary Secretary has said we are, then surely this Parliament has a right to say that Canadian businesses and citizens will be hurt by this agreement. Therefore, we have a right to make an amendment that will protect those businesses and citizens against the mistakes that were made in the original negotiations.

I would only say to Hon. Members opposite that it is beyond belief that they could vote against such an amendment when that is its clear purpose and intent. Perhaps they are basically saying once again that that memorandum of agreement so circumscribes the powers of Parliament that we do not have the right to defend our citizens and to offer them the kind of protection they need against the stupid actions of the Government.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 9 standing in the name of the Hon. Member for Skeena (Mr. Fulton).

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 114, the recorded division on the proposed motion stands deferred.

I have been asked by the government Whip to defer the vote. Is that the position of the Parliamentary Secretary?

Mr. McDermid: Mr. Speaker, I understood that consultations had taken place and that we would proceed to third reading immediately. I would imagine that if we do proceed to third reading, we would naturally vote on the motions before we did so.

• (1750)

Mr. Fennell: Mr. Speaker, I am sorry, I did not know that we would finish this quickly and I had a phone call. I was going to speak to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

Mr. Axworthy: It is too late.

Mr. Fennell: Will this be on division or do you request a vote?

Mr. Axworthy: Mr. Speaker, you know how co-operative we want to be in helping the Government manage the affairs of this House. We are certainly prepared to have these two amendments go on division. We are prepared as well to consent to move on to third reading. However, I want to say to the Parliamentary Secretaries collectively that we do not think it would be possible to complete third reading today.

Mr. Fulton: Mr. Speaker, I think it would be appropriate to do it on division. You have just been advised there is another problem as well, and doing it on division for that reason as well may be the most appropriate way to go.

Mr. Deputy Speaker: I gather there is consent to have Motion No. 7 and Motion No. 9 negatived on division. Is that agreed?

Some Hon. Members: Agreed.

Motion No. 7 (Mr. Axworthy) negatived.

Motion No. 9 (Mr. Fulton) negatived.

Hon. John C. Crosbie (for the Minister for International Trade) moved that the Bill be concurred in.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

Motion agreed to.

Mr. Crosbie (for the Minister for International Trade) moved that the Bill be read the third time and passed.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, first I want to thank my friends in the Liberal Party and the NDP for their co-operation so we could move into third reading. I appreciate that very much.

The Softwood Lumber Products Export Charge Act, Bill C-37, now before the House for third reading, comes at the end of a long, complex and very important trade action in which the Government had to make a very difficult choice among the alternatives open to it. I would like to review briefly the background to our agreement with the U.S., and then comment on the initiatives the Government has taken since the end of December.

As you know, we argued strongly against the acceptance of the U.S. countervailing duty petition when it was filed some 10 months ago. Despite our strong representations, we were not successful. It was not because of a lack of effort. Our representations were very strong and I know Members on the other side of the House in meetings with their U.S. counterparts also made strong representations on behalf of the Canadian lumber industry.

Last October 16, the U.S. Department of Commerce reversed its 1983 decision and determined that stumpage was in fact a subsidy subject to countervailing duty and imposed a preliminary duty of 15 per cent. In a formal note the Government of Canada characterized this finding as: "Flawed in law, inconsistent with established U.S. practice and, in several important respects, based on erroneous assumptions". Nevertheless we had to face the fact that the ruling had gone against us. The Hon. Member for Cochrane—Superior (Mr. Penner) and I had a discussion today as to what would have happened if. All I can say is that if he knows what would have happened if, he is far better than I am. Perhaps he is anyway, but if he can see into the future and what might have happened if, he is certainly wasting his time in doing what he is doing today.

By early November it was becoming increasingly apparent that the final ruling would almost certainly go against us as well. I explained that when we discussed one of the amendments a little earlier. The best advice we received from those involved intimately with the 1983 decision was that we were not going to win. We were going to end up with a countervailing duty, and it seemed prudent to try to resolve the issue before that decision could be handed down.

The subsequent negotiations, which were the subject of a lot of debate this afternoon, were not easy. Initially, the petitioners held out for much more stringent terms than we were prepared to accept. They were talking about 30 per cent or 32 per cent as the starting point along with a number of other demands. However, these demands were successfully resisted. I have to give credit to the negotiating team. They did an excellent job under some very tough circumstances.

In its fundamentals the eventual agreement was in line with the terms proposed by Canada and met all of Canada's declared objectives. It was signed without prejudice to our position that stumpage programs and practices are not subsidies subject to countervailing duty. It avoided the establishment of a potentially dangerous legal precedent. It ensured that any additional revenues would be retained in Canada. It maintained provincial sovereignty over the management of their natural resources. The only matter which was to be the subject of further consultation and agreement between the Canadian and U.S. Governments was the calculation of the value of any replacement measures in relation to the export charge.

The memorandum of understanding embodies the agreement reached between Canada and the U.S., implementation of which requires authority to collect the export charge. That authority is contained in Bill C-37 which reflects the elements of the memorandum of understanding.

Committees of both the House and the other place have completed several weeks of hearings on Bill C-37. I believe we worked on it for about six weeks in committee. We heard from a broad and impressive group of witnesses. Certain aspects of the agreement on which the Bill is based came under close scrutiny in both committees. I believe the committees' major concerns are being addressed through initiatives we have taken in discussions with the U.S.

Many of the other issues of concern will undoubtedly become less significant as the export charge is replaced by provincial measures as allowed by the legislation and the memorandum of understanding.

The Canadian Council of Forest Ministers has taken a lead in developing a national package of replacement measures. The provinces are co-operating on replacement measures, and the Minister's report progress is being made in this direction. I appreciate and fully support the efforts of the council and look forward to the Minister's next report which should be in June.

It is six o'clock, Mr. Speaker. I will finish my remarks when the Bill is brought back to the House. I know the Minister of State for Forestry and Mines (Mr. Merrithew) wants to participate as do my friends on the other side of the House. Again I want to thank them very much for their co-operation.

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until eleven o'clock tomorrow.

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, May 14, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government response to the following 25 petitions: Nos. 332-1841 to 332-1860 inclusive, 332-1871, 332-1979 and 332-2104 to 332-2106 inclusive.

* * *

[*English*]

CONSUMER AND CORPORATE AFFAIRS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mrs. Mary Collins (Capilano): Mr. Speaker, the Standing Committee on Consumer and Corporate Affairs has the honour to present its first report. In accordance with its mandate under Standing Order 96(2), your committee has examined the question of food irradiation and the labelling of irradiated foods.

Pursuant to Standing Order 99(2), the committee requests that the Government table a comprehensive response to the report within 120 days.

A copy of the relevant *Minutes of Proceedings and Evidence* of the Standing Committee on Consumer and Corporate Affairs, Issues 2 to 12 of the Second Session, Thirty-third Parliament which includes this report, is tabled.

PETITIONS

REQUEST FOR APPOINTMENT OF ARBITRATOR—SETTLEMENT WITH FRED TURNER

Mr. David Kilgour (Edmonton—Strathcona): Mr. Speaker, I have two petitions. They are both identical and both have been approved as to form. They are signed by approximately 60 Canadian citizens who ask for the appointment of an independent arbitrator to consider the question of damages with respect to Fred Turner of Yellowknife.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, since Bill C-22 has not yet passed through the entire Parliament, I would like to present a petition on behalf of a number of Canadians, pursuant to Standing Order 106, who feel that the federal Government's proposal to change the Patent Act relating to prescription drugs will severely increase drug prices for the Canadian consumer and will severely restrict the ability of average Canadians to buy the necessary prescription drugs. They are calling upon Parliament to reject these proposals that are included in Bill C-22.

* * *

• (1110)

SENATE AND HOUSE OF COMMONS ACT

MEASURE TO AMEND

Mr. Benno Friesen (Surrey—White Rock—North Delta) moved for leave to introduce Bill C-255, an Act to amend the Senate and House of Commons Act (Privileges and Immunities).

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Friesen: Mr. Speaker, this Bill is civil rights legislation. Its purpose is to enhance the civil rights of the individual by circumscribing the freedom of speech of Members of Parliament in cases where irrelevant reflections are made on the character or conduct of private citizens during a proceeding in Parliament. In such cases Members of Parliament would be subject to the ordinary laws of libel and slander.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—DESIGNATION OF SOUTH MORESBY AREA AS NATIONAL PARK

Mr. Jim Fulton (Skeena) moved:

That this House calls upon the Government of British Columbia to co-operate in setting aside the South Moresby area of the Queen Charlotte Islands as a National Park Reserve; and

Further, that the federal government provide for compensation to those interests affected by such a National Park Reserve; and

Further, that the House confirms its intention to ensure the continued participation of the Haida people in matters affecting South Moresby.

He said: Mr. Speaker, I am honoured to bring this motion forward today. I know many British Columbians and many other Canadians are going to be deeply interested in this day-long debate. From the consultations I have had with the Parties in this House it would appear that the Parliament of Canada is unanimous with relation to this motion. It being a day-long debate, if there are any Members of Parliament who have concerns about the proposed national park reserve in South Moresby, which would include negotiations with the Council of the Haida Nation concerning their rights, I hope they raise them today. In that way the B.C. Government will get as clear an understanding as is possible of the unanimity of parliamentarians concerning setting aside the South Moresby area, the Tangil Peninsula, Kunga, Tanu, Richardson and Anthony islands, in fact the 138 small islands included in the area proposed for this National Park Reserve.

I know of the enormous work that you have done, Mr. Speaker. I know of the work done by the Minister of the Environment (Mr. McMillan), the Prime Minister (Mr. Mulroney), the Deputy Prime Minister (Mr. Mazankowski), members of the Official Opposition including the Leader of the Official Opposition (Mr. Turner), and my Leader, the Hon. Member for Oshawa (Mr. Broadbent), the work done by my colleague, the Hon Member for Winnipeg—Birds Hill (Mr. Blaikie), as well as many other Members of this House. They have worked long and hard to finally reach this point in Canadian history where the Parliament of Canada is speaking with one voice to the Government of British Columbia in asking it to act.

I was particularly pleased to hear yesterday from the Government about the unanimity that now exists on that side. In response to a question I put to the Prime Minister, the Minister of the Environment said:

> For our part, the entire Cabinet, in fact the entire caucus, including the B.C. caucus, supports the establishment of a national park in what is arguably the most important wilderness treasure in the entire Dominion of Canada.

I thank the Minister. I know it has been his long and difficult task to convince some Members on his side who had concerns that perhaps in setting this area aside huge numbers of jobs would be lost. A lot of artificial arguments were ballooned in British Columbia by Western Forest Products, Frank Beban Logging Ltd., and those associated with them in their clear desire to continue logging. A great deal of misinformation and, unfortunately, false information was put out to the public. A lot of well-known journalists like Jack Webster travelled down that path in British Columbia, unfortunately, claiming that setting this area aside would cause hundreds if not thousands to lose their jobs. They said it would mean the end of the forest industry in British Columbia.

This motion before us today allows us to speak with one voice. I know it is improper but I must say, Mr. Speaker, that you have been at the forefront of the fight even while you have been in the Chair. You have assisted Members of this House in having their voices heard on behalf of the Haida people and the setting aside of this area for all future generations.

A little bit of history is crucially important in understanding what the Haida people have been saying. I know that Miles Richardson and Guvjaw and many others are watching the debate this morning. They are encouraged by this motion and hope to hear from all Parties about their complete involvement in the evolution of negotiations and settlement of exactly what the meaning of the national park reserve will be and how the rights of the Haida people will be included.

It is important to understand that close to 10,000 Haidas lived in the South Moresby region until 1884. Between 1884 and 1890 that population of an enormous and famed group of people declined to less than 500 as a result of the ravages of smallpox and measles. I do not think there is another civilization around the world that went through such an enormous rate of decline from disease as did the Haida people. As you know, they travelled in huge numbers, sometimes by the thousands, by canoe from the Queen Charlotte Islands, Haida Gwaii, down to Victoria to trade in the wintertime and then went back up the coast. They were famed for their travel and art, and still are. They travelled as far south as California and Mexico in trading on the West Coast of North America.

The area of Anthony Island has already been designated as a UN world heritage site. I know many Members of this

House have been to Anthony Island and seen the rare and deeply moving beauty as you come into the pebbled bay and see the totem poles and longhouses standing in that area. I am sure Members are aware that in that immediate vicinity there are 10 species of whales, killer whales and others. It contains the largest rookery of Steller's sea-lions on the West Coast of North America. It has a large seal population and 250,000 breeding pairs of sea-birds. There are rare peregrine falcons, large populations of bald eagles and the world's largest black bear population. The area has all kinds of endemic species of plants not found anywhere else in this part of North America because that area, for a variety of reasons, was not covered by ice during the last ice age. It is a truly important area to the Haida people, to all Canadians, and to all people of the world to have preserved in as pristine a state as possible.

• (1120)

When Juan Perez sailed into that area in 1774 there were huge communities at Burnaby Island, Burnaby Narrows, Skedans and on Lyell Island. There were communities of thousands of people which were very large by any standard on the West Coast of North America for many centuries.

Members should not forget what this House did in 1981 and 1982 by including Section 5 in the Constitution Act. We recognized and affirmed aboriginal rights and title. It is certainly my view and I think that of all Hon. Members of my Party and of this House that that is a full box. Today we are demonstrating our intention to recognize that and affirm the real aboriginal rights of the Haida people in the area south of the Tangil Peninsula and those islands.

Some Hon. Members: Hear, hear!

Mr. Fulton: From 1935 until the end of the Second World War there was logging in the South Moresby area. The Sitka spruce was harvested particularly during the war for the production of Mosquito bombers and other small aircraft because of its incredible strength and its versatility for use in aircraft. However, only about 400 hectares were harvested in the entire South Moresby region. Some of the trees in that area are of incredible antiquity. There are spruce and cedar trees in that area in excess of 1,000 years of age. I have a piece of a cyprus hanging on the wall of my office which is dated back over the last thousand years. It is truly remarkable.

The Windy Bay area, which I know you and others have been to and have worked to protect during your political life, is a remarkable area. I was speaking to a British scientist who was on the Queen Charlottes during the past year. He informed me that from his studies of tropical forests around the world and the width of trees and the biology and botany of Windy Bay he estimates that it has the highest amount of biomass per cubic metre to be found anywhere on the face of the planet earth. It is remarkable to think that that area has the largest amount of living biology of any place on the planet. That is why the area is so productive for fishing, shell fish, gow, herring, sea-lions, seals, whales, killer whales, falcons, eagles, gulls, geese, ducks, sandhill cranes, rhinocerous auklets and many, many others.

The battle to protect the South Moresby area has been going on for decades. The Haida people have never moved away from that area even following the enormous decline of their population as a result of disease introduced by European populations. They have continued throughout the generations to go back into that area as a spiritual place of very deep attachment for them.

Over 3.5 million people represented by various groups have petitioned the Government of Canada in one way or other asking that the area be set aside as a national park reserve. The battle has gone on. From too many mouths we have heard it said that it is either jobs or the environment, that the Haida people are simply blocking them from being able to make a livelihood. All of these arguments have been thrown out.

I hope this day-long debate, the first in the history of this Parliament on this issue, will allow us to get to the bottom of the issue so that everyone will know where every Member of Parliament stands. There is an opportunity today for anyone who does not support this proposal to rise. However, I am quite sure that by the end of today everyone in the country will know that the House of Commons in the Thirty-third Session is unanimous in recommending that the B.C. Government move quickly in co-operating to have the area set aside.

Just over a year ago the 250,000 members of the B.C. Federation of Labour unanimously passed a resolution calling on the B.C. Government to negotiate a fair and just settlement with the Haida nation and South Moresby in support of the Haida action on Lyell Island.

I would like to deal for a moment with the issues which have been put forward in terms of values and what is happening in the forest industry in British Columbia. According to the former Minister of Forests, Mr. Kempf, British Columbia subsidized forest activity by over $250 million in 1985. According to his statements earlier this month over $1 billion in tax revenue was lost to the large companies because of improper forms of stumpage and taxation in the Province of British Columbia. We have been losing enormous amounts of revenues as a result of the tax measures and the stumpage system in British Columbia. During most of this decade the industry contributed less than 10 per cent of provincial tax revenue and only about 15 per cent of the gross provincial product.

The argument has long been that the forest companies, Western Forest Products in particular, has to have this area which represents less than one-tenth of 1 per cent of one year's annual allowable cut in British Columbia. Let us be clear on that, it is less than one-tenth of 1 per cent of the annual allowable cut in British Columbia, a tiny area.

Less than 3.5 per cent of the land base of B.C.is set aside for parks. Many Members have travelled in Africa and other areas of the world and have been amazed to find that Kenya, for example, has set aside over 15 per cent of its land base.

Countries which are incredibly poor have determined that tourism is a sound opportunity for the future of their country and that the setting aside of wilderness areas to preserve wildlife is crucial for generations to come.

The acceptance of all new park proposals made in British Columbia over the last decade would only raise the amount of the land base in B.C. set aside for parks to 6 per cent. As we know, there is now active logging in such parks as Tweedsmuir, Manning, Strathcona and others.

Comments of some of the Haida people in relation to this issue about which they feel so deeply are important to inject into this part of the debate. Nathan Young, the hereditary chief of Lyell Island, said last year before the Supreme Court of British Columbia: "This land is dear to me. This land was given to us by our Lord. Just as land was given to the Swedish people and the English people, so it is ours." In November, 1985, during the crisis in terms of the occupation by the Haida elders of Lyell Island a Vancouver poll found that two-thirds of British Columbians wanted the B.C. Government to negotiate Indian land claims and two to one supported the Haida in their actions on Lyell Island. An unreleased B.C. Government poll showed that this support reached over 80 per cent by last fall. One must wonder why a government would not co-operate when four of five British Columbians supported action on South Moresby.

Many from the group which has been supportive of the position taken by Western Forest Products and Frank Beban Logging Ltd. have tried to make this appear to involve a choice between the environment and the logging, that if the area is set aside and the rights of the Haida are recognized hundreds of thousands would become unemployed or underemployed. This motion addresses that head on.

I know that Parks Canada has done good work studying how Western Forest Products could be compensated. Studies have been done on how to use the Forest Act, what amounts of dollars would be required, and how the loggers who have worked there for a long time could be realistically compensated. They have studied how to compensate nearby communities which would lose part of the logging-associated activities, the provision of food, fuel and transport. These include the communities of Sandspit, Queen Charlotte City and Skidegate.

• (1130)

The IWA recognized early on that this was not a situation as it was being portrayed by the corporate interests. Earl Foxcroft of the IWA, in November, 1985, supported the declaration of solidarity with the Haida and the natural resource workers. He said that for more than a decade government and resource corporations have been using IWA loggers to come between Indians and their rights. Jack Munro added at that time: "It was not the Indians who stopped this logging, it was the Government. They are directly responsible for this mess".

One of the brilliant and capable orators of the Haida people, the President of the Council of the Haida Nation, has spoken, not just throughout British Columbia but across this land. He spoke most recently at our national convention where he had an opportunity to be introduced and to speak to the convention in terms of how crucial this issue was.

Miles Richardson has worked hard and arduously across the country with the Minister of the Environment. He has attempted to work with the Minister of Indian Affairs and Northern Development (Mr. McKnight), the Minister of Justice (Mr. Hnatyshyn), the Prime Minister and others. Finally, today we see light at the end of the tunnel as Parliament speaks with one voice to British Columbia.

Miles Richardson had the following to say when the Supreme Court action was taking place in British Columbia: "You have never fought us in a war and we have never surrendered. This is our land".

I believe every Canadian has come to understand what it is that the first citizens of this country mean when they say these things about their deep attachment to the land and their understanding of their rights that are so crucial.

Bill Reid is a famed Canadian Haida artist. Anyone who walks through this building or any of the Parliament Buildings will see his art being displayed. As he pointed out, "The forests of South Moresby should be treasured like the great cathedrals of Europe".

We need to think about these matters. We need to think about trees at which we must look far higher than this ceiling even before we see the very first branch; trees 10 feet through, of pure lovely wood, that rise into the heavens. Anyone who has walked along those streams and seen the salmon returning, saw the fauna and deep moss on the ground, and had an opportunity to hear eagles crying in the trees and saw the black bears walking on the beach has to be moved by the experience.

Mr. Justice Peter Seaton had words to say upon which I think we all must reflect when thinking of clear-cut logging of areas such as this. In considering the Meares Island injunction in relation to MacMillan Bloedel, he concluded that he could think of few, if any, aboriginal rights that would continue to exist in an area that has been clear-cut. No truer words were ever said by someone on the Bench or a parliamentarian.

Many years ago, during the debate regarding Lyell Island and the controversy surrounding all of South Moresby, I was struck by the words of an elder Haida who sat down with me to talk. He told me that there were 400 village sites in that area and that logging was taking place in and around those sites.

We must keep in mind that over 90 per cent of the Haida population was wiped out, not in a period of years or decades, but in a period of months. The Haida could not carry on their traditional practices of caring for those who had passed away. I think we as Canadians and parliamentarians must understand what this elder was trying to say. He asked me to think

about the logging that is going on there, of the trees being felled in this area.

At that time, that area was more densely populated than almost anywhere not just in North America but in the world, by one of the most outstanding civilizations there has been in terms of their own laws, potlatches, art and tradition.

What he said to me sunk to my heart and will be with me for as long as I live. He said,"Jim, if a Haida went down on a skidder to a large graveyard in Vancouver and drove around with the blade down and pushed all of the headstones into a big pile, what do you think the white people in Vancouver would do?" He said, "That is how I feel about the logging on Lyell Island. That is how I feel about what is going on in South Moresby".

I understood him. I know what people in Vancouver would think if a British Columbia Indian was sitting on a skidder, pushing headstones into a big pile. We all know what that would mean.

I believe we must have that understanding between cultures, to know what the Indian people of British Columbia are saying and understand what the aboriginal people of Canada are saying, in order to get above those meaningless arguments that we must harvest or there will be massive bankruptcies of forest companies in British Columbia. That is hog-wash. The studies have been done, the forest companies have had their day. They have had the year of Bill Bennett and they have had the year of Bill Vander Zalm. This Parliament will speak today and the Legislature in British Columbia had better understand, because there will be no more logging in South Moresby.

Some Hon. Members: Hear, hear!

Mr. Fulton: Let us take a moment to consider the area that is being proposed to be set aside in perhaps one of the most important processes that Parliament has entered into in order to deal head on with the issue of aboriginal title and rights in British Columbia, and to deal directly with a treasure of the globe, an area that has been identified by the United Nations as a world heritage site. It is an area that has been recognized by professional foresters, biologists, wildlife experts and others as one of those unique and rare oases on the planet Earth, where there is a multiplicity of life that is still interacting as it has been, not just for decades or centuries, but for thousands of years since the last ice age. It is a truly remarkable area.

The proposal is to have a marine park on the West Coast of the Queen Charlottes. Again, false arguments have been put forward that these marine parks would mean an end to commercial fishing. I have had discussions with the Minister who has been involved in the negotiations. There is no intention within the marine park proposal to limit in any way the commercial fishery that has traditionally taken place on either the west or east coast of the Queen Charlottes.

The western boundary would go out on the West Coast of the Queen Charlottes and include the San Andreas Fault, which runs up the West Coast of North America, so that in the future those who are involved in underwater archaeology and geology and other important studies of the earth will have an opportunity to work in an area that has been preserved, with no other involvement by man and industry.

The boundary comes down, goes around to include Anthony Island, down around Kunghit, below Cape St. James, including the rookeries of the Steller sea-lions in that area and the 10 whale populations that use the area, up the East Coast and on the outside of Hot Springs Island, the outside of Lyell Island, including Tanu, Richardson and Tunga, up to include the beach at Skedans. This includes a vastly important area. On the land base, it would include those 138 islands, including what is left of Lyell Island, the other three islands and across the Tango Peninsula, providing for those 100 kilometres of archipelago that runs south of Cape St. James.

I have already indicated that the area has not been untouched by development. There has been harvesting, particularly of the Sitka spruce during the Second World War. There has been some mining and mine staking. However, I believe that the outstanding and widely known traditions of the Haida people and their occupation of the area is something that simply cannot be overlooked. I know that Parliament will no longer overlook it.

I worded the motion very carefully for this debate so that there would not be a perception that it was a partisan approach for someone from one Party to attempt to claim that he or she is trying to preserve this area and stand up for those rights. I have spoken to almost every Member of the House and I know that there is a mood of unanimity, a desire to speak to British Columbia and to the Legislature in British Columbia, to do what we can to get it to move quickly. I know that the proposal made last week to have 10 further years of logging in South Moresby has now been formally and publicly set aside by the Government of British Columbia. I think that demonstrates that the legislature is listening. It understands.

• (1140)

The two Parties in the B.C. Legislature are now coming together. I understand there were high level meetings yesterday involving both the Government side and the Opposition. They were looking at how to move as quickly as possible to complete the negotiations. No doubt the Government of British Columbia will drive a hard bargain in terms of getting what it feels is fair compensation. However, one has to understand that the Government of British Columbia has a rare and unique opportunity, as well as a responsibility, to British Columbians, to the Haida people, to people around the world. This area is very important. I have travelled throughout the whole of the area and it is truly remarkable and beautiful.

During today's debate I am sure other Members will have an opportunity to talk about the more technical matters. The Sterling Wood report has been completed. It evaluated what a fair amount of compensation would be as somewhere between $9 million and $18 million to Western Forest Products. A process has been undertaken by Parks Canada to evaluate

what a fair degree of compensation would be, based on weeks and months worked by each logger and each person involved in logging activity in that area. Many of us have worked on options to provide other forest lands, other cutting areas, to Western Forest Products, MacMillan Bloedel and Frank Beban Logging. It has looked at what kind of realistic package could be put together to expand the rights as they are negotiated with the Haida people in relation to the Haida Gwaii Watchmen so their involvement in the evolution of any developments in the area are on their terms and on terms which are acceptable to the people of the region, what kinds of dollars are required to preserve and make more healthy the economy of Sandspit and Moresby in that area and what to do for Graham Island so it can be included. There is an abundance of information. In my office I probably have 10 vertical feet of information regarding the South Moresby area. It has been studied and studied.

You have been most kind, Mr. Speaker, in giving me a few extra moments in speaking this morning. If any Hon. Members have any questions I would be more than pleased to spend a few more minutes either answering technical questions or anything in relation to what I have said.

I am honoured to have had an opportunity to have simply put the words which are now before the House, but I think it will be an even more important day to me, because in the last few days I have considered offering my resignation in this House over this issue and ask that the Prime Minister call an immediate by-election so that I can run on this issue in my constituency. In my constituency the loggers, the fishermen and the Indian people understand this issue and I think if that was necessary, or is necessary in the future, it is something I will actively consider, because I take this issue as being fundamentally important in a constitutional sense and, as a parliamentarian, I take it seriously. I thank Hon. Members for an opportunity to speak and I look forward to speaking again.

Mr. Towers: Mr. Speaker, it is just a matter of seeking information. The Hon. Member mentioned what the population of the islands was back in the 1800s. I wonder if he could tell us what the population is now, in view of the fact he is asking for a national park reserve? It is generally considered that the activity of hunting and such like on reserves is very limited. I wonder if there has been any negotiation as to what the limitations are in that regard and whether or not people from the mainland might exploit the opportunities given to the residents of that island?

Mr. Fulton: I thank the Hon. Member for the question. With respect to the population, a considerable amount of work has been done by archaeologists and by universities, particularly in British Columbia, on the populations in that area. As I said, the South Moresby portion of the archipelago is the most densely populated historically by the Haida people. There are some 400 sites where there were communities of up to 1,000 people and more.

The largest part of the population decline occurred in the late 1880s. It occurred very rapidly with the introduction particularly of smallpox which came up the coast with some of the Haidas who were returning, as I understand, from Vancouver Island. The main population of Haida people on the Queen Charlotte Islands are in Skidegate. A Skidegate mission was set up by the United Church to assist those Haidas who had survived the ravages of the smallpox and measles outbreaks. The other main Haida community on the Queen Charlotte Islands is at Old Masset at the northern tip of Graham Island.

There are now about 5,000 Haida people. Many of them live off the Queen Charlottes now to work in Prince Rupert or elsewhere on the coast. The population of the Queen Charlotte Islands is about 5,000 at present, about half now of what it was a century ago. It is probably the only place in Canada where that is true for a geographic region, that the population is now much smaller. The re-evolution of the Haida culture has been taking place for several decades. As the Hon. Member knows, much of the art which hangs in the buildings here is West Coast art done by Haida artists.

In terms of the Hon. Member's question regarding harvesting in the area, there is no doubt that what is required under the National Park legislation which this House passes, and what will have to be looked at, is a rather unique approach in that the discussions which have gone to this point in the negotiations would allow for the continued trolling efforts principally for chinook and coho. That would continue.

In terms of hunting in that area, there never has been a great deal done. The deer population was gradually introduced about 40 or 50 years ago. There are extensive deer populations throughout the islands. In fact, throughout the islands right now, one is allowed to shoot 10 in a day or in a season. I think that is the only place in North American where those kinds of limits are allowed.

With respect to the bear population, as I said, the largest black bears in the world reside in South Moresby. There is limited hunting of them now. I do not think it would be that difficult to negotiate a situation where there was no hunting either of the deer or bear populations. There are no other predators. There are no cougars, no wolves. The Dawson caribou became extinct at the beginning of the century.

This would be negotiated between Canada and the Council of Haida Nation but I am certain that the major population of birds, the 250,000 pairs of breeding sea-birds and others, would be protected, along with the peregrine falcons, the eagle population and the whale population. I think it would be in the interest of everyone that those populations be protected as they are within the National Park system as it now stands. I hope that answers those two questions.

Mr. Friesen: Mr. Speaker, I missed the first few minutes of the Hon. Member's speech and he may have covered this, but I would like a point of clarification regarding the motion which speaks of setting aside the South Moresby area of the Queen

Charlotte Islands as a National Park Reserve. Does the motion mean the entire island of South Moresby plus the 140 smaller islands around it? Could the Hon. Member circumscribe accurately what he means by the "South Moresby area"?

Mr. Fulton: The area which has been actively negotiated in a trilateral sense—including the Council of the Haida Nation, although it has not been involved as much as it would have liked—between the Government of Canada and the Government of British Columbia, which as I understand it, is nearly complete. It would basically be an east-west line across the Tangil Peninsula just to the immediate west of Lyell Island. The line would then go up to just north of the Islands of Tanu, Kunghit and Richardson so it would include Lyell Island. Then the marine boundary would go up to just north of Skedans. So it would come across the Tangil Peninsula in an east-west line. It would go off the West Coast of the Queen Charlotte Islands to where the San Andreas Fault would be included which I understand is slightly more than 15 miles. I do not have the map with me.

• (1150)

It would then go south, down around the bottom of Cape St. James, including the Stellar sea-lion rookeries, and around the bottom of Kunghit Island, then running, in a surf-line fashion, some 12 nautical miles along the coast to the outside of Lyell Island, and then turning back and touching at Skedans. That is the outline of the area that has now been agreed upon by those who have been involved in the discussions over the last 15 years.

Mr. Speaker: The Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen), on a supplementary.

Mr. Friesen: One further point of clarification. The motion speaks of the South Moresby area. As such, it implies that it would comprise everything south of Graham Island.

Mr. Fulton: No.

Mr. Friesen: The Hon. Member is now saying that that is not what is meant.

Mr. Fulton: The motion does not in any way intend to include South Moresby as it would appear on a map. What is intended to be included are those areas that have been the subject of active discussion between both levels of Government and the Council of the Haida Nation. The area is known generally by journalists and others as the "South Moresby area", but should not be taken to include the much larger South Moresby area itself.

Mr. Speaker: The Hon. Member for Mission—Port Moody (Mr. St. Germain).

Mr. St. Germain: Mr. Speaker, the Hon. Member's motion is ambiguous and misleading, in the sense that more information is required. I am wondering whether he has taken into consideration the recommendations of the Wilderness Advisory Council to any degree at all in respect of this proposal.

Mr. Fulton: I have, yes. One of the difficulties encountered from a parks perspective and from the perspective of the Council of the Haida Nation is that the area proposed by that Council would have included only a very narrow border along the west side of Lyell Island, taking in Sedgewick Bay but excluding Windy Bay and some other areas. That simply would not provide what is required to actually have a national park reserve. It does not fall fully enough within the scope of what is required for a national park reserve, or a national park.

In looking at this proposal, we have to deal with what the Council of the Haida Nation has been saying, that there will be no further logging on Lyell Island. We have to appreciate the number of Canadians who have come to support and understand that view.

Very little is left of Lyell Island. If one looks at a recent satellite aerial photograph, one will see that there is very little of Lyell Island left. It is an area that has been more than 20 per cent overcut in recent years. The remaining forested areas are comprised of a fringe on the west side of the island, the area around Windy Bay and the watershed in that area, and a limited area to the east and to the west of Sedgewick Bay.

In formulating the motion, I could have written pages and pages, setting out in precise terms the area involved, even to the extent of setting out the latitudinal and longitudinal reference points. Had I done so, I am sure Hon. Members may have had difficulty in understanding exactly what was involved, with the result that there may have been calls for further studies. I have tried to be as general and generic as possible in respect of the three main components of the motion, the goal being to achieve unanimity in terms of support for the motion.

I know my hon. friend opposite now supports the setting aside of this area as a national park reserve, and for that I thank him. Moving this proposal along has been a long and difficult struggle for me. It is a proposal on which Members from other constituencies have always had a great deal to say.

As is the case whenever an Hon. Member is involved in a national issue, I myself will travel to that Member's constituency to speak on the subject; and in so doing, I try to be fair in my comments. In the case of this particular proposal, I think we are finally seeing the fairness aspect coming to the fore.

The motion deals with all three interests involved; the area itself, being the South Moresby area, the question of compensation for the loggers and companies, and finally the historical ties of the Haida people to this area.

The South Moresby area was the locus of the civilization of the Haida people—and not merely for centuries, but for thousands of years. The Haida people had evolved to one of the most profound civilizations on earth. It should not be forgotten that between 1874 and 1951, the Parliament of the Haida

people was outlawed. Those Haidas who practised potlatch during that period did so at the risk of imprisonment.

I have attended potlatches, as I am sure have other Hon. Members. The Parliament of the Haida people, as is the case in respect of other B.C. Indian Nations, functions in much the same way as this Parliament functions. In addition to dealing with marriage and death ceremonies, the potlatch, or Parliament, deals with the transmission of lands, the passage of new laws, the transfer of property and territorial rights, and so forth. These are all matters that are dealt with, by tradition, by the potlatch. The potlatch is in fact a sitting Parliament.

What happened to the Haida people of South Moresby in terms of the enormous decline of their population through the introduction of diseases inherent to our civilization is little understood. There were two major disease types involved, and a vaccine was available in Victoria for both. However, that vaccine was not made available to the Haida people on the coast.

In addition to bringing about an enormous decline in the population of the Haida people, we then made it illegal for their Parliament to sit.

It is only in recent times that the aspirations of the aboriginal peoples of B.C. are really coming to the fore. Their Parliaments are back in full activity; their traditional laws are fully functioning.

This proposal recognizes the title of the aboriginal people of that area, the Haida people, giving them the right to practise self-government in that area, while at the same time allowing British Columbians, Canadians, and citizens of planet Earth the opportunity to have that area preserved as a beautiful oasis of timelessness, a place where one can see water drops falling from trees a thousand years old.

That we can deal with it in this way is remarkable.

Mr. Speaker: The Hon. Member for Mission—Port Moody (Mr. St. Germain).

Mr. St. Germain: Mr. Speaker, there is no doubt that the Hon. Member can become quite emotional in speaking of South Moresby. It is, after all, an area within his riding. However, I want to ensure that the Canadian public understands that it is this Government, the Progressive Conservative Government, that has taken the necessary initiatives to achieve this end. In doing so, all we ask is that common sense prevail for all groups involved.

That is the only comment I wish to make, in closing.

Mr. Fulton: Mr. Speaker, it has never been my intention to make this a partisan issue. I do not intend to quote what has been said by some Members of this House in earlier times. I think we have gone beyond that.

I thank the Government, led by the Prime Minister, for having taken such an active interest in this proposal. The Prime Minister played a most useful role in getting a commitment from the Premier of British Columbia to resolve the matter. It is a commitment that found its way into the Speech from the Throne in the British Columbia Legislature. Just this week, both the Prime Minister and the Deputy Prime Minister telephoned the Premier of British Columbia and once again got a commitment from him that the issue would be resolved; and with this whole House speaking as one voice, there is no doubt in my mind that it will be resolved.

I am being very serious in saying that we have to be non-partisan in respect of this issue. This is not an initiative that is taken by any one Party; rather, it is an initiative that is fundamental to planet Earth, an initiative that is fundamental to the South Moresby area, and an initiative that is fundamental to the constitutional and historic rights of the original inhabitants of the area involved.

It is an area that must be preserved, and I thank the Hon. Member for his continued support toward that end.

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) on debate.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to participate in the debate today on the motion moved by the Hon. Member for Skeena (Mr. Fulton).

At the outset, let me say that the Hon. Member for Skeena is a gentleman who is noted for bringing a great deal of passion to this place in dealing with various issues. Some days I find myself in accord with the Hon. Member; and other days, I find myself in passionate disagreement.

I would be less than honest if I did not say that during the course of the Hon. Member's remarks today, as one who comes from Newfoundland, the other side of the country, but also as one who has a deep appreciation of the unspoiled environment in this country, I found myself carried away by his words, carried away by the passion, carried away by the commitment that he articulated in putting forward the proposition that that area known as South Moresby, all of the island south of the line known as South Moresby, ought to be protected and set aside as a national park reserve.

• (1200)

I congratulate the Hon. Member for Skeena for giving the House an opportunity to debate this motion today. I am sure, as the Hon. Member for Skeena has said, that today the House is dealing very much with a non-partisan issue. This is not an issue to be dealt with by parliamentarians in a manner that reflects the partisan differences of individual Members or of individual political Parties. I believe this motion deserves a conclusion to the process, that is, a unanimous endorsement from all Members of Parliament present from all three political Parties.

It is my privilege today to speak on behalf of my Leader, the Right Hon. Member for Vancouver Quadra (Mr. Turner), on this issue since he could not be in the House today. In fact, he

is not even in Ottawa. As Hon. Members will know, the Leader of the Official Opposition has had a long involvement and interest in the South Moresby issue going back over many years. He has made many visits to the region, both as a parliamentarian and, perhaps equally as often, in the days when he was not a parliamentarian, when he had absolutely no overt political interest in the matter. As recently as last fall the Hon. Member for Vancouver Quadra and his family spent a two-week holiday in the area with a gentleman mentioned by my friend from Skeena, Mr. Bill Reid, a very famous and well-known Haida artist. My Leader spent two weeks on a boat travelling through the islands, Lyell Island and others, in the South Moresby region.

On September 13, 1985, the Hon. Member for Vancouver Quadra stood in the House and, pursuant to a motion under Standing Order 22, said the following:

> Mr. Speaker, I wish to draw to the attention of the House the situation in South Moresby in the Queen Charlotte Islands. I had the opportunity last week, along with my wife and other friends, including Bill Reid, the famous Haida artist, to sail for six days around the South Moresby parts of the Queen Charlottes visiting the traditional Haida sites, seeing the most magnificent primeval forest on the face of the globe, which is really an environmental treasure. There is limitless aquaculture, among the richest in the world. It is nesting grounds for hundreds of varieties of birds.
>
> This, of course, is the traditional home of the Haida nation.
>
> For over 4,000 to 6,000 years they have lived there and built up a unique culture and tradition, and depended upon the resources of the islands and the sea for their livelihood. That is all threatened . . . by indiscriminate logging, particularly on Lyell Island and, potentially, some of the rest of South Moresby. If this continues indiscriminately, the country will lose a priceless heritage.
>
> I wish to suggest to the new Minister of the Environment (Mr. McMillan)—

The Minister is in the House today. The Environment portfolio was new to him back in September of 1985.

> —that he, buttressed by the Minister of Indian Affairs and Northern Development (Mr. Crombie), negotiate with the Province of British Columbia for a national park, recognizing the traditional rights of the Haida people in such negotiations and making an accommodation with the logging industry—

I began my remarks today by acknowledging the good work and the proper and appreciated efforts of the Hon. Member for Skeena in bringing forward this motion. It is also right and proper that I acknowledge the work of the Minister of the Environment (Mr. McMillan) who has shown a genuine and a sincere interest in terms of this issue. Along with other Members, including the Hon. Member for Skeena, the Hon. Member for Vancouver Quadra, and I know, and the House knows that the Speaker himself has adopted this issue at a level that one could only describe as a crusade.

What we really have in Parliament today is the reflection of the will, in all honesty, of a handful of people in Parliament who have made converts of those of us from Toronto, Newfoundland, Quebec, the Prairies and the Atlantic Region, from all political Parties. Those few, that handful, through their passion and through the poetry they discover in their own language when they speak in this House about those forests that they have had the opportunity to walk through, that untouched and unspoiled land, at least the parts of it which they have had a chance to experience, speak primarily on behalf of the Haida people. But, Mr. Speaker, you and I know that they speak on behalf of all Canadians who understand that for this country South Moresby is a test of whether or not we are able to stop, whether or not we are able to put the brakes on once in a while, and understand that a natural heritage such as South Moresby is the test of whether or not the civilization understands the real meaning of a very old Haida saying.

The Haidas have a unique way of expressing the notion of continuity and of responsibility in society. They say, "We do not inherit the land from our ancestors, we borrow it from our children". What an incredible short few words to encapsulate the responsibility of Canadians in 1987, "We do not inherit the land from our ancestors, we borrow it from our children".

Last December, after the Hon. Member for Vancouver Quadra came back from his latest visit to that area with his family, he invited Bill Reid to attend a meeting of friends and associates in his riding of Vancouver Quadra where Mr. Reid talked to the assembled people about South Moresby. His wife, who is not a bad photographer—in fact she is a pretty good one—presented a slide show. I have a copy of some of the words that Mr. Reid brought to the gathering. I think what he said bears repeating, since it speaks to the whole notion that somehow this is a conflict between a priceless heritage resource that belongs to all the people of Canada and jobs in the logging industry today. He said this:

> This is not intended as a diatribe aimed at the most important part of our economy. I am not opposed to logging, loggers or the lumber industry. I do not want to see my fellow residents of British Columbia starve in the primeval forest. As one who spent many years using beautiful British Columbia woods in my work, I would be ridiculous if I opposed the end of the tree harvest. But for heavens sake, can't we, while we still have a little bit of a last chance institute true multi use of the forest with due regard for its own regeneration, the wildlife it nurtures and most important and most neglected its aesthetic values, that is the nurture it affords human life.

He said:

> At this moment what is happening on the poor old Charlottes is a desperate attempt to loot a treasure house before the owners, you and I, realize what is going on and take measures to stop it. This on our famous misty isles, home of the fabled Haidas, one of the places in our country still imbued with romance, a world renowned, unique ecological area.

I rise today on behalf of my Leader and my Party. My Leader speaks for all his members of caucus. We support the motion of the Hon. Member for Skeena which calls, as my Leader did last September in the House, for a negotiation on the part of the Government of Canada, the Government of British Columbia, and the Haida people to bring about a protected national park reserve in South Moresby. We are, as is Bill Reid, conscious and sensitive to the interests of those British Columbians, those Canadians, who have made their living as loggers.

• (1210)

I know, from having had the opportunity to talk with the Minister of the Environment, that in the ongoing negotiations between the Minister and the Premier of British Columbia, with the involvement of the Deputy Prime Minister (Mr.

Mazankowski), that careful consideration is being given to ensuring proper, just, and fair compensation to loggers who might be affected by the establishment of a national park reserve. This meets with the approval and the appreciation of the Hon. Member for Vancouver Quadra and indeed members of the Liberal Party.

I have not been to South Moresby. I have not had the opportunity, as have the Hon. Member for Skeena, the Hon. Member for Vancouver Quadra, and perhaps the Minister, of strolling through a primeval forest where the limbs start at a height equivalent to that of the ceiling of this Chamber, or where the raindrops fall from a tree which is 500 years old, a 1,000 years old, or whatever the case might be. I have not had the opportunity, as Bill Reid described in his talk, of walking through the riding of the Hon. Member for Vancouver Quadra, through a forest where the moss is so thick that only a young, strong, and healthy man could walk more than a mile. I have not had that experience.

I am a Canadian who comes from a province which on the one hand sought the great benefits of industry, the economic advantages of industry, and the jobs associated with industry. On the other hand, we have always had a dark foreboding in our hearts because Newfoundland, an island and a part of Canada, is largely untouched. Its environment is largely unspoiled. It is a piece of the planet Earth which largely resembles the way it was hundreds and thousands of years ago, except for those changes brought about by natural evolution. As every Newfoundlander, I think I have an intrinsic empathy, understanding, and appreciation of what the Hon. Member for Skeena said, and indeed what my own Leader has said many times in caucus when he talked about South Moresby.

It is an area which has a quarter of all nesting sea-birds on the British Columbia coast. It contains some of the most ancient, oldest, largest, and last remaining Sitka spruce, red cedar, and western hemlock anywhere in the world. It contains a spectacular diversity of marine life including half of Canada's Steller sea-lions and 11 species of whale, as well as important fishing resources. It contains more endemic plants, insects, birds, and mammals than any other area in Canada. Of course it is renowned for its outstanding Haida village sites, unique in the world, including a UNESCO World Heritage Cultural Site designated on Anthony Island.

I believe the House speaks with one voice today in endorsing its support for the motion of the Hon. Member for Skeena. As well, I believe the House speaks with one voice in endorsing and lending our moral support to the work, which is being undertaken by the Minister of the Environment on behalf of all Canadians, to negotiate a just settlement with the Province of British Columbia and to ensure that the rights of the Haida people are acknowledged during the course of that negotiation.

I remind Canadians, and I remind the Government of British Columbia, that the Government of Canada is rightly prepared to incur financially the total cost of establishing and operating a national park reserve. That responsibility will be borne by the federal Government on behalf of all Canadians, including taxpayers who live in the Province of Newfoundland. We do it with a happy heart. As well, we accept with a happy heart the cost of sharing in the compensation to those people who have traditionally logged those areas.

I come from a riding with 30 per cent unemployment. However, in the midst of the unemployment we suffer, and all the human misery which that entails, I know that the people of Humber—Port au Port—St. Barbe can reach beyond that present human condition and share in the aspiration and noble cause of preserving this part of Canada's heritage.

We also approve of the Minister's proposal to compensate those who have timber or lumber rights on Lyell Island-South Moresby generally. Canadians across the country are prepared for the Minister of the Environment, speaking on behalf of all of us, to make the necessary financial investments to ensure a national park reserve.

I do not want to get into the middle of the negotiations, but I hope the Government of British Columbia, representing the people of British Columbia and representing, as the Hon. Member for Skeena pointed out, the views of the vast majority of British Columbians, will see the resolution and the negotiation required to resolve the issue as an opportunity to see justice done.

The Hon. Member for Skeena said that they might drive a hard bargain. I have spoken with the Minister briefly. I do not know the details of what he wants to negotiate; obviously he cannot tell me that. However, I sense a willingness to be reasonable. I hope the Government of British Columbia will see this as an opportunity to make a contribution, not only to British Columbia, but to Canada as a whole and to the world's environmental community. I also hope that the Government of British Columbia will not see it as a priority in terms of seeking compensation for whatever package is finally negotiated.

• (1220)

Let me conclude by repeating the words of the old Haida saying. I first heard them, quite honestly, this morning. I thought they were some of the most profound words that I have ever heard to express the notion of man's responsibility in providing continuity in society. The Haidas said, "We do not inherit the land from our ancestors, we borrow it from our children".

Through our support for this motion, we shall leave that land in good shape.

Mr. Fulton: Mr. Speaker, I would like to thank the Hon. Member for his remarks and for the support his Party is giving to the resolution and to the peaceful conclusion to this long-standing conflict.

I would like to seek clarification in relation to the policies taken by his Party in terms of the process that is now occurring. The federal Government is now negotiating with the Province to have the area set aside as a national park reserve. I

would seek the Hon. Member's assurance that he and his Party endorse the concept I outlined in part of my remarks, namely, that once we reach that important point, and perhaps even during this part of that process, the Council of the Haida Nation will be brought in and be a full partner, a completely equal partner, with the Government of Canada. Then in bilateral negotiations we should make sure that the rights of the Haida people are fully recognized and affirmed in the South Moresby area. They feel very strongly and I know the Hon. Member feels very strongly that that is the appropriate route we follow now.

We should complete this process of delineating the area of providing compensation to the province, to the forest companies, to the loggers and to the communities and put together a process of looking at the developments that can best deal with so-called tourism developments. The Member and his Party support—I am sure the Member does—the full involvement of the Council of the Haida Nation in the negotiations regarding rights in that area.

Mr. Tobin: Mr. Speaker, let me say, in the style of one Joseph R. Smallwood, that we in the Liberal Party insist upon not the aspirations, not the wants, not the desires, not the feelings, not the mood but the rights of the Haida people. Intrinsic in using that word "rights" versus aspirations, desires, moods, wants, is the notion that something is provided, not as a matter of convenience, not as a matter of sensitivity, not as a matter of good intention but as a matter of right. That is precisely the kind of terminology we would apply to the role of the Haida people in finally resolving these negotiations.

Though I know the Member would understand if I add that while all of us in the House would use those kinds of words to articulate the role we see for the Haida people in these negotiations, none of us at this, I believe particularly happy stage, in what has been at least for more than a decade a long battle, would want to impose ourselves in the middle of whatever negotiations are ongoing.

I believe that we have seen evidence of serious and of constructive negotiations being carried on between the Minister of the Environment, the Premier of British Columbia, the Deputy Prime Minister, and the Environment Minister for British Columbia, Mr. Strachan, who has had a few things to say in the last few days that sound positive. I know the Minister is certainly in touch with the representatives of the Haida people. He has consulted with them. That is as it should be.

While I want to assure the Hon. Member that we too share the notion of rights of the Haida people, those rights are more than merely aspirations or expressions of goodwill on the part of Governments. We believe as well that it is important now that the negotiation process be allowed to work, and that the job of Parliament is to give all-Party expression and non-partisan support to the determination to reach a successful conclusion to those negotiations that should and must include the Haida people.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, it is a pleasure for me to rise in response to the motion of the Hon. Member for Skeena (Mr. Fulton). As all Members of the House are aware, the negotiations for the creation of a national park in the South Moresby area of the Queen Charlotte Islands of British Columbia have accelerated dramatically in the last few days and, indeed, hours. The very fact that the House of Commons is debating this motion, not just as a British Columbia question but as a national and an international one, underscores the keen interest of all Members of the House from all Parties. It reflects, too, the strong hold that that unique collection of islands has exerted in the consciousness of Canadians.

We owe it to ourselves, to the world community as a whole and to generations yet unborn to save what is the most internationally significant wilderness treasure in all of Canada. I do not exaggerate when I say that the eyes of the world are upon us. The Minister of the Environment from the remote island nation of Indonesia, Emil Salim, recently remarked to a Canadian journalist that he found it incomprehensible that an advanced, affluent nation like Canada would allow the loss of an ecological gem as precious as South Moresby. He asked, with profound insight, if Canada cannot save one small irreplaceable part of the world's heritage what help is there for the planet?

The area is one of genuine splendour, both for its ecological diversity and for its rich cultural heritage. South Moresby has been described as "an evolutionary showcase", as the "Canadian Galapagos". Scientists tell us that the islands remained ice-free during the Great Ice Age, allowing the survival of plants and animals species now found nowhere else in the world.

The islands speak to our genetic memory of a time primeval, towering Sitka spruce rise from the rich moss-laden earth, untouched by the ravages of time or man. Bald eagles, unique forms of black bear and pine marten populate the region, as they have since time itself began. Plants, lichens, birds, fish and insects not to be found elsewhere thrive in the lush environment of this Canadian Garden of Eden.

The cultural heritage of the area is no less awesome. The Haida nation thrived on those shores for thousands of years before Christopher Columbus set sail for the East Indies. Their numbers were tragically decimated by the ravages of white man's disease. But they left behind the signposts of a great culture, and the Haida nation tenaciously and proudly fights for the survival of that culture today. The artistic expression of their binding connection to nature can be seen in the fallen totems of the Ninstints, declared by UNESCO a world heritage site. Like the flora and the fauna of the islands, the Haida culture is unique.

I myself had the pleasure of touring South Moresby within weeks of my appointment as Canada's Minister of the Environment. Despite advance descriptions from people who had visited the islands before me, including other Members of the House of Commons, I was singularly unprepared for the magnificence of the islands: the awe-inspiring forest canopies,

the bubbling hot springs, the teeming wildlife, the wide-open spaces, the pristine stillness, the sheer beauty of an unspoiled world. Sir, as a Canadian who lives on one island, Prince Edward Island, almost as far from the Queen Charlottes as one can reside and still be in Canada, I feel a special personal kinship for those remote misty isles on the opposite coast.

• (1230)

It has been said that some countries are shaped by their history, others by their geography. I believe that in large measure Canada belongs in the latter category. It is a statement about our sense of nationhood that Canadians from coast to coast care deeply, even passionately, about a small family of islands which many of them have never seen but which they know instinctively ought to be saved because they are part of themselves.

In the last three months alone, I have received nearly 1,000 individual letters urging the Canadian Government, through myself and Environment Canada, and through the parks service of my department in particular, to protect South Moresby. Many more people have spoken to me directly about their concerns, and still more have signed petitions and raised the issue with other members of the Government and other Members of Parliament. We have heard from Canadians in all parts of the country, of all ages and from all walks of life.

Typical of the concern expressed to me was a letter received from Silas Donham. He wrote:

> I'm eleven years old, and I live on Boularderie Island, in Cape Breton. I live in the country and I'm very concerned about the environment. I have recently heard about the—Queen Charlotte Island logging. These islands harbour some of the rarest species of plant and animal life in the world, and they should definitely be preserved. I know you're always talking about the actions you're going to take, but it's not good enough to just talk. You have to do something.

I agree with Silas and with the implied criticism, perhaps, in his letter. Talk is not enough. Parliamentary debate, however important, is not enough. Negotiations, though necessary, are not enough. Even deep-seated concern is not enough. In the words of this 11-year old, "we must do something".

In my first major speech as Minister of the Environment in September, 1985, in Banff, I committed the Government of Canada to the establishment of a national park reserve on South Moresby as a government-wide priority. Since that time, we as a Government have negotiated intensively with the British Columbia Government and consulted closely with the Haida people. The task has not always been easy. In many ways we have been racing against time and ducking the chainsaw. We are now at the crossroads. Time is running out. Key decisions must be made and value judgments rendered.

Allow me to stress one point. This is not an economy-versus-ecology issue. The world-wide interest in the ecology of this magnificent part of British Columbia and Canada provides us with a significant tourism opportunity in the context of establishing a national park. The benefits would accrue, not just to the people of British Columbia, not just to the people of the Queen Charlotte Islands most certainly, but to all Canadians.

Those who believe the islands are too remote, too inaccessible or too inclement to attract and accommodate tourists do not know the tourism industry. No longer, Sir, is tourism a matter of mom and dad and the two kids and the dog packing themselves into the family station-wagon for a week in the country or a weekend at the lake. It is a highly segmented market with increasing numbers of consumers seeking a remote, wilderness, exotic, and even safari experience. It is no accident that in Yukon tourism is now the number one industry. Yet Yukon is farther removed from key population centres than is South Moresby, and its climate is less hospitable.

The essential appeal of South Moresby is so universal that its success as an international tourism destination is assured, provided it is saved. Indeed, it is a likely candidate for world heritage status, in the company of the Giza Pyramids and the Taj Mahal.

The Government of Canada is committed to working with the B.C. Government to develop immediately the tourism opportunity afforded through a heritage and environmentally sensitive economic strategy for the entire Queen Charlotte Islands area.

Difficult decisions need to be made. There are legitimate forest industry concerns. There are important questions of compensation, not just for the forestry companies and their contractors but also for the individual loggers and for others dependent on logging for their pay cheque. The communities life-blood has for years been drawn primarily from the logging industry. Those significant interests must be respected and reflected in any plan to establish a national park, and they will be.

If this were an easy issue, it would have been solved long ago and with much less soul-searching than many of us have had to do. Despite the support of all three federal Parties in the House of Commons, and despite widespread support in the country at large, we are not debating a motherhood issue. The establishment of a national park is never motherhood. Contentious and often complex land use interests are at stake, involving competing demands and conflicting values, each of them worthy in itself. After all, people have fought wars and spilled blood over land. Clearly, such is not the flavour of the current controversy, but land is at the heart of it. Whether we ourselves rise to the challenge to save a precious part of our heritage is a measure of our maturity as a country and of our civility as a people. The prophetic conservationist Aldo Leopold wrote in 1949:

> Ability to see the cultural value of wilderness boils down, in the last analysis, to a question of intellectual humility . . . It is only the scholar who understands why the raw wilderness gives definition and meaning to the human enterprise.

I take issue with this gentleman merely in one respect. It is not only the scholar who has such an appreciation. We politicians, representative of the people of Canada, must have that appreciation, too.

Sir, the South Moresby issue is a litmus test of our values as a society. How much importance do we attach to the aesthetic, the intangible, even the spiritual values that South Moresby represents? Those qualities do not readily lend themselves to cost/benefit analysis. That fact does not make them any less compelling. Again, some of the strongest arguments for saving South Moresby are economic. But it is the other arguments that cry out for us to act: the ones that strike at the heart of what we stand for as a people, the ones that address whether we stand for anything beyond feeding and clothing and sheltering ourselves.

Providence, Sir, has seen fit to bequeath to us the second biggest piece of real estate in the world, with resources beyond the imagination of most other nations and beyond even our own capacity to exploit them. In such a vast and bountiful land, do we have it in us to protect our country's finest features? Just as we have benefited from the foresight of other generations, we have an opportunity to save and pass on something special to our children, their children, and their children after them.

• (1240)

Genesis tells us that the Lord created the planet and all living things upon it and that He gave us domain over it all. It is for us, as mortal creatures, to decide whether we will exercise wise stewardship over those special features that give our existence context and meaning or whether we will treat them as dispensable in this throwaway society of ours.

Sir John A. Macdonald, the first Prime Minister of Canada, the man who forged a country from sea to sea out of a vast wilderness, who opened the west, who linked an infant nation with tracks of iron, had the vision of a great dominion in this, the winter half of North America. The same man saw the value of establishing the country's first national park in 1885 at Banff.

Banff, at that time, was just 10 square kilometres of wilderness surrounding some hot springs. Like the Queen Charlotte Islands today, Banff was seemingly remote and inaccessible, and even inhospitable. Many of the identical arguments used today against establishing a national park at South Moresby were used in 1885 against Banff. "Why would anyone want to go there?" Sir John A. Macdonald had a vision which went well beyond the immediate needs and wants of his generation. Are we ourselves so much less capable of vision that we cannot act to save this important part of our natural heritage? Can we not bring ourselves to say "this is special, this deserves to be protected, let us save it?" Only we Canadians can save South Moresby. If we do not do it, no one will. Once lost, it will be lost forever.

Even as I speak, the Government of Canada is involved in accelerating intense negotiations with the Government of British Columbia. I eagerly await the B.C. Government's most recent proposal, following a full discussion which I and the Deputy Prime Minister (Mr. Mazankowski) had with the Premier of B.C., Mr. Vander Zalm.

Based on that discussion and on news reports which we are getting out of Victoria right now, I believe there is common resolve between the federal Government and the B.C. Government to act on this most vital of issues.

Some Hon. Members: Hear, hear!

Mr. McMillan: Whether I am right will be clearer today, perhaps before the debate on this important question is completed. Whatever the outcome may be, and I am optimistic that it will be what we all want, I thank all Members of the House on all sides for their support and encouragement. Although between Members of Parliament and between Parties we may differ on the particulars surrounding the establishment of the national park, we are, I know, united on one thing—South Moresby must be saved. Let us rise to the occasion and do it.

Some Hon. Members: Hear, hear!

Mr. Scott (Hamilton—Wentworth): Mr. Speaker, let me congratulate most warmly the Minister of the Environment (Mr. McMillan), not only for spearheading the very positive negotiations with the Province of British Columbia, but for spearheading as well the non-partisan and very constructive debate we have heard in this Chamber from Members of different political Parties representing such vastly different regions of the country as Skeena and Humber—Port-au-Port—St. Barbe in Newfoundland.

I am not trying to indulge in the natural cynicism of my former profession in the media, but I would like to ask the Minister a question for clarification. I trust that this is academic, but let us take the worst possible scenario and consider what would happen if negotiations for a national park failed. What happens if it is game over? Is there another route the Government could take? For example, could we establish a national park in South Moresby unilaterally without the co-operation of the province? It is an important question which I would like to have the Minister clarify.

Mr. McMillan: Mr. Speaker, let me deal with the technical dimension of my answer and then with the values part of it. On the former, we must face the fact that this land does not belong to the people of Canada through their Government. It is British Columbia Crown land. We could not just march in and establish a national park without the consent of the people of B.C. as represented by their Government, even if we wanted to.

Some people argue that we should turn off the fiscal tap, we should withdraw transfer payments, we should renege on federal-provincial agreements, for example, in the forestry area. None of those things is even being considered because the people of Canada would not want us to consider them. It is not in the spirit of the country.

On the latter dimension of my answer, I think a national park must flow from the will of the people who benefit from the values which will be saved. The rest of our national park

system, now only half complete, was willed into existence as a reflection of what people wanted for their country; it was not the result of stubbornness or bull-headedness, much less the result of unilateral action by one government at the expense of another. We must will South Moresby as a national park into existence. It must flow from what the people of B.C. want and what the people of Canada want. I am convinced that that does exist. It is just a matter of executing it and reflecting it in fact.

Some Hon. Members: Hear, hear!

Mr. Blaikie: Mr. Speaker, given the obvious and welcome non-partisan context in which this motion is being debated, could the Minister indicate whether he would be willing to support a proposal at the end of the day to have this motion deemed to have been passed by the House so that the House will have an opportunity to express itself in that very clear way? It would not involve individual Members standing up to vote, but is a procedure we have followed in the past. Today is one of the rare occasions on which it is totally appropriate for the House to do so. I seek the Minister's view on that.

Mr. McMillan: Mr. Speaker, I think that is an inspired suggestion from someone who himself is committed to the cause we are debating today. It is one of the peculiarities of this House that the rules do not lend themselves readily to votes on certain questions and in certain debates. We simply have a glorious debate, an exchange of views, and out of the debate comes some ill-defined sense of the House's will. I believe that there is so much support for what the lawyers would call the pit and substance of the motion we are discussing that the debate would be incomplete if we did not agree among ourselves that the debate and unanimity expressed within it constitutes, if not technically, then in effect a vote in favour of the motion.

• (1250)

Even if the rules or some particular circumstances surrounding the calendar of the House do not suggest that it would be appropriate to have a formal vote on the floor of the House later today at the end of the debate, let us all agree in the spirit of non-partisanship that that vote, nevertheless, be deemed to have been held.

Mr. Tobin: Mr. Speaker, I want to indicate on behalf of the Liberal Party that we would very much support the proposal made by my colleagues in the New Democratic Party, seconded by the Minister of the Environment, to have deemed at the end of the day that the House has voted on the motion and has unanimously supported it.

I would like to ask the Minister a question. While it is tempting to ask the Minister about the negotiations, I will not do so since they are still taking place. We know that his heart is in the right place on this issue. However, at the end of my remarks some 20 minutes ago, the Member for Skeena asked me about my understanding and the view of the Liberal Party, including the Member for Davenport (Mr. Caccia) who has also been involved with this issue for a long time, of the Haida role in these negotiations.

We understand that governments negotiate at a certain level, but due to the great interest of many people who are watching or will read about this debate in *Hansard*, perhaps the Minister would want to use the opportunity to tell us what he believes is the proper role of the Haida people in the negotiations now taking place and which hopefully will be successful?

I agree with the Minister that the Government of Canada cannot go to British Columbia and impose itself in respect of B.C. Crown lands. I agree with the Minister when he says that national parks happen because these kinds of worth-while decisions are most easily taken when they flow from public will. Many Members have an interest in national parks. I have a national park in my riding. I know the Minister shares with me and many Members that very often—including the example of Banff National Park and Sir John A. Macdonald which the Minister gave—we must do more than sit back and wait for the parade. Sometimes we have to be more than mere politicians, but statesmen, and sometimes lead the parade. I believe that is what the Minister is doing in many respects in relation to South Moresby.

What does he believe is the proper role of the Haida people?

Mr. McMillan: Mr. Speaker, the role of the Haida people is crucial in all of this. When talking about the establishment of a national park, we are not talking only in the context of trees, however tall, old or broad; we are not talking only about bears, however splendid; rivers, however rich; or about islands, however distinctive; we are talking about the ancestral home of the Haida people. They appreciate all of those features, and much more, that I described in my speech. More than that, they recognize that this is where they live.

As a government, we negotiate government to government, in this case with the British Columbia Government. In my case, I negotiate with the Minister of the Environment responsible for parks, and the Prime Minister (Mr. Mulroney) negotiates with the Premier of British Columbia. However, in all of those negotiations we have consulted closely with the Haida Nation, especially through their leader, Miles Richardson.

I envision, and have said as much to the Haida people both privately and publicly, that when a national park is established as a reserve, all of the legitimate interests of the Haida people will be reflected in the very fabric of the park itself. I have indicated that I see a direct role for the Haida in the management of the park, and not just as lowly paid assistant wardens or trail keepers or guides, but as leaders themselves in the protection and in the articulation of the values of the park.

In that context, we see the establishment, in the first instance, not of a national park *per se*, but of a national park reserve which is a distinctive legal entity that is without prejudice to the interests of the Haida people in connection

with the negotiations that are going on, in parallel with ones on the national park, as far as land claims are concerned. On both counts, the interests of the Haida people are uppermost in my mind.

Mr. Blaikie: Mr. Speaker, I rise on a point of order. Given the unanimous views which have been expressed, could the House agree and have you put it on record, with unanimous consent, that the motion we are debating at this point will be deemed to have been passed at the end of the day?

Mr. Speaker: The House has heard the suggestion of the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), the comment of the Hon. Minister of the Environment (Mr. McMillan) and the comment of the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). Procedurally, the House can accept the suggestion made by the Hon. Member for Winnipeg—Birds Hill at this point, and that will govern the rest of the day's debate. The record will show that at the end of the debate the House has been unanimous in supporting the motion put forward by the New Democratic Party. I take it that is the pleasure of the House?

Some Hon. Members: Agreed.

Mr. Speaker: Hon. Members have heard the motion. Is it agreed?

Some Hon. Members: Agreed.

Mr. Speaker: That will be appropriately recorded.

Mr. Riis: Mr. Speaker, we have all had the privilege today of witnessing some of the most outstanding debates we have heard in the House for a long time. I suspect that this will continue for the remainder of the day, considering the line-up of speakers from the various parties. Since we will break for lunch in a few minutes, would it be appropriate to call it one o'clock and resume debate at three o'clock?

Some Hon. Members: Agreed.

Mr. Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At 12.57 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 21

STATEMENTS PURSUANT TO S. O. 21

[*English*]

HEALTH

ALBERTA COALITION ON ACID GAS—REPRESENTATIONS TO PARLIAMENTARY COMMITTEE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, two days ago Doctor Martha Kostuch of the Alberta Coalition on Acid Gas appeared before the Acid Rain Committee to make representations about the effects on the health of Canadians in Alberta and Saskatchewan from the activities of sour gas plants, tar sands refining, and the heavy oil industry. Her presentation gave us a classic example of economic gains being made at the expense of human health, property values, farm incomes and so on.

The Government of Canada should do something about this situation by directing the Minister of National Health and Welfare (Mr. Epp) to carry out an independent examination of the southwestern Alberta medical diagnostic review, by directing the Minister of Finance (Mr. Wilson) to permit sour gas plant owners to write off capital costs for pollution control technology on an accelerated basis, and by making federal payments to tar sands and heavy oil industry, and any other industry for that matter, contingent upon emission controls and environmentally responsible performance.

* * *

[*Translation*]

SMALL BUSINESS

REDUCTION OF ADMINISTRATIVE BURDEN

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I would like to take this opportunity to inform business people in my riding of the excellent work done by this Government on reducing the red tape inflicted on Canadian businesses.

The measures announced by the Minister of State for Small Businesses and Tourism (Mr. Valcourt) are aimed at reducing the number of overlapping investigations, centralizing data, designing shorter contract forms for Government suppliers, simplifying income tax requirements and cutting down on the number of import formalities.

Mr. Speaker, these measures were implemented as part of a specific action plan, followed by the publication of a progress report and the creation of an advisory committee consisting of representatives in the private sector.

Mr. Speaker, these measures will make life easier for our business people and let them take an active part in providing solutions for areas in which they are directly concerned, and thus enhance the growth of their businesses.

We have every reason to be proud of this initiative that will most certainly have a considerable economic impact on the entire economy of this country.

* * *

UNEMPLOYMENT INSURANCE

REQUEST FOR AMENDMENTS TO PROGRAM

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the House will recall that the Conservative Government set up a commission of inquiry, referred to as the Forget Commission, and that $6 million of taxpayers' money were spent on a study to reform unemployment insurance.

Furthermore, a committee consisting of Members of all parties in this House worked day and night, and a number of people appeared before this committee and submitted briefs.

Mr. Speaker, I warn the Government and the Minister of Employment and Immigration (Mr. Bouchard). If this Government announces tomorrow that it will maintain the *status quo* for unemployment insurance, it will be the worst scandal we have ever known, twice as bad as the Prime Minister's shoes, Mr. Speaker. Everybody agrees, both labour and management, that changes are necessary in unemployment insurance. We are against the annualization of unemployment insurance, and we are in favour of an improved program that will protect part-time workers and ensure that people who are drawing benefits because of illness or maternity leave, are not penalized when there is a work stoppage. Mr. Speaker, if the Government doesn't announce any changes tomorrow, it will be an out and out scandal.

* * *

[*English*]

POLICE WEEK

MEMBERS' APPRECIATION OF POLICE FORCES

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, this is Police Week and I am pleased to take a few moments to express, on behalf of Members of the this House, our appreciation to the Canadian police community.

Advances in technology and communications are resulting in the emergence of increasingly complex and sophisticated crimes. Canada's police forces are adapting to these changes by enhancing the knowledge and skills of their members and by expanding the use of modern technology in the war against crime.

There is also a need, however, to update our criminal law to take into account the emergence of new crimes, new ways of committing traditional crimes such as theft and fraud, and complex criminal conspiracies which span continents.

Police Week serves as a cogent reminder to all Hon. Members that we as legislators have a responsibility to assist our police forces by providing them with the tools to deal with increasingly complex and sophisticated crimes while at the same time preserving the rights and freedoms of individual Canadians.

Today we salute the police forces and the police of this country.

* * *

INDIAN AFFAIRS

POST-SECONDARY EDUCATION ASSISTANCE PROGRAM

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the announcement today by the Minister of Indian Affairs and Northern Development (Mr. McKnight) regarding Indian post-secondary education is a distressing statement. It is closing the doors on Indian students seeking higher education. It is limiting and restricting their entrance to post-secondary institutions. The Minister has made public only his Government's new restrictive criteria, which will suffocate many Indian students' education and employment aspirations.

While the announcement seems to assure those who are currently enrolled of continued assistance, this is not certain. Those whose applications were deferred last year—and I point out this was due to lack of funding—are also assured of some help, but high school graduates, or mature students enrolling for the first time, will only be considered if there are any funds left over in the budget. That is not very likely. The same applies to those who are seeking to do postgraduate studies or earn professional degrees in law, education or medicine.

• (1405)

Once again the Government of Canada is failing to live up to its trust and constitutional responsibilities to Indian people. It is running away. There will be a strong reaction to the Minister's efforts to limit his role in helping Indian students attain higher education.

* * *

ABORTION

EIGHTEENTH ANNIVERSARY OF PASSAGE OF LEGISLATION

Mr. John Oostrom (Willowdale): Mr. Speaker, today marks the eighteenth anniversary of the current abortion law. On May 14, 1969, Parliament voted to change Section 251 of the Criminal Code, a move which now results in over 60,000 abortions per year. In the last 18 years nearly one million unborn children have been aborted in Canadian hospitals.

The anniversary today will be marked by pro-life Canadians all across Canada. Many will bear silent witness in front of the hospitals which perform abortions, while others will gather in their places of worship to pray for an end to this destruction of living human beings.

Alliance for Life, Campaign Life, and Coalition for Life have declared this week to be a national Week for Life in an effort to remind Canadians that human life is precious and that abortion, infanticide, and euthanasia should not be tolerated in our society. I commend them for their initiatives in bringing these issues before us.

* * *

CONSUMER AFFAIRS

FOOD IRRADIATION—CAUTIOUS APPROACH RECOMMENDED BY COMMITTEE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, today the Standing Committee on Consumer and Corporate Affairs tabled its report in the House of Commons on food irradiation. It appropriately recommends that Canada take an extremely cautious approach to food irradiation, which is a procedure involving exposing food to ionizing radiation emitted from Cobalt-60 radioisotopes. These are stored in special facilities that are designed, made and sold by the Radiochemical Company unit of Atomic Energy of Canada Ltd.

The report also recommends that we take the same caution before exporting this technology to the Third World, something that CIDA is not doing. There is a serious contradiction between what the committee recommends and what CIDA is doing. CIDA should immediately halt all its food irradiation projects, such as the one in Thailand, and all others that are presently on the drawing board.

CIDA should also make public, in the Third World, matters affecting the recipient country's food supply, including environmental assessments and any other studies dealing with worker health and safety. The public in the Third World should have the right to participate in any decision to adopt food irradiation technology.

It is inappropriate for us to have one standard here in Canada and another for the poor in the Third World.

* * *

[*Translation*]

RENDEZ-VOUS '87

TRIBUTE TO ORGANIZERS AND HELPERS

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, on February 5, 1987, I drew the attention of the House to a unique event that was about to take place in Quebec City, and I am referring to *Rendez-vous '87*.

S. O. 21

Today, I want to take this opportunity to pay tribute to the leadership of Mr. Marcel Aubut, President of *Rendez-vous '87*, who has just released a financial statement that is truly exceptional.

Rendez-vous '87 wound up with a net surplus of $1.5 million which will be shared among 20 non-profit agencies and various levels of Government. The federal Government had invested $2.4 million in this event. This was a good example of co-operation between the public and the private sectors. The Progressive Conservative Government encourages valid private initiatives that make a positive contribution to the community.

Mr. Aubut's financial statement mentions the present and future impact of *Rendez-vous '87*, and according to a very reliable consulting firm, the economic spinoffs for the province of Quebec are estimated at $18.5 million. Isn't that fantastic, Mr. Speaker?

I am therefore proud to salute the organizers of *Rendez-vous '87* and their collaborators, who were able to win the confidence of socio-economic sectors at the local and national level and were able to focus the attention of thousands of spectators.

Three cheers for a job well done!

* * *

[*English*]

HARBOURS AND PORTS

SMALL CRAFT HARBOURS—CONDITION OF HOISTS ON PRINCE EDWARD ISLAND WHARFS

Mr. George Henderson (Egmont): Mr. Speaker, I have stood in this House on many occasions to ask the Government to increase the budget for the small craft harbours program. Dependable, well-maintained harbours and wharfs are absolutely essential, and the Government's neglect is a threat to the safety of our fishermen and boaters. The Government is being penny wise and pound foolish because the condition of our wharfs will get worse and the repairs will only become more and more costly.

Many fishermen in Prince Edward Island are deeply concerned over the condition of the hoists used to handle their boats.

• (1410)

Apparently some hoists have been taken out of service and replaced with winches that can lift only up to 3,000 pounds.

The fishermen believe that funds should be made available to repair the hoists deemed unsafe; and where hoists have been removed the fishermen want new ones, with suitable capacity, installed.

S. O. 21

I urge the Minister of Fisheries and Oceans (Mr. Siddon) to approve this modest request.

Some Hon. Members: Hear, hear!

* * *

DANGEROUS PRODUCTS

RESTRICTED ACCESS TO BITTERS URGED

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, last week-end two Parkdale men were found in an apartment littered with bitters, beer and wine bottles. Their deaths have served to highlight the dangers of bitters, a herb-based drink which contains an alcohol content as high as 43 per cent.

Bitters can be bought in corner stores at any hour of the day or night and has proven a potent temptation to those individuals whose craving for alcohol overcomes their good sense.

It poses a clear hazard to impaired adults and minors who do not have access to other forms of alcohol, and as such it should be removed from store shelves immediately before any further deaths occur from its abuse.

The Minister of Consumer and Commercial Relations for the Province of Ontario must pay heed to the many representations he has received from the police, the Addiction Research Foundation, the medical community, and concerned citizens of Parkdale regarding the dangers of this product.

I urge the Minister of National Health and Welfare (Mr. Epp) to bring his influence to bear on the Ontario Government to ensure the removal of bitters from corner stores, and to restrict access to that drink through provincial liquor control boards.

* * *

INDIAN AFFAIRS

POST-SECONDARY EDUCATION ASSISTANCE PROGRAM

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, this morning the Minister of Indian Affairs and Northern Development (Mr. McKnight) announced the capping of one of the most successful programs ever delivered by that Department.

The Post-secondary Education Assistance Program has been the single most important building block in improving the quality of life for Indian and Inuit people in Canada. By providing tuition and living allowances for native students, the Government has assisted thousands of people in their education needs.

By capping this program, the Government deliberately closes the door to education for a sector of our society that needs it most. By the Minister's own admission, the participation rate of Indian students attending colleges and universities this year stands at 4 per cent. For the rest of the country, the figure exceeds 20 per cent.

The Government is willfully pointing eager but poor native students in the direction of the welfare rolls, as if the shamefully high unemployment rates on reserves are not bad enough already.

Even the Nielsen report, Mr. Speaker, found that this program was not only worth saving but worthy of improvement. The Nielsen report found that 90 per cent of those assisted by this program found employment upon graduation. Not only is this higher than the national average, but something very much needed.

The New Democratic Party calls upon the Government to restore the PSE Assistance Program in the interests of fairness and justice for aboriginal people in Canada.

* * *

[*Translation*]

PHARMACEUTICAL PRODUCTS

STUDY OF BILL C-22—SENATE'S ATTITUDE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on May 6, 1987, this House adopted Bill C-22 which concerns the pharmaceutical industry. It cost the House $22,173 to hear 100 witnesses. On May 12, 1987, the Liberal majority in the Senate decided to challenge the principle of this Bill and to hear 200 witnesses, although the most important of these have already been heard before the House committee. The Senate will be spending $315,337 just to delay royal assent for Bill C-22.

And by the way, the Senate's itinerary has been planned, what a coincidence, along a route with the very best first-class hotels. The Senate is losing its credibility. The question of Senate reform will be discussed by the provinces and this Government between now and 1988, and meanwhile, the attitude of 43 Liberal senators who to all intents and purposes are defying this elected Government and thumbing their noses at taxpayers' money, this attitude will certainly be stimulating for certain proponents of Senate reform. Unfortunately, Mr. Speaker, the Senate, that repository of knowledge and wisdom, is still living in the shadow of the Liberals.

• (1415)

[*English*]

LITERACY

NEED FOR FEDERAL-PROVINCIAL ACTION TO OVERCOME ILLITERACY

Mr. Sergio Marchi (York West): Mr. Speaker, the difficulties faced by those who cannot read and write result in missed opportunities to work and provide a livelihood for oneself and family, the inability to function in today's ever changing and complex society, and feelings of rejection and poor self-esteem.

It is estimated that four million to five million Canadians are functionally illiterate, with up to one million individuals who cannot read or write whatsoever. Most affected by this unfortunate reality are, among others, immigrant women, Canada's indigenous peoples, and our country's poor.

For the illiterate, every-day tasks of shopping, associating products with labels, banking, and finding directions, become an unwanted adventure of desperation and frustration. Yet these difficulties need not exist to such a great extent. Canadians have become sufficiently aware of the concerns confronted by the illiterate, as nine out of ten of those recently polled termed the problem which warranted immediate action either "serious" or "very serious".

It is time for the federal Government, in co-operation with provincial Governments, school-boards, training centres, and labour organizations, to implement a national reading and writing campaign to eliminate the handicaps confronted by the illiterate. It is our collective responsibility to welcome these Canadians into a society which has shut them out for far too long and to harness their talents and aspirations in the building of a better and more prosperous Canada.

* * *

[*Translation*]

THE ARTS

MUSICAL COMPETITIONS—CUT IN GRANTS—REQUEST THAT GOVERNMENT REVISE DECISION

Mr. Raymond Garneau (Laval-des-Rapides): Last April 28, Mr. Speaker, seven days after the opening of the Canadian musical competitions the Minister of Communications (Miss MacDonald) advised this volunteer and non-profit organization that its federal Government grant would be cut by $100,000. Coming as it does at the beginning of regional auditions in the 10 provinces of Canada, in which 3,000 young Canadians will participate, this grant cut-back is totally unacceptable and jeopardizes the national finals scheduled from June 27 to July 6.

As a result of this decision, Mr. Speaker, the music competitions of Canada will no longer be able to help finalists pay for their transportation expenses to take part in the national finals.

I urge the Minister of Communications to revise this decision which affects thousands of participants from coast to coast and strikes hard at all men and women in this country who are interested in the classical music apprenticeship of young Canadian boys and girls.

ORAL QUESTION PERIOD

[*Translation*]

ENERGY

COST OF LITRE OF GASOLINE IN TORONTO AND MONTREAL—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources, who daily seems to be showing his inability to deal with Canada's energy problems.

This morning, a survey published in *La Presse* reported some disturbing statistics on the price of gas in Canada, and more specifically in Montreal and Toronto.

I would like to ask the Minister of Energy, Mines and Resources—who washed his hands of the Gulf refinery affair and is doing the same for Dome—whether he intends to repeat this approach and let the oil multinationals, including Petro-Canada, sell gas at ten to eleven cents more per litre in Montreal than they are charging in Toronto.

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I am not going to consider all the so-called points the Hon. Member is trying to make, since they are entirely unfounded. As a former Minister of Finance in the Quebec Government, he ought to know that as far as prices are concerned in this country, the responsibility is shared by a number of authorities: the provinces, the Canadian Government and various departments.

The agencies concerned investigate such measures on a regular basis, and if people feel their rights have been abused, these agencies are ready to do everything they can to help.

POSSIBILITY OF MULTINATIONALS SELLING LITRE OF GASOLINE AT HIGHER PRICE IN MONTREAL THAN TORONTO—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the survey published this morning shows that in Montreal, regular gas is 52.8 cents per litre, while in Toronto it is 41.7 cents.

Mr. Speaker, the Minister's reply is unacceptable, since the problem goes beyond the borders of a single province.

I want to ask the Minister, and I don't want him to tell me it is because different taxes are involved because even when we consider the provincial tax, the difference is still 5 cents a litre, I want to ask the Minister: Will he let the multinationals set a double standard for Canadian drivers by charging 5 to 6 cents more for a litre of gas in Montreal than in Toronto?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, in Canada the price of gas is established first of all according to the value of the commodity itself, plus federal taxes, which are the same across the country, and provincial taxes which vary from province to province. Furthermore, the price is established in terms of local competition and the distance of gas stations from the refinery.

Mr. Speaker, that is why prices are not uniform across this country.

• (1420)

[*English*]

DEPARTMENT'S MONITORING OF PETROLEUM MARKETING SYSTEM IN QUEBEC

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, since I cannot get an answer from the Minister of Energy, may I direct my question to the Minister of Consumer and Corporate Affairs.

On November 5, 1986, I asked the Minister of Consumer and Corporate Affairs to explain why the price of gasoline was higher in some regions of Quebec than in other regions of Canada. He said that his Department was monitoring the issue and he would probably report to the House. Has the Minister completed his monitoring and when is he going to act to protect the motorists in the Province of Quebec?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Competition Bureau has undertaken, in response to a six-person request, a formal inquiry into the petroleum marketing situation in the Province of Quebec.

I think I need to remind the Hon. Member that if he is talking about price controls on gasoline in the Province of Quebec or in any other part of Canada, he must know that that matter falls within provincial jurisdiction. There is no power in the federal Government to put in a price-control mechanism, if that is what the Hon. Member is requesting.

* * *

ENERGY

SALE OF DOME PETROLEUM TO AMOCO CANADA

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It seems that while the Government is allowing consumers to be ripped off at the pumps, it is giving away our natural resources to foreigners.

In a poll conducted by the Minister's own Department, 77 per cent of those surveyed said that the Government should try to keep our oil and gas companies owned by Canadians, that they should not be sold off to Americans. Why is the Minister of Energy thumbing his nose at Canadians and allowing an oil and gas company, such as Dome Petroleum, to be sold to an American company that 100 per cent owns the company trying to buy Dome Petroleum and to which this Government is giving its okay?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, first of all I would like to ask the Hon. Member whether, in the first part of his question, he means to say that the Government of Canada should have the authority to set the price of gas across Canada. I wish he would answer that.

Second, as far as Dome is concerned, we explained repeatedly that the company was in considerable financial difficulty, and this is known well beyond our borders. It was above all the interventionist policies of the previous Liberal Government that led to Dome's present difficulties. It was your policies that caused the problem.

This Government wants to ensure that the 3,000 people now working for Dome and company reserves as yet untapped at the present time will be respectively working in the sector that now belongs to Dome and used to meet our energy requirements in Canada.

[*English*]

Mr. MacLellan: Mr. Speaker, this Government is worried more about what Washington is thinking than it is about what Canadians are thinking.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, why is the Government smoothing the way for Amoco Canada to buy Dome Petroleum without allowing other bids to be made?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I have never heard anyone make so many false statements in such a short sentence.

The Government ensured that Dome was able to consider three bids, three purchase offers, and those in charge of Dome have selected the offer they feel is favourable for Dome, its shareholders and its creditors. In the days to come, the latter will decide whether or not they agree with the proposal made by Dome's board of directors.

Mr. Speaker, unlike what the Hon. Member claimed, the Government is not concerned about what Washington will say but about the situation at Dome, and we took action to ensure that proposals were made to help save Dome.

ENERGY

SITUATION OF QUEBEC CONSUMERS

Mr. Robert Toupin (Terrebonne): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Over a year ago I said that the Conservative Government's shut down of the Montreal Gulf refinery would have the following consequences: first, unwarranted loss of jobs in Quebec; second, more acute underproductive capacity in Quebec; third, handouts to the multinationals and certain friends of high finance; and fourth, I said that Canadian taxpayers and Quebec consumers would pick up the tab as a result of reduced competition in Quebec. Here is my question, Mr. Speaker: the April report of the Department of Energy, Mines and Resources indicates that the profits of oil companies in Montreal are twice as high as in Toronto. Does the Minister realize that Quebec consumers are now paying for the shameful action of his Government?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to remind the Quebec leader of Canada's socialist party that in Montreal East there are now more people working in the petrochemical sector than at the time when, from the Conservative benches, he was telling us what to do.

MINISTER'S POSITION

Mr. Robert Toupin (Terrebonne): Mr. Speaker, the Minister of Energy, Mines and Resources should tell that to the unemployed Gulf workers and to Quebec consumers who, as a result of Conservative mismanagement, now have to pay twice as much as Torontonians do. What concrete measure does the Minister of Energy, Mines and Resources intend to take to correct this injustice towards Quebec consumers?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I have the impression that my colleague has not visited the Montreal region for quite some time. I would be rather surprised if indeed the price of gas in Montreal were twice as high as in Toronto.

REQUEST THAT MINISTER ISSUE INSTRUCTIONS TO PETRO-CANADA

Mr. Robert Toupin (Terrebonne): Mr. Speaker, first I had the pleasure of being in Montreal yesterday with some of the Gulf workers and, second, I would urge the Minister to have a look at the figures put out by his own officials. Does the Minister intend to issue clear and specific instructions so that Petro-Canada will intervene and restore healthy competition in Quebec, in the interest of all Quebec consumers?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, we have anticipated the wishes of the Hon. Member. This Government gave Petro-Canada a mandate to operate on the market in accordance with Canadian legislation so as to promote competitiveness.

OIL COMPANIES

PRICE OF GASOLINE—REQUEST FOR ESTABLISHMENT OF INQUIRY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister for Consumer or Corporate Affairs, depending on where his interests lie. As a result of the Conservative Government's negligence and failure to act in the Gulf refinery affair in Montreal East, for which we have Mr. Toupin and Mr. Masse to thank, today we have the following situation: consumers in Quebec are paying 11 cents more for a litre of gas. The Minister said earlier in his answer to the Hon. Member for Laval-des-Rapides that he was prepared to order an investigation if six people in Quebec asked for one. Is the Minister willing to do so, because six people have indeed written to the Investigations Commissioner to ask for an investigation? Furthermore, I am sending a letter to the Minister by messenger, right now. Considering the section in the Act that authorizes the Minister to request an investigation as well, is he prepared to acknowledge his responsibilities and defend the interests of Quebecers against the oil multinationals and to order an investigation as requested today of the Minister of Consumer and Corporate Affairs?

• (1425)

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member should have been awake while I was responding to his colleague. I said the inquiry is under way. I have the letter in question. It was delivered to me by Canada Post.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Malépart: Mr. Speaker, the Minister's reply confirms what people have been saying since the shutdown of the Gulf refinery. What the Government is admitting today, and in fact, my colleague filed his request for an investigation several days ago, if today the Minister confirms that an investigation is being made, it just means that the truth is out and the Government was wrong.

REQUEST THAT MINISTER PROTECT CONSUMERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): My supplementary is directed to the Minister of Energy, Mines and Resources. Yesterday, the Automobile Protection Association condemned the attitude of Petro-Canada, which claims to take the lead in these things and works hand in glove with the Governement in raising prices in the Eastern Townships and the Quebec City region. Would the Minister of Energy, Mines and Resources, instead of sitting there doing nothing, be prepared to pick up the phone and call the President of Petro-Canada and tell him: Sorry, but Petro-Canada has to protect the Canadian consumer; you are

entitled to make a profit but not by exploiting the consumer and applying outrageous price hikes.

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to ask a question myself while answering the Hon. Member's question. If his assumption is that the situation in Quebec has become a problem as a result of the closing of the Gulf refinery, I would like to point out, first of all, that there are more people working in this industry today than—

Mr. Malépart: That is not true.

Mr. Masse: —when Gulf closed down. I would also like to remind him of one thing, Mr. Speaker: If one refinery was closed, what about the three refineries that were closed by the Liberals a few years ago? Let him answer that one, Mr. Speaker.

Mr. Malépart: Mr. Speaker, on a question of privilege—

Some Hon. Members: Sit down!

* * *

• (1430)

[*English*]

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I will wait until it is quiet because I want to talk about money. The Minister is aware that the creditors of Dome Petroleum are meeting in Toronto this afternoon. One of the creditors has been quoted as saying that the offer by Amoco to Dome just will not fly. The Toronto Dominion Bank has been quoted as saying that it remains unacceptable.

Has the Government prepared for the eventuality of the bankruptcy of Dome and the cost of jobs in western Canada, or is the Government prepared to get involved in this matter and meet with the banks and some of the creditors concerned to try to facilitate an acceptable Canadian settlement of this matter?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Government does not deal with hypotheses but with facts. The meeting will take place this afternoon and we will know the outcome in a few days.

[*English*]

CANADIAN OWNERSHIP OF OIL COMPANIES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, will the Minister confirm that his Department took a public opinion poll and that 77 per cent of the people who answered believe that the Government should act to prevent the takeover of Canadian owned oil companies by foreign owned firms? Did the Department take that poll? If it did, why is the Government taking this rather peculiar hands-off approach to the collapse of Dome?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker. the Government does not define its energy policy on the basis of polls.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THEIR IMPERIAL HIGHNESSES PRINCE AND PRINCESS TAKAMADO OF JAPAN

Mr. Speaker: I am pleased to draw to the attention of Members the presence in the Gallery today of their Imperial Highnesses Prince and Princess Takamado of Japan.

Some Hon. Members: Hear, hear!

* * *

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Minister of Energy, Mines and Resources should know that Canadians are getting sick and tired of his *laissez-faire* attitude on the Americanization of Canadian industry. Canadians cannot accept that big banks, fast-talking lawyers, and well-heeled executives should alone and unilaterally carve out Canada's energy future.

In light of the predictions of a possibility of a collapse in the current negotiations on Dome, the Minister's hands-off attitude, and the statement by the President of Investment Canada that he has no mandate whatsoever to investigate other bids which are available for Dome, can the Minister tell the House who will act in Canada's interests versus private interests should this bid fail?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I would remind the Hon. Member that Canadianization has increased in all sectors since 1984, including energy, be it with respect to control or to ownership. I am still wondering why the previous Government which had spent billions of dollars with that in mind did not fare any better with its interventionist policies.

[*English*]

Mr. Tobin: Mr. Speaker, the Minister is an intelligent man. It is about time he woke up and realized that he occupies a front bench seat as a Minister of the Crown and has to take his responsibilities. Talking about the previous Government will not solve Canada's energy problems.

POSSIBILITY OF OTHER BIDS FOR DOME

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, in view of the Minister's hands-off policy, in view of the fact that to this time, as far as we in this House know, no government initiative whatsoever, direct or indirect, has been taken to examine any other potential bids, and in view of the fact that there is a prospect of failure with regard to the bid now facing us, will the Minister undertake to instruct the President of Investment Canada, despite the fact that it is not within his mandate, to be in touch with those other Canadian oriented companies which are interested in making bids on Dome?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I am convinced that if I dared to act along that line the Liberal Party would promptly accuse me of undue interference.

Mr. Malépart: It is in the interest of consumers.

* * *

[*English*]

CONSUMER AFFAIRS

IRRADIATION OF FOOD—COMMITTEE RECOMMENDATION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I will direct my question to the Deputy Prime Minister in the absence of the Minister of National Health and Welfare. For some time Health and Welfare Canada has been considering changing the classification of irradiated food from an additive to a process.

Since the all-Party Committee on Consumer and Corporate Affairs tabled its report today recommending that food treated with ionizing energy continue to be classified as an additive to ensure that proper labeling and testing occur, will the Minister give the House and Canadian consumers his assurance that his Department will follow these recommendations?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I believe the committee also requested that the Government make a formal response within a 120-day period. It is, of course, our intention to do that. I would like to leave the details of that response until Cabinet has had time to consider it.

As the issue of labeling affects my Department we will, of course, continue with the practice of ensuring that foods so treated are labeled.

IMPORTATION OF IRRADIATED FRUITS AND VEGETABLES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I will direct my supplementary question to the Minister of Consumer and Corporate Affairs. Since his Department is already responsible for the labeling of irradiated foods, and since the Science Council report indicates that irradiation may be used by more Third World countries for their exports of some fruits and vegetables aimed at North America, will the Minister assure Canadians that as those foods are irradiated they will be labeled before entrance into this country?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, under the Hazardous Products Act the Department requires that foods be labeled to indicate additives. It is the position of the Government now that irradiation constitutes a sort of additive and would have to be so identified.

IRRADIATED POTATO PLAN—INVOLVEMENT OF ATOMIC ENERGY OF CANADA LIMITED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and is also with regard to irradiation. He will no doubt be aware that Atomic Energy of Canada Limited currently has in place a plan to test-market Canadian irradiated potatoes in Hamilton.

Given the concerns expressed today by the all-Party committee and the fact that the Conservative Chairman herself said that she would not eat irradiated potatoes, will the Minister order Atomic Energy of Canada Limited to put a hold on any tests of any potatoes in Hamilton or anywhere else in Canada until it gets a go-ahead from the Government?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, this has already been done at least three weeks ago.

• (1440)

[*English*]

MINISTER'S ACTION

Ms. Sheila Copps (Hamilton East): Today my office spoke to Atomic Energy of Canada Limited. They are looking at the December potato crop, to move ahead with irradiation at the A & P Store in Hamilton. That is the information from AECL today, just before Question Period.

Will the Minister issue a directive to Atomic Energy of Canada Limited that Hamilton will not be used as a test point for irradiation zapping, and will he further direct AECL to ensure that no test takes place until it gets the go-ahead from the Government?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, it proves one thing, that there are still people at AECL who intend to do just that, and I can assure you that instructions have been issued so it will not happen.

* * *

[*English*]

INDIAN AFFAIRS

POST-SECONDARY EDUCATION ASSISTANCE PROGRAM

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Hon. Minister of Indian Affairs and Northern Development. Either the Minister does not recognize the value and success of the Post-secondary Education Assistance Program, or he is indifferent to the continuing cycle of poverty and despair that faces many Indian and Inuit young people today. Why is he deliberately closing the door to education and a better life for Indian and Inuit young people by capping the Post-secondary Education Assistance Program?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, neither one of the Hon. Member's assertions in his preamble is accurate. We recognize the success of the program. We recognized it by creating an additional $12 million to be added to the post-secondary budget this year. That is some $94 million that is provided for some 12,000 students attending post-secondary educational institutions in Canada.

The growth rate from 1983-84 to 1987-88 is over 200 per cent. The reason that the interim measure had to be taken was to assure that there would be fairness and that the funds provided would be used in an equitable manner, to provide post-secondary education to Indian and Inuit students.

Mr. Manly: The program was growing because it was working and more students were able to take advantage of it.

FUNDING OF PROGRAM

Mr. Jim Manly (Cowichan—Malahat—The Islands): Why is the Minister closing this program at the very time when Indian communities recognize the possibilities available to them in post-secondary education, when more Indian and Inuit young people have come through school and are able to take advantage of it? Why does the Minister cut it off now when the program is beginning to work? Is that not an example of bad faith, to fund a program until people begin to take advantage of it, then shut it down?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member refers to shutting down a program. An increase of $12 million over budget is not shutting down a program. Some 12,000 Inuit and Indian students are taking advantage of post-secondary education. The expenditures are some $94 million.

The interim changes were made so that those who are benefiting now and those who wish to benefit in the future will be able to do so. Ten years ago the program was funded at a level of $8 million. Today it is funded at $94 million. I suggest to the Hon. Member that there is a program in existence which will benefit Indian and Inuit students.

* * *

ADMINISTRATION OF JUSTICE

SENTENCE IN QUEBEC NATIONAL ASSEMBLY MURDER CASE—CALL FOR REFORM OF CRIMINAL LAW

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of Justice my question is directed to the Parliamentary Secretary to the Minister. The decision on Monday that Denis Lortie, a man who has been convicted of murdering three and wounding 13 others in a machine-gun attack, will be eligible for parole in some seven years is undoubtedly going to underline and reinforce the concerns of many Canadians who are calling for the return of the death penalty.

Bearing in mind that for many weeks now his Department has had the report of the Sentencing Commission, will the Parliamentary Secretary give the undertaking to the House that the Government will move immediately to reform criminal law sentencing? Will he give us the assurance as well that the Government will not wait until the end of the capital punishment debate to move to reassure concerned of Canadians in this area?

[*Translation*]

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I am grateful to the Hon. Member for his question. Indeed, the Sentencing Commission tabled its report a few weeks ago, and the Department is completing its examination. But, as you know, there will have to be consultation with the provincial Ministers of Justice, in view of the fact that the administration of justice comes under provincial jurisdiction. Moreover, the Minister has every intention of seeking the advice not only of provincial Governments, but also of federal and provincial Government corrections representatives and all individuals and groups interested in this important matter.

[*English*]

EMPLOYMENT

EFFECT OF CANADA-UNITED STATES TRADE AGREEMENT—NEED FOR ADJUSTMENT PROGRAMS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Deputy Prime Minister. Last evening in the committee the Minister of Employment and Immigration made what can only be called a shocking confession on behalf of the Government, that there are absolutely no plans and there is no interest in preparing plans for the adjustment of all those communities that will be affected under a free trade deal. Yet the Government's own studies, prepared by the Department of Regional Industrial Expansion, have pointed out that thousands of workers will be displaced or dislocated across the country upon the signing of a free trade agreement.

Why is the Government totally ignoring its own studies and totally ignoring its responsibility to prepare some form of adjustment program that will provide help for those workers in those communities who will face dislocation and turmoil as a result of the Government's policy to negotiate a free trade agreement?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, if the Hon. Member for Winnipeg—Fort Garry had been present yesterday at the Committee meeting, he would have understood me completely. I said that manpower adjustment is a continuing problem: every year, 2.4 million Canadians are involved in job displacement and avail themselves of the various Government programs to achieve employment adjustment. Therefore, it is completely independant from the trade negotiations with the United States.

Also, I said yesterday that nobody is in a position to foresee exactly what individual area of our economy would be affected, should we ever reach an agreement with the United States. Studies have been made. I suggest it would be somewhat premature, before any agreement is reached, to indicate in which industry we should apply adjustment mechanisms. I can assure my hon. friend that if we need to define these industries, we shall do so. We do it already for 2.4 million Canadians. Therefore, instead of trying to frighten people, I think we should use the mechanisms that exist already. In my opinion, there is no problem at that level.

[*English*]

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, perhaps I can take the opportunity at some point to introduce the Minister to his colleague, the Minister of Regional Industrial Expansion, whose Department has prepared a series of studies that demonstrate that in the automobile industry, the food processing industry, the appliance industry and in the agricultural sector there will be major dislocation of thousands of jobs, affecting communities in all those sectors.

When the Government states that this is the most important economic policy it has, surely it should recognize that it will need special programs to prepare those workers whose jobs will be lost or affected. Why is the Government doing absolutely nothing to prepare for that outcome? Is the real reason that the Government does not want to admit that there will be jobs lost because it will show that its policy is bankrupt?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, let me suggest to my hon. friend that he would rather try to scare Canadians than have them believe that we are right.

* * *

CANADA POST CORPORATION

RETURN OF CORRECTLY ADDRESSED MAIL

Mr. Murray Dorin (Edmonton West): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. I have been receiving many complaints from constituents that mail is being returned to the sender marked "Address Unknown". In each case, however, the mail was correctly addressed. I have been shown examples of such mail.

I have with me today a package that was sent from my office to a constituent, which has been returned in a completely mutilated condition more than a month after being mailed. In fact, the correct name, address, street, city and postal code are on both sides of the package. Will the Minister tell us when we can expect the people at the Post Office to learn how to read and provide the service for which people are paying?

• (1450)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Would you believe tomorrow?

The question of the service of the Post Office is very serious. As the Marchment Committee pointed out, there are very serious problems in the Post Office we are trying to address. I have indicated that service has to be the very first priority. In that regard, a large national consulting firm has been hired and will report on a quarterly basis to Parliament and to the public.

Mr. Benjamin: That will cost the public.

Mr. Andre: Socialists apparently are not interested. It will report on a quarterly basis to Parliament and to the public about the service of the Post Office. It will be an independent outside audit.

In the meantime, I think complaints such as that of the Hon. Member should be directed to the Post Office so that the employee, supervisor, or manager who is responsible for that

kind of shoddy service can be dealt with in the appropriate fashion.

* * *

UNEMPLOYMENT INSURANCE

FORGET COMMISSION RECOMMENDATIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Today I received petitions which represent 100,000 Canadians who indicate their opposition to the Draconian measures included in the Forget Commission Report on unemployment insurance. We have had commissions and studies. We have had committees studying the commission reports.

Some Hon. Members: Question.

Mr. Rodriguez: We have reports on the committees studying the commission reports.

Some Hon. Members: Question.

Mr. Rodriguez: Now, Mr. Speaker, I want to put it to the Minister—

Some Hon. Members: Hear, hear!

Mr. Rodriguez: —and call upon him to stop playing politics and start—

Some Hon. Members: Oh, oh!

Mr. Rodriguez: —dealing off the top of the deck with the unemployed. Will the Minister stand in his place now and not only reject Forget's major recommendations but also announce improvements and strengthening of the unemployment insurance program when he makes his statement tomorrow?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): At noon tomorrow, Mr. Speaker.

[*English*]

Mr. Rodriguez: Mr. Speaker, the Minister is as decisive as the Liberal caucus.

Some Hon. Members: Oh, oh!

Mr. Blaikie: He is not that bad, is he?

Ms. Copps: Gallup all the way, John.

Mr. Nunziata: Rise and fall.

Mr. Blaikie: Order.

Mr. Speaker: The Chair cannot help but note there seems to be an attempt here to kill two birds with one stone.

Some Hon. Members: Oh, oh!

Mr. Speaker: I wonder if the Hon. Member would put his question.

PARLIAMENTARY COMMITTEE RECOMMENDATIONS

Mr. John R. Rodriguez (Nickel Belt): I want to apologize to the Minister. He is not that bad.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Now, having softened up and buttered up the Minister, maybe he will see fit to give me a positive response. Is the Minister prepared to stand up now and tell us that tomorrow, when he makes his announcement, he will not only be setting himself up as the great hero who saved the unemployed from Forget but he is prepared to make some positive changes along the lines suggested by the Standing Committee on Labour, Employment and Immigration, which was dominated by Tories?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I shall not move as much as the polls have moved since yesterday.

Some Hon. Members: Hear, hear!

Mr. Bouchard: Seriously, I want to tell my hon. friend that tomorrow I think will be an important day for U.I. I will try to give the best answer we can to the unemployed in the country, in those circumstances where we actually have unemployment in the country.

* * *

AGRICULTURE

OECD MEETING—SALE OF UNITED STATES SUBSIDIZED WHEAT

Mr. Maurice Foster (Algoma): Mr. Speaker, perhaps I will address my question to the Minister of State for the Canadian Wheat Board. I note the Leader of the New Democratic Party has disappeared overnight. I thought he might have been here to take a bow, but he is not.

An Hon. Member: Tell us where rabbit John is? What burrow is he hiding in?

Mr. Foster: Yesterday the OECD declared its opposition to the dumping of surplus grain onto world markets at subsidized prices. I wonder if, as a result of this agreement to which the United States was a party, the Minister has a commitment that the United States will not raid our traditional Canadian markets as it has been doing in the Russian market for wheat and in the Saudi Arabia market for barley. Has the Minister, as a result of this proclamation yesterday in Paris, received a commitment from the United States that it will stop this raiding of our traditional markets?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, what did happen yesterday as a result of the OECD meeting and the communique is that for the first time we have 24 of the OECD countries unanimously making a declaration on agriculture. I think that is very good news.

Some Hon. Members: Hear, hear!

Mr. Mayer: I also think that the Prime Minister needs to be congratulated for the lead he has taken, as well as the two Ministers of this Government who attended that meeting.

CAIRNS GROUP MEETING

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister points out that the Prime Minister should receive a bow, too. The Prime Minister noted that the Cairns group on grain is going to be meeting here next week. Since the two warring parties are the EEC and the United States, which is party to the agreement yesterday, is the Minister going to invite representatives from the EEC and the United States to be participants in the Cairns group meeting next week? Since they are the principal adversaries in this trade war, can there really be an effective or useful meeting without those two warring parties? Surely we cannot have a peace treaty without the two combatants in the war.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member will know that the first meeting which was held in Cairns, Australia, last August—hence the name "the Cairns group"—is made up of 14 so-called fair trading agricultural nations. It involves more than just grain. Thailand, for instance, is very interested in rice, and many of the developing countries are also there as a result of sugar and sugar-beets.

At the Cairns meeting both the United States and European Community were there as observers, as was Japan. Those invitations have been extended so that those countries and the European Community can be there and make their presentations as a result of being observers at the meeting. So they are certainly included. However, the prime focus of the Cairns group is to get 14 of the trading countries which believe we trade fairly in agriculture together so that collectively we can take that message to some of the other countries we think are causing the problems, namely, the European Community, the United States, and Japan.

FEDERAL GOVERNMENT'S SUPPORT FOR FARMERS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also directed to the Minister of State for the Canadian Wheat Board with respect to the OECD Accord and grain wars in the world and the fact there is no timetable as of yet and no penalties if anyone breaks this Accord. Those are to be worked out during the Uruguay round of GATT negotiations.

I want to ask the Minister the specific question which some farm organizations asked me this morning. They are concerned to know whether or not we have some guarantees that the European Common Market and the United States, which are the main culprits in the trade war, will be the ones which begin to roll back farm support massively before countries like Canada are expected to cut back on support to farmers. Can we have the guarantee from the Minister that we will not be cutting back on farm support to farmers until there is at least a level playing field around the world, if even at that time?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, that has been our position as a Government and that is the position of the farm community. We see the support we are providing for our farmers as being in reaction and in order to keep our farmers in business, as a result of the silliness which is going on between the Europeans and the Americans.

I will even go one step further and say that Canada in the past, in the early 1970s, participated by itself in reducing its over-all production. We have no intention of getting into anything like that either unless we have complete agreement and assurance from the other grain exporting countries that they are prepared to do the same.

• (1500)

GOVERNMENT'S COMMITMENT TO FARMERS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I thank the Minister for his answer. Another concern voiced to me this morning by some farmers and farm organizations was with respect to the fact that we know the Government, at least publicly, has not made a commitment yet to a deficiency payment next fall. We know at least that that is the public position.

Can the Minister assure the House that in no way will the agreement reached in Paris yesterday jeopardize, influence or have any impact on the Government's thinking as to whether or not there will be a deficiency payment next fall? Can the Minister assure us that what happened in Paris yesterday will not influence the Government with respect to whether or not there will be a deficiency payment next year that might guarantee farmers a final price that is no lower than they received for last year's crop?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, surely the Hon. Member should have prefaced his question by saying that what happened yesterday in Paris at the OECD meeting is a step in the right direction and that it is some good news.

Some Hon. Members: Hear, hear!

Mr. Mayer: With regard to the support the Government has shown for agriculture, it is substantial. It has increased dramatically. It is up 350 per cent.

The Minister of Finance said yesterday: "Just because we have called for a truce that doesn't mean that the support programs are going to disappear because you cannot leave the

farmer high and dry". That is a very strong commitment on behalf of the Government from the Minister of Finance to support farmers in the future.

Mr. Speaker: I will recognize the Hon. Member for Eglinton—Lawrence for a question and a supplementary. That will close off Question Period.

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THE DISABLED AND THE HANDICAPPED

DEPARTMENTS' EMPLOYMENT RECORD

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, in the absence of the Secretary of State of Canada and the Minister of National Health and Welfare my question is directed to the Deputy Prime Minister. In view of the fact that the Departments of these two Minister have a major, basic, fundamental responsibility for the needs and concerns of the disabled and the handicapped, how does the Government account for the fact that in the Department of the Secretary of State and the Department of National Health and Welfare only 1 per cent of the employees are disabled and handicapped—in other words only one in every one hundred—while the national average is six in every one hundred? Why is the policy of the Government: "Don't do as I do, do as I say"?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I am not authorized to answer for the two departments mentioned by my colleague. Yesterday however the Hon. Member quoted figures which are false and do not reflect reality. On the basis of the figures I am about to give him, I would ask him to check again the figures he has today because yesterday he said that Employment and Immigration Canada was one of the departments with the smallest number of handicapped employees. I would remind my colleague that 708 people are registered as handicapped employees working for the department. This amounts to 2.54 per cent, definitely more than the standards set by Treasury Board.

So in the case of the two departments he mentioned today I would ask him to check his figures before making the kind of statements we have just heard.

[*English*]

Mr. de Corneille: I am shocked that the Minister would say that the figures from the Challenge report which his Department gave to the Subcommittee on the Disabled and the Handicapped are incorrect when those are the very figures his Department gave to the committee. It is shameful for him to deny that now.

REQUEST FOR ESTABLISHMENT OF STANDING COMMITTEE

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, will the Deputy Prime Minister in his capacity as House Leader take immediate steps to establish the Subcommittee on the Disabled and the Handicapped as a permanent standing committee of the House of Commons so that it will have the credibility and the status it needs to carry out its own recommendations?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the suggestion put forward by the Hon. Member is indeed a worthy one. However, it is one of those types of things that are normally transacted during the course of the discussions that take place among House Leaders. Perhaps the Hon. Member might want to ask his House Leader to raise it at our next meeting.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it being Thursday I would like to ask the Deputy Prime Minister what legislative menu the Government intends to bring before the House in the coming week.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, tomorrow will be another allotted day. On Monday the House does not sit. Tuesday will be another allotted day. On Wednesday we will be proceeding with third reading of Bill C-37, followed by Bill C-57.

* * *

[*Translation*]

PRIVILEGE

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Hon. Marcel Masse (Minister of Energy, Mines and Resources): I want to raise a question of privilege, Mr. Speaker.

An Hon. Member: What is it this time?

Mr. Masse: I believe many of my colleagues on this side of the House clearly heard our colleague from Montreal—Sainte-Marie use, in our exchange of questions and answers, words which seem quite unparliamentary to us.

I can understand that Hon. Members may have exchanges on personal views, but as to the form, Mr. Speaker, I have always shown respect for my colleagues in the House and each Member is entitled to expect to be so treated. I believe the words used by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) were clearly unparliamentary and, in my opinion, Mr. Speaker, he should withdraw them.

Mr. Jacques Guilbault (Saint-Jacques): On the same question of privilege, Mr. Speaker. First I would point out that the Minister rose to attack my colleague from Montreal—Sainte-Marie in his absence, which is somewhat unusual.

Second, I would draw the attention of the Chair to the fact that the Minister made a general attack without indicating in any way whatever the specific words which, in his opinion, my colleague allegedly used to insult him. I would suggest that the Chair ought not to accept that general accusations be made without specifying what they are all about; this has never been done.

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in direct reply to my colleague's suggestion that a question of privilege cannot be raised when a Member is not in the Chamber, the Hon. Minister raised the question of privilege at the first available opportunity. If my friend's point is valid, then a question of privilege on items which take place in Question Period could simply be avoided by leaving the Chamber. I think the Minister has done the correct thing.

Waiting until the "blues" are available or until the other Member is available for comment are other ways of handling the matter. However, I do not think it should be thrown out simply because the Hon. Member for Montreal—Saint-Marie (Mr. Malépart) has left the Chamber.

[*Translation*]

Mr. Speaker: The Hon. Member raised an important point, a complaint concerning the language used by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). Unfortunately it was impossible for the Chair to hear clearly the words which are the subject of the complaint, but naturally when the Minister and, I think, a few other Members have heard a few words which obviously gave rise to this question, consequently—

[*English*]

Perhaps I can review the "blues", and if I think it is necessary and, in the interests of fairness, I would, of course, hear the Hon. Member for Montreal—Saint-Marie. Perhaps for now Hon. Members will let the Chair review the "blues". I will return to the House at an appropriate moment.

I would like to bring to the attention of the House the fact that I have received a notice of a question of privilege from the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan). I understand that the Parliamentary Secretary will have an intervention to make, which may prove helpful. I will now hear the Hon. Member.

PRIVILEGE

INACCURATE INFORMATION IN ANSWER TO QUESTION ON THE ORDER PAPER

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question of privilege is with respect to a question on the Order Paper which was answered yesterday. I refer to Question No. 95 in the name of the Hon. Member for Skeena (Mr. Fulton). The question reads:

> For the period September 4, 1984 to March 4, 1987, did Members of Parliament travel outside of Canada at the expense, in whole or in part, of any department of the Government of Canada and, if so, for each Member and each trip what was the (*a*) sponsoring department (*b*) purpose (*c*) destination (*d*) cost?

• (1510)

Included in this answer, Mr. Speaker, is an expense item listed in my name, in relation to my attendance at the Forty-First Session of the United Nations General Assembly, in the amount of $25,721.

Some Hon. Members: Shame!

An Hon. Member: A typical "liberal" spender.

An Hon. Member: One would think he was the Prime Minister, spending that amount of money!

Mr. MacLellan: I would like to think that the Government would provide me with that amount of money for one week; but, I can assure you, if I spent that amount of money for a one-week trip, I would have to get my closets expanded.

While I can laugh about this matter now, it was not very funny this morning when it was flashed across the country as the lead news item. It caused great concern to myself, my family, and my constituents.

My office telephoned the Department of External Affairs regarding this, and the response received was, "Oh, well, that's too bad. Evidently, your name was confused with that of another Member, who had attributed to him expenditures totalling $25,720." But even in the confusion there was still attributed to me $1 more than that attributed to the other Member.

It is a very serious matter, Mr. Speaker, when this type of erroneous information is allowed to slip through. It can do nothing but cause problems for the credibility of Members of Parliament, in addition to causing embarrassment to Hon. Members, their families, and their constituents. Some tightening up in respect of the compilation and dissemination of this information is required.

I do not disagree for a moment with the right of Members of Parliament to have this information, or the right of the press or the Canadian public. All I ask is that the right information be brought forward.

In my particular case, according to External Affairs, my expenses in respect of that week amounted to $2,183. So, as one can see, it is not even a question of a misplaced decimal.

I ask, through you, Mr. Speaker, for a public apology, and I ask that the correct figure be printed in *Hansard* as soon as possible.

Mr. Speaker: Before hearing from the Hon. Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council (Mr. Lewis), let me just observe that it is regrettable that this error has taken place. It is something that may have stemmed from over-enthusiastic investigative reporting.

In any event, we shall hear from the Hon. Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council on the matter.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I agree with my colleague that a serious mistake has indeed been made. On behalf of the Government, I rise to admit that an administrative error has been made, in respect of which I offer our sincere apologies to my colleague.

Some Hon. Members: Hear, hear!

Mr. Lewis: I am advised that the correct amount is indeed $2,183. At the present time, I have no idea as to how such an error could have been made. The fact that a great number of figures are provided without error does not make any less grievous this particular mistake.

We regret that it has caused the Hon. Member and his family embarrassment, not to mention the time involved in straightening the matter out. Given my personal friendship with the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan), I am particularly regretful that this error occurred. I can tell the Hon. Member that I expect to have the official correction ready for tabling tomorrow; or if not then, at the first available opportunity.

Mr. Speaker: I want to thank the Hon. Parliamentary Secretary for his response. I trust that the response given will completely satisfy the Hon. Member for Cape Breton—the Sydneys as well as his family and his constituents.

* * *

PRIVILEGE

ALLEGED LEAKS OF INFORMATION FROM *IN CAMERA* COMMITTEE MEETINGS—MR. SPEAKER'S RULING

Mr. Speaker: I am now ready to rule on the question of privilege raised by the Hon. Member for Selkirk—Interlake (Mr. Holtmann) on April 28 and May 5, as well as the question of privilege raised by the Hon. Member for Calgary South (Mrs. Sparrow) yesterday, May 13.

I will first briefly recapitulate the sequence of events underlying the first question of privilege, as I understand them.

For the benefit of those Hon. Members who were unable to be here yesterday, as well as the public, let me say that this ruling relates to alleged leaks of information from committee meetings held *in camera*; that is to say, in absolute privacy.

There have been several incidents over the last few months involving such leaks brought to the attention of the Chair. The Chair considers such leaks a very serious matter.

As was pointed out by the Hon. Parliamentary Secretary to Deputy Prime Minister and the President of the Privy Council (Mr. Lewis) a few days ago, when this place operates at its best, it operates on the basis of mutual trust. When Hon. Members take part in what is an *in camera* meeting—and it is not for the Chair to say when and under what circumstances such meetings are held; that is a decision for the respective committees—they have to be assured that what takes place in confidence will be held in confidence.

That, I am sure, is a sentiment shared by all Hon. Members, and it is that which the Chair intends to address in its ruling. I invite all Hon. Members, some of whom were unable to be here when the arguments were given, to reflect upon that, and I also want the public watching the proceedings of this place to understand exactly what it is the ruling relates to.

To briefly recapitulate the sequence of events, on March 24 last the Standing Committee on Aboriginal Affairs and Northern Development met *in camera* to consider a draft report to the House. The committee resolved—and remember, the committee was *in camera*—following a recorded vote, not to report the draft report to the House at that time.

On the following day, the Hon. Member for Kenora—Rainy River (Mr. Parry), a distinguished member of that particular committee, and an individual for whom Hon. Members have a high regard, made a statement under Standing Order 21 criticizing the decision of the committee. In the course of his statement, he said:

> In an anonymous office tower, behind closed doors and safely tucked away from probing microphones, four Members of Parliament abrogated their responsibilities to aboriginal people.

[*Translation*]

He then went on to disclose the names of four members of the Committee who, in his words, "voted to block the report".

On April 1, at another *in camera* meeting, the Committee considered a motion to report the action of the Hon. Member for Kenora—Rainy River to the House. The report was adopted on April 7 and later presented to the House. On the presentation of the report the House was formally seized of the matter.

[*English*]

The matter raised by the Hon. Member for Calgary South yesterday concerned the publication in the press of certain proceedings which took place at an *in camera* meeting of the

Standing Committee on Energy, Mines and Resources. In this case, as well, the matter was formally reported to the House by the committee. The Hon. Member provided the Chair with the relevant press reports, which constitute the only available evidence. The committee did not attempt to identify the source of the leak.

On April 28, the Hon. Member for Selkirk—Interlake raised the matter arising from the Standing Committee on Aboriginal Affairs and Northern Development as a question of privilege. Because of the absence of the Hon. Member for Kenora-Rainy River, who was engaged on other parliamentary business, argument was postponed until May 5.

• (1520)

The presentation of the Hon. Member for Selkirk—Interlake was very straightforward. He argued that the unauthorized disclosure of the proceedings of an *in camera* meeting of a committee could be damaging to Members and constitute a breach of privilege. He supported his argument with an apposite citation from the Nineteenth Edition of Erskine May's *Parliamentary Practice*.

The Hon. Member for Kenora—Rainy River, in a defence of his action, claimed that he did not violate the intent of the *in camera* meeting and that a clear distinction should be made between Votes and Proceedings. He argued that with the taking of a recorded vote, the *in camera* meeting was in essence suspended.

I noted at the time that the Hon. Member for Kenora—Rainy River, who as I have commented is a well-respected Member of the House, did not take the position that a Member was entitled to reveal anything which goes on at an *in camera* meeting just because he or she did not happen to agree with it.

It is important for the Chair to make it very clear that that was not the thrust of the defence of the Hon. Member for Kenora—Rainy River. He was not saying that a particular Member ought to be able to reveal anything that happens *in camera* if he or she feels strongly about it; that was not the Hon. Member's position.

As I say, the position was that there was a difference, as he argued, between the substance of the discussion which had been taking place in the *in camera* meeting and the vote which took place in the *in camera* meeting. However, there is no doubt on the facts, the vote took place within the *in camera* meeting.

He argued that with the taking of a recorded vote, the *in camera* meeting was in essence suspended. As I say, I noted at the time that he did not take the position that a Member was entitled to reveal anything which goes on at an *in camera* meeting just because he or she did not happen to agree with it.

The Hon. Member was supported in his argument by the Hon. Member for Cochrane—Superior (Mr. Penner) who is a senior Member of this place and enjoys the respect of all Hon. Members. The Hon. Member for Cochrane—Superior requested the Chair to rule "that the revelation of a recorded vote under any circumstances at all is not the same thing as the publication of a committee's proceedings". He also expressed doubt that such a revelation could damage the reputation of the Hon. Member for Selkirk—Interlake in any event.

We had two Members arguing that there was a distinction between the substance of what took place—the discussions and the vote. Again I reiterate that neither Hon. Member was in any way, as far as the Chair is concerned, taking the position that *in camera* proceedings ought not to be respected just because a Member does not agree with what goes on there or, as I suppose could be implied in this case because both Hon. Members are very concerned about native matters, depending upon the seriousness of the discussion and the nature of the issue involved.

The Chair first had to decide, therefore, whether a recorded vote taken at an *in camera* meeting of a committee was not, as the Hon. Member for Kenora—Rainy River and the Hon. Member for Cochrane—Superior claimed, a part of the *in camera* proceedings.

I must say that the two Hon. Members argued their points very effectively. However, the Chair has been forced to the conclusion that when a committee resolves to meet *in camera*, the intention of the committee is that all deliberations which take place at that meeting must be confidential unless and until it resolves otherwise. It is clear that the Standing Committee on Aboriginal Affairs and Northern Development did not resolve that its sitting should be resumed in public for the purpose of taking the recorded vote. The committee did in fact resume its sitting in public subsequently, but not before the vote was taken. I cannot therefore accept the argument that there is a distinction between votes and proceedings in this context and in the manner argued by both Hon. Members.

The next question to be decided by the Chair is whether this particular disclosure of what took place at an *in camera* meeting constitutes prima facie evidence of a question of privilege.

The Hon. Member for Selkirk—Interlake quoted a sentence from the Nineteenth Edition of Erskine May, which is repeated in identical terms on page 154 of the Twentieth Edition. The citation reads:

> The publication or disclosure of proceedings of committees conducted with closed doors or of draft reports of committees before they have been reported to the House will, however, constitute a breach of privilege or a contempt.

[*Translation*]

In the British House of Commons, this principle has always been strictly enforced. As recently as 1968 a British Member was ordered by the House to be reprimanded in his place by the Speaker for having revealed to a journalist confidential evidence received by a committee of which he was a member. In 1976, *The Economist* was censured by the Committee of Privileges for having published the confidential report of a select committee.

[*English*]

Canadian practice in this area is less easily defined, although Citation 628(1) of Beauchesne's Fifth Edition indicates that the publication of the proceedings at an *in camera* meeting of a committee would be an offence with which the House could deal upon receiving a report from the committee.

There are two rulings of October 21, 1975 and May 6, 1977, dismissing complaints arising from the disclosure of confidential proceedings of committees. These are two Canadian rulings of this House. I should point out that the circumstances of these two cases were not unlike those of the case raised by the Hon. Member for Calgary South, but rather different from those of the one raised by the Hon. Member for Selkirk—Interlake. In the 1975 case the complaint was dismissed because it was not directed against any specific individual or group.

In the 1977 case the complaint was directed against the press, and Mr. Speaker Jerome said the following in the course of his ruling:

> It concerns me, however, that the motion appears to attack the press for publishing a confidential document but does not attack ourselves as Members of the House for our own attitude in respect of our own confidential documents. Since it misses that point it misses something I think most important with respect to the privileges of the House.

The Hon. Member for Windsor West (Mr. Gray) referred to this ruling when he was speaking to the question of privilege raised by the Hon. Member for Calgary South. I must agree that it does not become the House to attack the press without reviewing the part that some of us as Members of the House have played in revealing the confidential proceedings of certain committees. One can hardly blame the press for publishing leaked information. It is far more important that we, as Members of Parliament, should address our own responsibilities in ensuring that such leaks do not take place.

I believe it is my duty on your behalf to state in categoric terms that when a committee resolves to meet *in camera*, all the deliberations which take place at such a meeting, including any votes which might be recorded, are intended to be confidential. All Members attending such a meeting, together with any members of the staff assisting the committee, are expected to respect the confidentiality of the proceedings which take place at that meeting. This place can only operate on the basis of respect for its rules and practice and of confidence and trust among its Members.

At this point I am prepared to rule that I do not feel I can accord precedence over other business to the question of privilege raised by the Hon. Member for Calgary South. My reasoning, as I think Hon. Members will have divined, is the same as that which inspired Mr. Speaker Jerome's ruling of May 6, 1977. We should not attack the press before determining the measure of responsibility that attaches to ourselves as the possible source of the leaked information.

The question of privilege raised by the Hon. Member for Selkirk—Interlake involves other considerations. The elements which influenced the Chair in dismissing the two complaints raised on October 21, 1975 and May 6, 1977 are not present in this case. The complaint of the Hon. Member for Selkirk—Interlake is directed at a Member of this House on the basis of undisputed facts.

• (1530)

The Standing Committee on Aboriginal Affairs and Northern Development was meeting *in camera* and a recorded vote was taken before the committee resumed its sitting in public. The Hon. Member for Kenora—Rainy River made a statement in this House under Standing Order 21 criticizing the decision of the committee and revealing the names of four members who participated in the vote. These facts were duly reported to the House by the committee. In these circumstances, it would be very difficult to dismiss the complaint of the Hon. Member for Selkirk—Interlake. I, find, therefore, in view of the evidence which has been presented to the Chair that this matter should be accorded the necessary precedence.

I should explain, in case the practice is not generally understood, that the Chair is not judging this issue. Only the House itself can do that. The Chair simply decides on the basis of the evidence presented whether the matter is one which should take priority over other business. For those who may get lost in these procedural terms, it just means that this matter is now deemed by the Chair to be sufficiently serious to be put to the House in precedence over anything else the House might be doing at this time. That is all it means. The point is that it is the House that is to make this decision.

The next step is normally the introduction of a motion by the Member raising the complaint. Such motions usually propose the referral of the issue concerned to the Standing Committee on Elections, Privileges and Procedure; not back to the committee from which the complaint came, but to the Standing Committee on Elections, Privileges and Procedure. The House might then decide to take no further action until the committee has reported. However, I point out that the motion is debatable and the effect of my ruling is to allow it to be taken into consideration immediately, with or without debate. I might also point out that the usual practice has been for the House to allow the matter to go to the appropriate committee without debate but, as I say, I am saying that if any Hon. Member feels compelled to enter into debate, then that is the right of any Hon. Member.

Again, so far as the Chair is concerned, the vigorous arguments put forward by the Hon. Member for Cochrane—Superior and the Hon. Member for Kenora—Rainy River strove to draw a distinction between the vote which took place *in camera* and the substance of the discussion. I want to emphasize once more that if the Hon. Member for Selkirk—Interlake proposes the motion and it goes to committee, that is the question which the committee is to decide. It has been the sense of the Chair that you cannot divide these two, but it is also important for all Hon. Members to remember that in the vigorous arguments put forward by both Members in defence of the application neither of them at any time was advancing the notion that *in camera* meetings are not to be respected. I ask Hon. Members to keep that in mind.

It is important that this matter be considered in the context of the position taken by both Hon. Members, but it is also very important, in the view of the Chair, that this serious principle be addressed because it goes beyond the question of any one particular individual Member; it is a matter of grave importance for all of the committees that are operating in this place.

I therefore invite the Hon. Member for Selkirk—Interlake to move an appropriate motion.

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, in view of your findings, I move:

That the matter of disclosure by the Hon. Member for Kenora—Rainy River of a recorded vote taken at an *in camera* meeting of the Standing Committee on Aboriginal Affairs and Northern Development, as reported to the House by the said committee on April 28, 1987, be referred to the Standing Committee on Elections, Privileges and Procedure.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the ruling that you have made today is, in my view, an extremely important one. It is an important ruling for at least two reasons and probably many more than that, Sir.

First, I think that Hon. Members as a result of your ruling will have to give quite careful consideration as to whether it is in the best interests of Parliament and in the best interests of our work as publicly elected representatives to do our work *in camera*. The decision to go into an *in camera* meeting will have to be given much more careful consideration by each and every committee. On many occasions it has been done without the degree of thought and consideration that such a decision deserves. Is it really necessary and is it so important that Members work behind closed doors in strict confidentiality? That is the first point I want to make, and your ruling, I think, will impose on those who chair committees and who participate in decisions of committees that they give much more thought to this decision.

The second aspect of your ruling is that for the first time in the Canadian parliamentary tradition the due importance of *in camera* meetings has been underlined by you. I think Hon. Members in the past have perhaps considered that which goes on in *in camera* meetings too lightly but henceforth they will not be able to do so.

I come now to the third point. What still has to be considered by the Standing Committee on Elections, Privileges and Procedure, as I understand your ruling, is whether there is a distinction between proceedings and a recorded vote. You indicated quite clearly, Mr. Speaker, that all of this went on within an *in camera* meeting and, therefore, the rules of *in camera* as outlined by Beauchesne are applicable.

It does seem that there is a bit of an anomaly herein that when you record something in an *in camera* meeting, that recording of a vote, of a division, among the members must be given confidentiality. That strikes me as a bit of an anomaly and I think it needs some sorting out.

The experience learned in the Standing Committee on Aboriginal Affairs and Northern Development is that committees cannot be sloppy in their procedures. Obviously there was a bit of sloppiness that took place at that particular meeting with which we are dealing. When an Hon. Member who was distressed by the decision that had been made within the committee called for a recorded vote, it was at that very moment that members should also have taken the precaution and the necessary step to ask the Chairman and the Clerk of the committee that the *in camera* situation be changed and it become a regular meeting. In fact, this very item was subsequently discussed in the committee, and that is now the practice.

The motion which will be referred to the Committee on Elections, Privileges and Procedure will establish important new precedents for the Canadian House of Commons. The lessons that can be learned from this for the work of committees will be important in the future. Committees will have to proceed with much more care about going *in camera*. If there is going to be a recorded vote they will have to take the necessary procedural step to make sure they are no longer *in camera* when the recorded vote is taken.

• (1540)

I thank Your Honour for the decision.

Mr. Speaker: I want to thank the Hon. Member. Is the Hon. Member for Yorkton—Melville (Mr. Nystrom) rising to speak?

Mr. Nystrom: Mr. Speaker, I simply want to say that since the Hon. Member for Kenora—Rainy River (Mr. Parry) is in our Party and we do not object to the motion, it should be put without any further debate so we can get back to the Opposition Day debate.

Mr. Speaker: I want to thank the Hon. Member for Cochrane—Superior (Mr. Penner) who is, as I said earlier, a distinguished senior Member of this place. His comments are helpful.

The question that I now have to put to the House is: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion (Mr. Holtmann) agreed to.

Committees of the House

NATIONAL HEALTH AND WELFARE

AUTHORIZATION TO TRAVEL FOR STANDING COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): I have a point of order, Mr. Speaker. Let me say, just before we get back to Orders of the Day, that there have been discussions among the Parties and I wish to put a motion with respect to travel in order that the committee involved may make the appropriate arrangements. I move:

That the Standing Committee on National Health and Welfare be authorized to adjourn from place to place within Canada, specifically:

1) Toronto, Ontario, May 20 to 22, 1987, inclusive;

2) Victoria, Vancouver, Alkali Lake and Meares Island, British Columbia, May 31 to June 3, 1987, inclusive; and

3) Edmonton, Alberta, June 3 to June 4, 1987, inclusive;

to hold public hearings concerning the committee's ongoing study on alcohol and drug abuse and that the necessary staff do accompany the committee.

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

Motion agreed to.

* * *

POINT OF ORDER

ADOPTION OF MOTION PRIOR TO END OF DEBATE—RULING BY MR. SPEAKER

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, I am not sure whether my point is a point of order or question of privilege but I did want to reflect on the ruling made at the lunch break. I do it with some trepidation because I hold you in very high regard.

I think the statement, which obviously is not available to me in the "blues", had something to do with assuming that there was unanimous consent or there is deemed to be unanimous consent in the House regarding the motion before the House. I would not argue at all that at the time of debate there was unanimous consent. I think there was that spirit of oneness among the Members and I am not speaking to the substance of the motion at all. There may well be unanimous consent throughout the day regarding the motion. However, I wonder if, by assuming at one o'clock that there is unanimous consent when there are still several hours of debate left, and since we do not even know who is going to be speaking to the motion, it would not be considered premature to consider that there is unanimous consent or there is deemed to be unanimous consent to the motion before the debate is over. Are we not proscribing the rights of other Members who have yet to speak on the motion if, before the debate is finished, there is deemed to be unanimous consent?

While I do not want to disagree with you, I do draw to your attention the fact that an early decision regarding unanimous consent has the potential of restricting debate and restricting the rights of Members in the debate. Therefore, I would like to have a clarification of the remarks you made since, as I said, I do not have the "blues" at my disposal.

Mr. Speaker: Perhaps I can assist the Hon. Member who has raised a legitimate point. What happened just before one o'clock was that a suggestion was made by the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) that in view of the way the debate was going there might be some disposition in the House to take the position then that, at the end of the day, it would be deemed that this motion receive the unanimous support of the House. The point that the Hon. Member is making is that this is probably not the usual practice. It may be that some caution should be exercised when such a suggestion is made, especially if it is made relatively early in the debate on a motion. I think that is the sense of the Hon. Member's observations, and of course there always is the difficulty that if a motion like this should be accepted by the House early in debate, some Hon. Member who was busy attending to some other parliamentary duty might have felt that if he or she had been in the Chamber the matter might have gone a little differently.

However, the position the Chair before one o'clock was simply this. A suggestion was made by an Hon. Member. The Minister of the Crown concerned was in the Chamber. Both the Minister and the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin), who seemed to be quite clearly speaking for the Official Opposition, indicated support for the suggestion of the Hon. Member for Winnipeg—Birds Hill. At that point, because this House is the master of its own proceedings and in view of the fact that the Chair could not see that there was anything out of order about the procedure proposed, the Chair listened carefully and I think properly made it clear what was being proposed, and then clearly put the question to the House. Therefore I think procedurally what took place is proper.

However, the Hon. Member raises a question which perhaps we could all keep in mind, that is, that while this was unusual and it may well be resorted to again, there is of course the caveats which the Hon. Member has pointed out. I am sure all Hon. Members will benefit from the comments made. However, I certainly have to find that what was done was done within the procedural rules and according to the will of the House, as the Hon. Member pointed out. I thank the Hon. Member for his observations.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—DESIGNATION OF SOUTH MORESBY AREA AS NATIONAL PARK

The House resumed consideration of the motion of Mr. Fulton:

That this House calls upon the Government of British Columbia to co-operate in setting aside the South Moresby area of the Queen Charlotte Islands as a National Park Reserve; and

Further, that the federal government provide for compensation to those interests affected by such a National Park Reserve; and

Further, that the House confirms its intention to ensure the continued participation of the Haida people in matters affecting South Moresby.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, concerning what the House did by unanimous consent in those moments prior to the lunch break, I want to say that I regard it as one of the highest moments in the life of this Parliament and in the life of the House of Commons, it being one of those occasions when we put our hearts and minds together and unanimously express the will of the House of Commons of Canada regarding the preservation of South Moresby and the creation of a national park reserve in that area. I am very glad that we were able to do that and I call the attention of all Canadians concerned about the preservation of that area to the fact that the House of Commons has acted in this way. I think it is a very important moment in the life of the House of Commons.

It is more than appropriate for us to have done this as a Parliament today because of the particular historical context in which we find ourselves, both as it concerns the recent report of the World Commission on Environment and Development chaired by Norwegian Prime Minister Madame Brundtland, and also with respect to the historical context in which we have found ourselves for some time now. I would like to say a word about that. Perhaps because we have agreed that the motion shall be deemed to be passed at the end of the day, I will be freer to be less argumentative and more able to put what we have done here today in a larger framework.

• (1550)

I believe that at this point in human history we are faced with a unique set of planetary factors which call for a transcendence of all traditional western political philosophies and ideologies. None of these ideologies, whether they be capitalist or socialist, whether they have been production oriented or profit oriented, which have competed for so long for the minds of men and women are now adequate to the emerging reality of what has popularly become known as planet earth, although in my view obviously some views are more capable of meeting the challenge than others.

I refer to the moment that we are in by quoting from the World Commission on the Environment and Development, the chapter entitled "From One Earth to One World". It reads:

> In the middle of the 20th century, we saw our planet from space for the first time. Historians may eventually find that this vision had a greater impact on thought than did the Copernican revolution of the 16th century, which upset the human self image by revealing that the Earth is not the centre of the universe. From space, we see a small and fragile ball dominated not by human activity and edifice but by a pattern of clouds, oceans, greenery, and soils. Humanity's inability to fit its activities into that pattern is changing planetary systems fundamentally. Many such changes are accompanied by life-threatening hazards. This new reality, from which there is no escape, must be recognized and—managed.

This is true in the physical sense that the prevailing view of economic growth, which is responsible in many ways for much of the clear-cutting that has already been done in all parts of Canada, needs to be transcended in order that the limitless thrust of this way of looking at things not bring us to destruction by its ignorance of the limits to the kind of growth that we have had so far, of the limits to the amount of pollution that the environment can take, for example, of the limits to the amount of resources that are readily available to us without environmental penalty, and finally, quite simply, of the limits upon systems and upon notions of our economy which seem to presuppose, and some even to require, infinite growth in a finite world.

We heard earlier from the Member for Skeena (Mr. Fulton) about the spirituality, culture and traditions of the Haida people. I want to speak from the traditions of western civilization and talk about the philosophical roots in our own traditions of the problems that we face. It is important to recognize that much of the present dilemma cannot be separated from the limits of that view of nature which has complimented the establishment of what could be called the industrial paradigm, which is what I have been talking about, for the question of resources and of pollution is not just a question of limits of what nature can give and of what nature can take, but also of what nature should be expected to give and what it should not have to take. It is our whole approach to non-human creation which needs to be reflected upon at this point.

The critique of the modern world's attitude to nature has placed much of the blame for the exploitation of nature at the feet of Christianity. It is argued that the notion of man's dominion over nature derived from the creation story in Genesis is responsible for our present situation. This is no doubt partially true in the same way as many other modern attitudes can be traced to the selective expansion of a particular biblical theme at the expense of other themes and at the expense of the biblical stories from which the attitude is derived. The creation story is a good example. If you will permit me to revert to my other vocation I would like to quote from Genesis, Chapter 1, Verse 9, which I think is relevant to the South Moresby situation. It reads:

> And God said, "Let the waters under the heavens be gathered together into one place, and let the dry land appear." And it was so. God called the dry land Earth, and the waters that were gathered together he called Seas. And God saw that it was good. And God said, "Let the earth put forth vegetation, plants yielding seed, and fruit trees bearing fruit in which is their seed, each according to its kind, upon the earth." And it was so. The earth brought forth vegetation, plants yielding seed according to their own kinds, and trees bearing fruit in which is their seed, each according to its kind. And God saw that it was good. And there was evening and there was morning, a third day.

In this Creation story we read that God created those things over which humans are said to have dominion before the creation of human life, and they are called good even before human life is added to them, which seems to suggest that non-human creation has value in the eyes of the Creator independent of its use to human life. God saw that it was good, that it was valuable, that it had value independent of the existence of human life. This is a way of reading the Creation story which needs to be emphasized. The fact that it has not been so emphasized is not so much the fault of the story itself as it is of its various interpreters down through the years.

Likewise, it is quite out of context to notice only the dominion of humanity without noticing the dominion of God and his intentions for the dominion of humanity. There is a unique role for human life in creation insofar as humans are able to understand and explain the rest of creation in a way that is not possible for other creatures. The power which this gives to humanity over the rest of creation is certainly a form of dominion, but it is not the case that this dominion could ever have rightly been interpreted as a licence to see the whole world as a mere instrument of human goals.

Thus, it is possible to admit that the concept of man's dominion over nature has found support in biblical teachings while at the same time suggesting that this dominion is more appropriately understood as a form of stewardship rather than exploitation. Human life is responsible, not only for itself but, as the image bearer of the same God who created and loved the rest of creation, human life is responsible for the well-being of non-human creation as well. The separation of human life from nature which human responsibility implies is rightly criticized by those who believe that we need to begin again to see ourselves as part of nature, as part of a larger whole with which we must live in harmony if we are both to survive and to be more fully human. Human vanity, aided and abetted by advances in technology, has led us to imagine that by dint of scientific and technological achievement in everything from medicine to pesticides, and now to genetic engineering, we could put ourselves beyond the place where we would have need of conforming to given natural realities.

This has been a mistake, but it would also be a mistake to imagine that somehow we can throw off our own nature and abdicate our humanity by simply leaving nature to itself. Even organic farmers have to weed the garden. We need to find a view of nature and ourselves which enables us to have a proper relationship which does justice to human responsibility for creation and for others, and to nature's own intrinsic worth as another aspect of the world intended by the Creator.

• (1600)

Nevertheless, it is true that the focus on human life and its fulfilment, which is characteristic of biblical religion, has tended to separate man from his environment in a way that has made possible the despoliation and depletion of that which was entrusted to the stewardship of humanity. A new view of our dominion over nature is needed, not just to save nature but to save ourselves, for our dominion over nature, however interpreted, is not total and we threaten our own survival as we ignore the extent to which it is also true that in our relation with nature, nature has some dominion over us.

We need a view of the environment which sees human life as included, albeit in a special way, in the realm of nature and in which the idea of stewardship takes it meaning from a variety of places. This includes the traditional views of aboriginal peoples toward creation but also from what those of us who are Christians learn about true humanity in Christ, the servant King.

Human dominion is a form of service to all creation and to our fellow human beings. This is where I suggest we have the beginning of a view adequate to the ecological crisis which we now face and a view which should provide the framework for our debate today. Within that framework we will see that for too long we have been dominated by the false dichotomy of jobs versus the environment. While I emphasize that it is not necessarily the case that jobs and the environment are in conflict, let me say to those who are still captive to that false dichotomy that even when they are sometimes in conflict, it is a question of doing the right thing and making the right decision with respect to questions of inter-generational morality and what kind of future and planet we leave to those who come after us.

I remind the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen), whom I do not see as an antagonist but as one who has an interest in biblical matters, that one of the complaints against St. Paul in Rome was that Christianity was putting people out of jobs. There was the complaint that people who made their living from making graven images were put out of work by the arrival of this new religion called Christianity. But St. Paul did not say that anything that does away with jobs must be bad so he will abandon the entire evangelical project. He said that the right thing must be done and the problem of employment can be addressed at the same time while certainly not drawing back from that which he thinks is right simply because it may endanger jobs.

In any event, that problem does not exist with South Moresby because more than enough provision has been made in the proposals put forward by the federal Government to the British Columbia Government in terms of financial compensation and alternative areas to be logged. We are not talking about a conflict between the environment and jobs.

The Brundtland Commission repeatedly raises the question of sustainable development. We are talking about a need to finally accede that whatever new economic development opportunities exist either in Canada or in the developing countries, they must be forms of economic development which respect the absolute and vital need to pass on a sustainable environment to future generations. This not only involves a question of aesthetics so that people with money can visit South Moresby and enjoy the scenery. It concerns an integral part of the planetary biosphere.

I listened to the Minister of the Environment (Mr. McMillan) talk about tourism possibilities. It is true that people who are concerned about economic development should keep in mind that tourism possibilities only exist to the extent that the magnificent ecosphere which people want to see is preserved. This is true not only of South Moresby but of the four mountain national parks, which I hope the Minister will keep in mind in his deliberations on the proposed expansion of Sunshine Village.

In the final analysis, whether it is tourism, agriculture or another sector, one cannot build a sustainable human future on a deteriorating environmental base, whether it is soil erosion in respect of agriculture, or the preservation of Moresby out of respect for the aboriginal claims of the Haida people or for tourism purposes.

I can only make one final argument because I have a commitment to speak in Winnipeg tonight. I regret that because I understand there will be an opposition motion tomorrow on the Brundtland Commission, a debate in which I would very much like to take part. However, other members of my Party will participate in the debate and we look forward to it.

The question of South Moresby has an international consequence in terms of Canada's position of leadership in the world with respect to environmental matters. The Brundtland Commission pointed out that the developing countries are finally able to begin developing or exploiting natural resources that we developed or exploited long ago.

A good example of those natural resources are forests. There has been much concern expressed internationally about the rate at which tropical rain forests in the Amazon are being cut down, some suggest at a rate of 600 acres a day. The preservation of these forests, which have sometimes been called the lungs of the world since they produce so much oxygen, is a concern not only to those areas but to the whole ecosphere.

What right will Canadians have to go to the people of Brazil and other countries that have a standard of living that is far below ours and consume perhaps one-eightieth of the world's energy, to ask them not to cut down their forests in order to save the planet if we in Canada, with our affluence and sophisticated political and economic society, cannot bring ourselves not to log Lyell Island or South Moresby? The Minister of the Environment and other Canadians would never be able to go to an environmental conference without putting a bag over their heads. They would not be able honestly to request other nations to respect the limits of the earth if we in Canada were not in a position to show that kind of leadership.

• (1610)

We are not just talking about a local decision. We are not talking about a decision made in British Columbia or in the South Moresby area or, for that matter, a decision made here in the House of Commons of Canada. We are talking about whether at this point in human history Canada is going to take a step in the right direction or whether we are going to be part and parcel of that inertia to which the Brundtland Commission referred, and which, if it is not overcome, will see the day when our generation will be regarded—if there are future generations to regard us—as people who turned a blind eye to our moral responsibility to creation and to the people of the future.

The Acting Speaker (Mr. Paproski): There being no questions and comments, we will resume debate. Before I recognize the next speaker, however—

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Winnipeg North (Mr. Orlikow)—Literacy—Functionally illiterate adults—Need for Federal-Provincial Program—Request that Government set deadlines for ending illiteracy; the Hon. Member for Algoma (Mr. Foster)—Agriculture—Wheat farmers 1987-88 crop year—Request for deficiency payment—Request for introduction of new debt restructuring instruments; the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—Niagara River cleanup plan—Start of operations.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S. O. 82—DESIGNATION OF SOUTH MORESBY AREA AS NATIONAL PARK

The House resumed consideration of the motion of Mr. Fulton:

That this House calls upon the Government of British Columbia to co-operate in setting aside the South Moresby area of the Queen Charlotte Islands as a National Park Reserve; and

Further, that the federal Government provide for compensation to those interests affected by such a National Park Reserve; and

Further, that the House confirm its intention to ensure the continued participation of the Haida people in matters affecting South Moresby.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, let me begin by congratulating the Hon. Member for Skeena (Mr. Fulton) on the motion he has put forward today. It would be hard to find enough words to describe the perseverance, patience and imagination of the Hon. Member in his pursuit of what he believes is the right future for the Queen Charlotte Islands.

The news that South Moresby could have a happy ending comes, of course, as a great relief. Recognition must be given

to the present Minister of the Environment (Mr. McMillan) for the fine effort he has put into the negotiations, showing the readiness of the Government of Canada to entertain negotiation and find the necessary money in order to proceed with the implementation of the commitment, which was definitely much more than a good and sound principle of government. I think if this matter does have a happy ending, the name of the Minister will be remembered for a long time, and quite rightly so.

In the discussion of this particular potential area as a park, one very important factor emerges, which has been mentioned previously and one I would like to underscore as well, that is, the importance of recognizing the land claims of the Haida Tribal Council, because it is through this process of recognition of land claims, giving jurisdiction and management of these lands to the Haida people, that permanent stability and protection could be secured for these lands. That was the first lesson I learned when I became acquainted with this issue in 1984. It was put to me by Miles Richardson, the Chief of the Haida Tribal Council, a position he still occupies, as somehow the key to the solution of this particular issue. I do not know whether in the negotiations between the Minister and the Government of British Columbia the question of land claims, is paramount, but as I stand here I am convinced that in the long run the solution lies in ensuring that the aboriginal people of this area become the stewards and administrators. The long term responsibility for the management of these islands should be given to them in perpetuity because it is their land.

Another factor which comes to mind in this debate is the question of compensation, an issue which I am sure is a most contemporary and crucial item on the agenda in the negotiations. The loggers have to be compensated for the loss of jobs over a period of time. Solutions must be found for the logging companies which have been given, at least in the past, the indication that this would be an area which could be logged.

I never understood why land planning of British Columbia over the last three decades was worked out in such a manner as to provide so little elbow room for the Government of British Columbia to offer alternative logging areas if and when the need arose and if and when native claims would be made. It seems to me that a good part of the problems lies with the present policy of land use as implemented by the Province of British Columbia and that in future a number of potential problems could be anticipated and resolved by a revision of the present land use which gives to forest exploitation such a tight schedule, which does not permit certain flexibility and a slowdown in that exploitation if and when situations such as this do arise.

When it comes to the matter of compensation, it seems to me that compensation funds sought not to be taken from the operating budget of Parks Canada as is the experience of Parks Canada with respect to compensation for the Pacific Rim. Between this year and 1989, Parks Canada will be deprived of roughly $25 million in order to pay compensation for timber rights in the Pacific Rim National Park. The result is that it creates limitations in the funds available to Parks Canada to run the existing network. Programs have to be reduced and sometimes even postponed in order to accommodate this hefty requirement.

Another lesson which could be learned from this South Moresby experience is that the compensation should be made by way of a special allocation by Treasury Board with a cabinet commitment to the cause that it would not expect the operation of Parks Canada to be curtailed because of suddenly having to cough up a substantial sum in compensation. In other words, the compensation ought to be a sum of money that is provided in addition to the normal budget of Parks Canada.

• (1620)

Those who have spoken before me have said very eloquently what South Moresby is all about. I only want to add that in order to qualify as a natural world heritage site an area must meet at least one of four criteria which have been established by UNESCO—just one. South Moresby, this fantastic archipelago, meets three of them, namely, it is of biological significance; it is of geological significance; and it is unique to the earth's evolutionary history. It could also qualify because it is a cultural world heritage site on account of the Haida culture which, as Hon. Members know, is not only well regarded and well respected at home but it is so abroad as well. I am told that there are only one dozen sites in the world that at the present time qualify as both natural and cultural world heritage sites.

I would like to return to the history of South Moresby. We have seen that the value of public pressure and the role of individual citizens and organizations have been extremely important. The efforts over the last 14 to 15 years by environmentalists as individuals or as groups and by native aboriginal groups have been important in registering and developing pressure on the respective Governments, both in Victoria and here in Ottawa.

The latest pressure that was brought to bear and which stands out in our collective memory is with respect to a caravan, the Save South Moresby Caravan, a train which travelled from coast to coast in March of 1986, if I remember correctly. It was organized jointly by the Canadian Nature Federation and the Save South Moresby Committee. It consisted of a train that gathered support throughout the country. It collected money and picked up as it travelled enthusiasm and financial contributions, small and large, as well as emotional expressions that go with an issue such as this. It culminated in Vancouver with an unforgettable march on a sunny Saturday afternoon from the railway station down to the harbour.

There were a number of figures, costumes and expressions of support by groups that participated in this march, which gave folklore and colour to the entire event. I remember that at that time a substantial number of signatures were collected in a very bulky volume of petitions which the organizers eventually

gave to the Minister of the Environment of British Columbia, thus registering the fact that from coast to coast Canadians cared about the creation and the formation of this park.

The questions we must ask are the following ones. Why do we all get involved in an issue such as this? Why do we have a day such as this in the House of Commons? Why is there this fantastic unanimous support in the House? I suppose it is because national parks are created for Canadians, for their benefit, education and enjoyment, as is stated in Section 4 of the National Parks Act. In that same section there is a notion that national parks ought to be maintained and made use of so as to leave them unimpaired for the enjoyment of future generations. I suppose that is why we all get excited about it and why we are so keen. It is because we see here something that can be transferred from the preceding generation through ours to the next generation. It is a real act of carrying a torch of beauty and enjoyment, of intangible values that one cannot express in dollars. One cannot measure in dollars the excitement that one feels when one sees wildlife at its fullest, as is the case in South Moresby.

Creating a national park is more than just creating a new entity or drawing a certain boundary on a map, making the necessary ceremonial speeches and the cutting of a ribbon. It is much more than that, which is why many of us in the Chamber, and I am sure the Minister of the Environment (Mr. McMillan) as well, get upset when we hear that some national parks at times are under pressure and that pressures are being developed on existing ones, as is the case in Banff. In Banff recently pressure has been brought to bear with respect to developing a ski resort at Sunshine which is well known for its sensitive meadows and delicate ecosystem which ought to be preserved. One must ask: Why is this happening? Why are members of the Alberta caucus not supportive of the Minister of the Environment in ensuring that the pressure that is being generated here will be contained and that this development will not take place?

We are worried about newspaper reports with respect to what is happening in Banff. The pressure is not limited only to Sunshine, although it is the most recent experience. It goes back to my time as well and is just not limited to recent time. There was pressure for logging in Wood Buffalo Park and for mining in North Yukon Park. There is a constant effort to encroach into these limited areas which we have decided, for better or for worse, should somehow be outside the scope of human exploitation. I know that it is extremely difficult to resist these pressures, but it has to be done. That is why in the debate on South Moresby, as others have already done, we must raise a cry to stop the logging.

As we are talking here today I am told that the logging is still taking place. The fantastic forests that have been so well described by others are being reduced in size. The whole quality of the South Moresby area could be seriously endangered, if not wiped out, if the logging on Lyell Island, for instance, is not stopped since it has a profound effect on the visual quality of the area. So when we are debating South Moresby and the possibility of adding a park, we are also debating the necessity of retaining the integrity of what we want to acquire as a new area. But, as well, we want to retain the integrity of what we already have in inventory in terms of national parks in Canada. The integrity of our existing parks must become a firm commitment. We cannot permit any exception to the commitment, the policy, to retain the integrity of existing parks.

• (1630)

The Sunshine proposal carried on the front page, in addition to the names of the proponents, the name of Parks Canada, thus giving the impression that the proposal was put forward under the auspices, in part, of Parks Canada.

This debate today is in relation to the acquisition, as a national park reserve, of a fantastic site, a site proclaimed by UNESCO and a site admired by leading figures in Canada and abroad. Its preservation has been defended by successive governments, as well as being raised as an issue by the Haida people in the debate in respect of native land claims. In that context, it is put forward as a symbol of Canada's commitment to retaining, where possible, the richness of its wilderness areas.

I would be remiss, Mr. Speaker, were I not to put on record a passage from page 163 of the Report of the World Commission on the Environment and Development, a commission headed by Madam Brundtland, the Prime Minister of Norway. Under the heading "Scope for National Action", the following sentence appears:

> —governments—should review programmes in areas such as agriculture, forestry, and settlements that serve to degrade and destroy species' habitats. Governments should determine how many more protected areas are needed, especially in the spirit of how such areas can contribute to national development objectives, and make further provision for protection of gene reservoirs (for instance, primitive cultivated varieties) that may not normally be preserved through conventional protected areas.

In those words there is a message for Canada. I join with those who have preceded me in this debate in congratulating the Minister on his efforts. I wish him success. It is a success that will be shared by many others, both inside this House and outside this House. As well, it will head off confrontation that will otherwise take place on these islands. As Miles Richardson has indicated on more than one occasion, if the logging operations do not stop, there will be confrontation.

It would be a red feather in the cap of the Hon. Minister if one day soon he can announce in this House that the negotiations proclaiming this area as a a national park reserve have been successfully completed. It is a subject that has generated a great deal of public interest and support. I feel sure that the Minister has the ability to succeed in this area, and from the bottom of my heart I wish him the very best of success.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Questions or comments? There would appear to be no questions or comments.

The Hon. Minister of Indian Affairs and Northern Development (Mr. McKnight), on debate.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, this morning, my colleague, the Minister of the Environment (Mr. McMillan), stated quite clearly the Government's commitment to seeking fair and equitable settlements to the problems of the aboriginal peoples of Canada.

The concerns of the Haida people respecting Lyell Island and the South Moresby area demonstrate the importance of the participation of the aboriginal peoples in matters that affect them. The cultural and religious values that the Haida place on the South Moresby Island bespeak clearly of the necessity of involving the Haida people in the resolution of this question.

The federal Government, and I as Minister of Indian Affairs and Northern Development, have assured the Haida people that their concerns will be considered in discussions that may occur in reaching a solution to the problem.

In establishing national parks, the federal Government, since 1973, has recognized the interests of native people by creating national park reserves. National park reserves are distinct from national parks in that traditional native activities are provided for in such areas, with no prejudice to aboriginal claims. The legislation stipulates quite clearly that a national park cannot be formally proclaimed until there is a settlement of the aboriginal claim.

This, Mr. Speaker, as we all recognize, is a difficult issue. There are differing views. It is important that the views of the Haida people be known and understood.

In seeking a fair and equitable solution in respect of settlements with aboriginal people, this Government has taken some important initiatives. In December of 1986, we announced a revised comprehensive land claim policy, a policy that acknowledged the special relationship to the land that the aboriginal peoples have always claimed as the basis for their cultural distinctiveness and special aboriginal status.

In fact, it was a court case in the Province of British Columbia that prompted the development of the initial policy on comprehensive land claims, in 1973. The current policy is designed to deal with claims based on aboriginal title to lands. It seeks to resolve such claims through the negotiation of settlement agreements based on aboriginal title.

The objective of the land claims policy is to obtain certainty with respect to the use of the land. Although it is not legally obliged to do so, the Government has been willing to enter into negotiations with aboriginal groups with claims to aboriginal title.

A land claims agreement is a typical exchange transaction. One party, the claimant group, brings its interest in the land to the table, and in respect of that interest the other party, the Government, is prepared to bargain. The precise nature of the aboriginal interest, the content of aboriginal title, in most cases is uncertain and controversial.

Whatever the interest may be, by virtue of being at the table, the parties are at the heart of the transaction. There is an implied willingness to negotiate.

In a land claims agreement, the claimant group exchanges vague and uncertain aboriginal rights for specific treaty rights and benefits.

Since 1973, the Government of Canada had insisted that all aboriginal rights, title and interests in and to the settlement areas, be extinguished in exchange for rights conveyed or granted back by the Crown through the settlement. This approach, commonly referred to as blanket extinguishment, was regarded by many aboriginal groups as offensive and unacceptable. They pointed to the recognition and affirmation of existing aboriginal rights under Section 35 of the Constitution Act, 1982 as being inconsistent with the extinguishment of aboriginal rights through claim settlements.

Concern was also expressed that other rights, such as rights to language and culture, might be affected adversely by a blanket extinguishment.

In 1983, we had the all-Party report of the Special Committee of the House on Indian Self-Government, which report recognized the problem. As I look around, I see some Members who served on that committee, most notably the Hon. Member for Cochrane—Superior (Mr. Penner).

That committee recommended that the claim settlements should be limited to those matters specifically being negotiated, with the result that the revised policy no longer requires a blanket extinguishment of all aboriginal rights in comprehensive land claims settlements.

First, we explicitly acknowledge that only those land-based rights, those rights encompassed in the term "aboriginal title", are subject to negotiation in the new comprehensive claims process.

• (1640)

Other aboriginal rights which may exist are not at issue and will remain unaffected by the comprehensive claims agreements unless identified explicitly by the parties to be part of the negotiations.

The revised policy also proposes two alternatives to extinguishment which may be considered in negotiation. The first would involve the conveyance to the Crown of the aboriginal title claimed through all the settlement area but without the requirement for the use of the terminology of extinguishment. In exchange, the aboriginal groups would, as they do now, receive a grant-back of lands or land-related rights in the agreed upon areas.

The second alternative would involve conveyance by the aboriginal group to the Crown of the aboriginal title to certain specified lands within the claimed area. In this alternative, aboriginal title would remain undisturbed in other lands

selected by the claimant group. I should like to reiterate that aboriginal rights which are not related to land and are not under negotiation would not be affected in either case outlined.

Thus, the federal Government is committed to the resolution of comprehensive land claims through the negotiation of settlement agreements. We believe that negotiation rather than litigation on other adversarial approaches is the best means whereby the interests of aboriginal people may best be represented and served.

In any settlement area the continuing interest of claimants must be recognized. Agreements are not simply based upon land and cash or cash transactions. They should provide the means and establish the mechanisms whereby claimants can enhance their cultural and social well-being and promote self-reliance and economic development.

The Government has indicated that it is prepared to discuss a wide range of issues in comprehensive land claims negotiations. Some of the issues which may be discussed are: land selection, self-government, environmental management, resource revenue sharing, hunting, fishing and trapping rights, as well as other topics.

The policy of the federal Government on self-government acknowledges the desire expressed by communities to exercise greater control and authority over the management of their affairs. The objectives of this policy are based upon principles which we all understand. Local control and decision-making must be substantially increased. Flexibility is needed to recognize diverse needs, traditions, and cultures. Greater accountability to community must be achieved.

Self-government in the context of comprehensive land claims is tied closely to the need for the continuing involvement of aboriginal peoples in the management of land and resources. It is also linked to the development of self-governing institutions which recognize the place of aboriginal people in Canadian society.

In seeking to settle aboriginal claims to land that falls within provincial boundaries, the co-operation and participation of provincial Governments are essential. The federal Government has strongly encouraged the participation of provincial Governments in the negotiation of settlements involving areas of provincial jurisdiction or provincial lands and resources.

An opportunity will be provided to aboriginal groups to consider the implications of developments which may take place and to identify, where appropriate, the conditions under which such activities should be provided. Under the policy, interim protection measures can be planned and agreed to for a specified period of time at the outset of the negotiations rather than devised in an *ad hoc* manner as has been done in the past.

The comprehensive claims process has many important features which relate to the general issues under debate today. It seeks to provide clarity of rights of aboriginal people. It seeks to provide certainty to aboriginal and non-aboriginal groups in respect of land ownership and management. It seeks to provide fair and equitable settlements through a process of negotiation which brings major parties affected by the claim to the negotiating table. As well it seeks to protect both aboriginal and non-aboriginal interests in the process.

Aboriginal peoples were the original inhabitants of the country. Their claims derive from their original use and occupancy of the land. Their aboriginal rights flow from their relationship to the land. They cherish their culture. They cherish their heritage. It is incumbent upon non-aboriginal Canadians to understand the aboriginal perspective and to respect it.

In recognition of the Haida claim which affects the South Moresby area, the federal Government would initially establish a national park reserve. Traditional native activities could continue, and the Haida people would be involved in all aspects of park planning and operations. While the establishment of a national park reserve would not of itself settle the Haida claim, the proposal would protect under federal legislation natural and cultural resources which are central to the Haida way of life. Moreover, a national park reserve would provide an important means for the Haida people to participate in the management of this key part of their ancestral homeland.

The creation of a national park reserve is something to which we all look forward. Again, the issue has diverse points of view. It is not as simple as some of us would initially believe it to be. However, as early as 1973, under the National Parks Act the creation of a national park reserve was recognized as being a way of protecting the aboriginal title until it could be addressed in another form and allowing aboriginal people—in this case the Haida people—to play an important part in the management of their land and resources, their ancestral homeland.

Some Hon. Members: Hear, hear!

Mr. Waddell: Mr. Speaker, I should like to make a comment and pose a question to the Hon. Minister. I appreciate seeing the Hon. Minister of Indian Affairs and Northern Development (Mr. McKnight) and the Hon. Minister of the Environment (Mr. McMillan) across the way, and I appreciate the fact that they have taken part in the debate. That is the way Parliament should work.

I should like to refer to a report in which I was involved, not in a big way. I refer to the report of the Mackenzie Valley Pipeline inquiry entitled: *Northern Frontier,Northern Homeland*. I had the honour of being a co-counsel along with Ian Scott, who is now the Attorney General of Ontario.

Mr. Justice Berger issued a report on April 15, 1977, or just over 10 years from which I should like to quote the following:

> The concept of native self-determination must be understood in the context of native claims.

It went on to refer to the Dene of the Northwest Territories, but the following comments could refer to any native Canadian:

> When the Dene refer to themselves as a nation, as many of them have, they are not renouncing Canada or Confederation. Rather, they are proclaiming that they are a distinct people, who share a common historical experience, a common set of values, and a common world view. They want their children and their children's children to be secure in that same knowledge of who they are and where they came from. They want their own experience, traditions and values to occupy an honourable place in the contemporary life of our country. Seen in this light, they say their claims will lead to the enhancement of Confederation—not to its renunciation.

Those words were very remarkable, especially when we consider that they were spoken 10 years ago. Perhaps if we had got on with the settlement of native land claims, we would not be in a position today where we have competing interests for land.

I recognize that the Minister is not responsible for Saskatchewan. He is a Minister for Canada but he does not speak for the Government of Saskatchewan. However, he took part in the constitutional debate recently. He is from Saskatchewan and very close to its Government. Of course he is familiar with the constitutional positions on native matters of every provincial and territorial Government.

What is the position of the Saskatchewan Government on native land claims? How does it differ from the position of the Government of Canada, if it differs in any way?

Mr. McKnight: Mr. Speaker, I appreciate the opportunity to speak on behalf of the Government of Saskatchewan. However, in the best interests of accuracy, I must decline.

I should inform the Hon. Member that the entitlement discussions which are taking place between the Government of Canada and the Government of Saskatchewan stem from an exchange of letters in 1979 between, I believe, the Minister of National Health and Welfare (Mr. Epp) and the former administration of the Province of Saskatchewan under Premier Blakeney. The entitlement was identified and the fulfilling of that entitled land, which had not been transferred after the signing of the treaties, would be drawn from Crown lands, the lands provided by the Province of Saskatchewan according to the Natural Resources Transfer Act of 1930.

• (1650)

Some transfers have taken place in the Province of Saskatchewan, not as many as we all would like. At present one, I know, is under discussion, namely, the Lucky Man transfer with which my colleague, the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley) is familiar. That band has been rooming and visiting with the Little Pine people for 100-plus years, I believe. Hopefully they will receive part of their entitlement very shortly. Regarding claims or entitlement, I can answer the Hon. Member's question regarding Saskatchewan, but I do not pretend to speak on behalf of the Government of Saskatchewan in the House.

Mr. Penner: Mr. Speaker, after nearly two decades in this place, I have come to realize that progress is never made in giant steps but little by little. When the Minister made reference to the revised comprehensive claims policy, I want to recognize, as he already knows, that there was some response to the report of the special committee and some response to the Coolican task force. We do have certain improvements. I would describe them as modest, but we are moving forward and that is important.

However, the Minister knows that in his claims policy there can still only be six claims negotiated at any one time. In the Province of British Columbia, 13 claims have now been accepted by the Government of Canada for negotiation. There are another seven that are being actively considered. The Minister has said with respect to British Columbia that he "hopes to discuss the policy with Ministers in B.C. and to propose more specific measures to ensure a more fruitful negotiation process in that province". I wish him well, Mr. Speaker. I want to encourage that undertaking. Specifically, though, has the Minister had these discussions? If so, how many of them? During the course of those discussions, if they have taken place, what proposals has he made and what response has British Columbia given?

Finally, what hope is there at all for the Haida people that their rights will be recognized and accommodated at some moment in time in the Province of British Columbia?

Mr. McKnight: Mr. Speaker, I recognize the real concern of the Hon. Member. I also believe that the changes are modest, that we will only know how successful those changes we propose and have implemented in comprehensive claims are after we have had an opportunity to proceed. As the Hon. Member is aware, we have one mandate in place for the Dene-Métis. Hopefully we will be negotiating with the CYI and Yukon Government before the middle of June. TFN is next on the list. The discussions I said I would have with the Province of British Columbia have not taken place. The one claim we are negotiating now that has been accepted for negotiation and is on stream is the Nishga claim. I hope to be able to address that in the time period of the other claims that are left, the CAM claim and the Labrador claim.

The reason six are prescribed, as the Hon. Member knows, is because of the resources and the expertise needed to enter into these negotiations, some of which have been going on far too long, some of them for almost 12 or 13 years. We do not have within the Department the ability to handle any more than that.

I will be discussing with Ministers in British Columbia in a more direct manner the British Columbia claims process when we come to British Columbia. All parties are involved in the other areas we are negotiating. Up to this time the Province of British Columbia has chosen not to negotiate. That is what makes the claims process in British Columbia very difficult. Again, and I have expressed this view, I find it more comforting, and I believe it is a more accurate reflection of the

interests of all Canadians, if we negotiate rather than litigate. We are elected representatives who can be replaced. From time to time we are involved in negotiations, which is better than the adversarial litigation route where decisions are made by men and women, although they be very intelligent and well meaning, who are not responsive to the electoral process and the wishes of Canadians in the same manner as the Hon. Member and I are as elected Members. I hope we will be able to negotiate in British Columbia rather than litigate. To that end I will be having discussions.

I believe the initiative taken today in the creation of a national park reserve will protect the land until we are able to enter into meaningful negotiations on behalf of the Haida people and the claim that has been recognized.

The Acting Speaker (Mr. Paproski): If there are no more questions or comments, we will resume debate. The Hon. Member for Vancouver—Kingsway (Mr. Waddell).

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise to take part in this debate and it is a privilege to do so. I would like to reiterate the motion so we all know what the debate is about. It reads:

> That this House calls upon the Government of British Columbia to co-operate in setting aside the South Moresby area of the Queen Charlotte Islands as a National Park Reserve; and
>
> Further, that the federal government provide for compensation to those interests affected by such a National Park Reserve; and
>
> Further, that the House confirms its intention to ensure the continued participation of the Haida people in matters affecting South Moresby.

The motion asks for co-operation from the Government of British Columbia. As the Minister of the Environment (Mr. McMillan) said in answer to a question earlier today, those lands are provincial Crown lands and the federal Government could not move unilaterally into that area. The co-operation of the provincial Government is needed to make a national park.

Second, the motion asks that the federal Government provide compensation to the interests involved. This indicates there are interests affected. It is not an easy question. There are loggers there who have a legitimate interest. There are working people and there are native people who have an interest. The third part of the motion deals with protecting the great Haida culture and people.

There have been some fine speeches in this House today. I cannot duplicate those speeches. They had heart in them. The Hon. Member for Skeena (Mr. Fulton) who opened the debate lives in a log cabin in the Queen Charlotte Islands, which is north of the affected area of South Moresby which is in the southern part of the Queen Charlottes. I visited the Member and stayed there. It is a magnificent part of Canada.

I spent a few days this weekend in your part of the country, Mr. Speaker, south of Edmonton just north of Calgary on the Prairie. It was the first time that I had ever visited the rural Prairie. That too is a magnificent part of the country. It is so different from the Queen Charlottes, which is an area of trees. What a wonderful country we have! Those are just two different parts of the country that have a completely different geography. If the Hon. Member for Skeena came from Toronto I think he would be a folk hero to the rest of the country. We have not made folk heroes in Canada yet, but in some ways the Hon. Member would qualify. He is a colourful Member of Parliament and an old friend of mine. We started our political careers together. He worked on environmental matters in the Queen Charlotte Islands when I was a young lawyer and visited him there. That is the first time I met him.

• (1700)

We heard a speech from the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) with his normal magnificent eloquence. We heard a speech from the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) in Newfoundland. It is great to have someone from Newfoundland take part in this debate. He has a national park in his riding. We heard a very exceptional speech from the Minister. We also heard from the Minister of Indian Affairs and Northern Development (Mr. McKnight), and that was very welcome. We heard from the Hon. Member for Davenport (Mr. Caccia) who has real credibility on environmental matters when he speaks in this House. No doubt we will hear from other Members.

As David Suzuki said, a modern politician has to be able to deal with environmental matters. It is one of the big issues of our time. A modern politician will be judged on how he or she can deal with environmental matters. They are not easy matters to deal with. They are often scientifically complex. You cannot get some of these issues into the twenty-second news clip because of their competing interests and technical facts. You also have to know something about what you are talking about on these environmental matters. They are issues of our time.

While I do not often admit it, I grew up in the suburbs of Toronto. I will just say that very softly. My mother and father used to take me to Niagara Falls for a picnic. It was about an hour and a half drive. It was always great to see the falls. There was a story this week that the spray of Niagara Falls was polluted and had carcinogenic properties. I just could not believe it. What kind of world are we creating? I hope the story is exaggerated, I do not know.

As a Member of Parliament I travelled throughout southern Ontario this past year and I am convinced that we have some incredible environmental problems in our industrial heartland which have to be tackled. I am also convinced that there is a terrific constituency in favour of retaining some of our wilderness area. That is why the issue of South Moresby Island in the Queen Charlottes on the far West Coast of Canada is of interest to the average Canadian.

I want to say for people who are watching on television that this is a live debate today. I will tell you why.

Mr. Gormley: You are not taped?

Mr. Waddell: No, I mean something else by that. Let me rephrase it. There is more going on than meets the eye. Some things are going on behind the scenes. By live debate I mean an evolving debate, and the issue is continuing. The Minister said during Question Period that he had been talking to his British Columbia counterpart just before Question Period. There is action, if you like, going on between the federal and provincial Ministers, as there should be. NDP, Liberal and Conservative Members of Parliament are participating, using whatever connections they have with their provincial counterparts. For example, we can put pressure on the NDP Leader in British Columbia to bring him on board. Our Conservative friends can put some pressure on through some of their Social Credit friends in B.C. The Speaker of the House of Commons cannot participate in this matter but people know that he has a deep-felt interest in the environment. He has colleagues and friends in British Columbia who are not without influence and who are deeply committed to this issue. These are Conservatives who are deeply committed to environmental issues. There was a dinner party for the Speaker in Vancouver about a month and a half ago. I had the privilege to attend and I met many people who were not of my political persuasion. Yet I could see they were deeply committed to environmental matters.

I say this to the Government of British Columbia: There is a big constituency out there of all Parties who want to see a solution to this problem.

We are moving. The Government of British Columbia announced that it will no longer require a 10-year period of logging on South Moresby. That makes sense because if you had 10 years of logging, there would not be many trees left. We are making progress even as we speak in this debate. That is what I mean when I say it is a live debate.

This issue is also important because it tells us what kind of Canada we are setting up and where we are going. I had a chance to speak the other day with a person who works in Ottawa for the European Economic Community. They have an office here. I talked to him and he said to me: "I love being in Canada". I asked why. We have lots of problems, unemployment, we do not own our own industry, sometimes I feel we are a colony of the U.S. He said: "No, I like it here because this is a civilized country". It is nice to hear the view of an outsider. I think what he would say in this debate is that to save South Moresby Island and create a national park would make us a more civilized country.

This debate has been going on for a while. I would not be human if I did not point out that on May 2, 1980, I had the privilege of introducing a Private Members' Bill in this House, Bill C-454, an Act respecting a national park on Moresby Island and its adjacent islands. I was not the only one. Later on my colleague, the Hon. Member for Skeena, introduced Bill C-45. He basically took my Bill and got all the geography right where I made mistakes. This Bill was one way of keeping the debate going in those years. I just want to read the following from the explanatory notes of Bill C-454:

> This bill would authorize the Governor in Council to set aside, as a National Park of Canada, any lands on Moresby Island.
>
> The southern portion of Moresby Island is internationally recognized as an outstanding biological, geographical, and cultural area.
>
> The coastline has exposure to both Hecate Strait and the open Pacific, with a rich variety of shorelines including sea caves, sandy beaches, tidal falls, hidden coves, shallow reefs, and safe anchorages. The area contains a remarkable variety of intact ecological systems ranging from the San Cristoval alpine environment to the fresh water Victoria Lakes and from the Skincuttle Inlet marine gardens to the bonsai forest of Gowgaia Bay.
>
> Moresby Island is home of the world's largest subspecies of black bear and the rare Peale's Peregrine Falcon. The unusual salt marshes are part of the migratory flyway of the Pacific Coast, and there are numerous highly productive salmon streams. The virgin rain forests of the area have Canada's largest and tallest Red Cedar, Sitka Spruce and Western Hemlock.
>
> Moresby Island was inhabited by the Haida Indians until the last century, and includes numerous archaeological and village sites. Most remarkable is the assemblage of carved cedar totems found on Anthony Island, the best remaining example of a traditional west coast native village.

I read that to give you some idea of what the territory is like there. Have you ever seen that picture of the falling poles in the rain forest? Some poles are falling down and others are tilted and so on. That is Anthony Island. That is a beautiful sight.

I said the Hon. Member for Skeena followed this up with Bill C-45. On August 29, 1981, the UN declared some world heritage sites. One site was the Head-Smashed-In Buffalo Jump in Alberta and the other was Anthony Island in British Columbia.

• (1710)

I quote from the press release of the Minister of the Environment as follows:

> The Unesco World Heritage Convention, a treaty among more than 60 nations, recognizes that the world's natural and cultural heritage transcends national boundaries and must be identified, protected and preserved for future generations. The Pyramids of Giza, Egypt; Chartres Cathedral, France; the ancient city of Damascus, Syrian Arab Republic; the historic centre of Rome, Italy; the Galapagos Islands, Ecuador; Sagarmatha (Mount Everest) National Park, Nepal; and Yellowstone National Park, U.S.A. are among the other World Heritage Sites.

They also mentioned the Great Barrier Reef, the Palace and Park at Fontainebleau, France, and the Old City of Jerusalem. South Moresby, as a world heritage site, fits in with these places in the rest of the world, which I think we would all agree need to be preserved and protected. This is what we are fighting for today.

There has been a long and noble campaign. My friend and colleague, Murray Rankin, a professor of law at the University of Victoria, wrote in *The Globe and Mail* of July 26, 1979, about the battle raging to preserve rare wilderness from the axe. The Western Canada Wilderness Committee led by Paul George, an environmentalist from British Columbia, has tried to preserve the area. It presented petitions to Parliament and made posters and buttons, mostly out of their own pockets. These were not rich people and they paid for this mostly out of their own pockets. This campaign has inspired people. I received a letter from a young man in Peterborough in 1981. He said:

Last summer I had the opportunity to spend a month kayaking through the South Moresby wilderness in the Queen Charlottes, and subsequently have become very interested and actively concerned about the fate of this magnificent area. In addition to working on slide shows, distributing literature, etc, I have been working on a term paper focusing in on the social, economic and environmental issues underlying the controversy.

That is the kind of thing I am talking about, young Canadians kayaking up in the wilderness. The Western Canada Wilderness Committee sent me a letter on February 14, 1981, which indicates how many Members of Parliament supported my Bill in principle, how many did not support it, and how many were non-committal. They kept the pressure up, and I thank them for that. There was interest right across the country from Newfoundland to Peterborough and to British Columbia. They did not have much money, only a lot of determination.

I cited the Berger report called *Northern Frontier, Northern Homeland* earlier in my question to the Minister. I have already described how Justice Berger talked about the native rights and how self-determination meant being more Canadian rather than less Canadian. Through this report Judge Berger was trying to show that there were different interests, a frontier interest as well as a homeland interest. This is part of the homeland of the native people.

Often southern Canadians, if you like, look at the North and rural areas as big, empty areas which we can exploit. We forget that they are people's backyards. We should always try to remember that. When I am flying over northern Canada I try to remember that that is not just a big, empty land, but people's backyards. If we can think of it that way we can understand how the native people feel about it.

I was lucky to be in Banff on Tuesday. I went for a little walk and literally ran into some of the magnificent animals in that park. I thought of how lucky we are to have that national park.

These are difficult issues. They are not motherhood issues. There are different interests. As I said earlier, loggers have an interest and have to be accommodated. We must deal with tourist operators. We must weigh matters and cannot leave any group out. Our concept of Canada is that no one is left out, that everyone is encouraged. We will not leave the loggers out, but for the sake of 50 or 100 jobs we must think of what weighs against it. On the other side is the preservation of a most magnificent site for future generations.

I am confident that the Minister, helped by Members of the House from all Parties, can find a way to do this. This resolution will be passed today. By a rather unusual procedural measure we are going to agree to pass this motion as the view of the House.

I want to ask Premier Vander Zalm and his Cabinet to find a way to make an agreement on this matter. If they can make an agreement, they will be applauded by many, many people in British Columbia and in all of Canada. I think this can be accomplished. The Minister's participation and actions today should be applauded. For future generations we can establish a magnificent park in that area which some day will be part of our national parks system of which Canadians can be proud and we can have a very civilized country.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I want to join with those who have commended the Hon. Member for Skeena (Mr. Fulton) for presenting this motion to the House today. His speech in support of this motion ranks among the best that I have heard given in the House of Commons. While I am handing out bouquets, I think the Minister of the Environment (Mr. McMillan) and the Minister of Indian Affairs and Northern Development (Mr. McKnight) also made important and significant contributions to this debate.

The motion of the Hon. Member for Skeena proposes a specific plan for South Moresby. It does not say, although I would argue that it is implicit within it, that the Queen Charlotte Islands, and South Moresby in particular, are part of a very important unsettled aboriginal claim.

The Queen Charlotte Islands are the hereditary lands of the Haida people. These lands are called by them the "land of Haida" or "beautiful islands". South Moresby, as a part of the Queen Charlottes, is both a unique and a very fascinating part of Canada. I am happy that I had the opportunity to visit those islands when my daughter was a resident there.

South Moresby is a part of the Haida lands which they claim have been in their possession for thousands of years. South Moresby contains, as others have noted, the highest concentration of endemic plants, birds, mammals and insects of any area of its size in all of North America. As well, there are major archaeological sites in South Moresby as a part of those Haida lands. So valuable and so important are these archaeological sites that certain responsible citizens in Canada who have the necessary knowledge and required expertise to make these judgments went to the United Nations and asked that South Moresby be declared a world heritage site.

• (1720)

One will find on South Moresby primeval forests containing western red cedar, yellow cedar, western hemlock and Sitka spruce which are among the largest of their genera. However, I am entering this debate today not only in support of the fact that South Moresby is unique and of great environmental significance. I recognize that and appreciate it. Other Members more competent in the environmental area than I can claim to be have spoken eloquently on that point.

I want to use the time allocated to me in this debate to talk about another matter of equal importance. It is that we are discussing today the homeland of the Haida Indian people. As the Minister of Indian Affairs and Northern Development noted in his speech, since 1973 our nation has had a policy that recognizes that some Indian people have outstanding aboriginal rights or claims. These are claims that were never dealt with by way of treaty or by way of any other kind of agreement which is binding and legal.

This policy was given birth as a result of a Supreme Court decision rendered in 1973. It was the case brought to the Supreme Court by the Nishga Indian people of British Columbia. The particular case is known as the Calder case. In that case, six out of seven judges agreed that the Nishga people had an aboriginal title in accord with English law and that they had this at the time of the first contact with Europeans. However, the six judges split three to three as to whether that title still existed. There was one judge who opted out of the decision altogether, so that the Nishga people lost their case on a technicality.

But all was not lost. The Prime Minister of the day, Mr. Trudeau, who had strongly resisted for a long period of time the legal and valid concept of aboriginal rights, became persuaded otherwise as a result of that case. I remember well the day that he spoke on the issue from a different point of view. It was one of the important historic moments during which I have been here in the Parliament of Canada.

As a result of that, the federal Government decided to acknowledge the principle that aboriginal rights still existed today and the Government committed itself to negotiate those claims with the Indian people. That claims policy, with some recent and welcome modifications—although the Minister and I agreed they are modest in their scope—is still in effect today.

Today we talk about aboriginal rights, aboriginal claims, and aboriginal title. When you and I first came to Parliament, Mr. Speaker, it would have been a strange debate to hear anyone present these arguments. Today, parliamentarians understand them and Canadian citizens in growing numbers have an appreciation of what is involved.

I want to submit, however, that we are very close to another important breakthrough. I hope that I am here long enough to see it happen. That breakthrough is to appreciate fully and adequately what is involved in aboriginal title.

I have had some delightful and interesting discussions in the Committee on Aboriginal Affairs with officials and others about the meaning of aboriginal title. For example, very recently I asked one senior official: "I get the impression from what you said to the members of the committee that you consider aboriginal title to be some sort of a burden or some sort of interest that exists on the Crown rights". He agreed that that is the way he interpreted it, but the question that has not yet been resolved in Canada is when the Crown right took precedent over aboriginal title.

How can we make the assumption that the Crown right exists and there is some sort of lien, called an aboriginal title, on the Crown right? In response to these kinds of questions, the senior official agreed with me. He said that, first, he has to work in somewhat limited confines and has to work within what the courts have told them. He said: "For example, the courts have not said as much as we might like about what aboriginal title is". This is interesting because it is so relevant to the debate today.

He went on to say that the courts will say a lot more because of the B.C. cases that are coming forward. It was his impression that all the courts have told them so far is that aboriginal title consists of hunting, fishing and gathering rights, traditional use rights over lands which the aboriginal people have continually occupied. I predict that we can expect very soon a major breakthrough on that limited understanding of aboriginal title. Aboriginal title is much more than that.

A curious process has been going on in Canada. Even if we live within these limited confines of what aboriginal title is, even then the aboriginal people of Canada are having difficulties with hunting, fishing and trapping. Those court cases will change the way we understand what aboriginal title means with respect to Crown rights.

The federal Government has now accepted 13 claims in British Columbia. Another seven claims are being examined by the Department of Justice.

The Haida formally submitted their claim to the federal Government in 1980. The Department of Justice formally accepted it as being valid for the purposes of negotiation in 1983. As the Minister of Indian Affairs and Northern Development pointed out to the House earlier, the problem is that the Government of British Columbia is not willing to negotiate along with the Government of Canada in the settlement of this or any other claim in the Province of British Columbia. It continues to take the view of those three judges in the Calder case, who argued that aboriginal title had been extinguished. However, no one has yet been able to show the document, the historical or the legal evidence, that would prove that that extinguishment took place. That is why those court cases in British Columbia are so fascinating and will be so crucial in the settlement of aboriginal title.

I sincerely believe that the Government of British Columbia should follow the dictum of John F. Kennedy, who said at one time: "We shall never fear to negotiate but we shall never negotiate from fear".

We know that aboriginal claims in this country can be successfully and satisfactorily settled. There is no reason for fear on the part of other Canadians, on the part of Members of Parliament, or on the part of third party interests. There is no need to fear negotiation in the settlement of aboriginal claims.

I want to say how strongly I agree with what the Minister of Indian Affairs and Northern Development said in the House this afternoon. It is far better to negotiate those claims than to have them resolved by way of litigation. If the courts impose settlements because there has been a lack of political will to negotiate, then those settlements may be objectionable to many Canadians. Instead of bringing the kind of peace and harmony that we all want in all parts of Canada in living with the aboriginal people of this country, those kinds of settlements may cause irritation and disagreement. That is not the way we want to go.

• (1730)

I have said that the claims of the Haida people have been accepted by Canada. I want to say as well that the Province of British Columbia is a signatory to the Constitution Act of 1982. The Constitution Act of 1982 recognizes that aboriginal rights exist. They are contained in Section 35 of our Constitution. Those Premiers who have gone to the First Ministers' Conference and argued that Section 35 is nothing but an empty box are fooling themselves. That is self-delusion.

Section 35, asserting that aboriginal rights exist, is not an empty box. It is a full box. That is why, even though the last First Ministers' Conference on aboriginal rights seeking a definition did not succeed, the aboriginal leaders knew that they did not walk away empty-handed because Section 35 is still theirs. In time, we will begin to see all that is in Section 35.

There is a recognition of these rights. Since the Haida claim has been accepted, is it not only logical that there should be a postponement of any kind of development in that area which has been submitted as a claim for settlement by way of negotiation? Whether that development is cutting down trees, building roads or establishing new towns or mining, all that should be postponed until there is a just, fair and adequate settlement of this claim accepted by the Government of Canada after careful analysis by the Department of Justice.

For one brief moment, I believe, the Government of British Columbia was recognizing this important point. At one point it did impose a moratorium on logging on a part of South Moresby on Lyell Island. Then, to the surprise and dismay of the Haida people, that moratorium was suddenly lifted. Should any of us wonder why there was a strong protest from those people, and why that protest generated so much sympathy and understanding right across the country? People are not only concerned about the environmental aspects of South Moresby but about the other matter, which is the burden of my contribution to this debate today, and that is, that there is an unsettled claim.

As part of those negotiations in the settling of the Haida claim, I believe, as the motion today suggests, that there should be active consideration of setting aside the South Moresby area of the Queen Charlotte Islands as a national park reserve. I accept that. The Leader of my Party is a strong proponent of that idea. However, it is also my firm view and that of my Party that the full participation of the Haida people is an essential requirement in any decisions that are made, whether they are about national parks or about any other kind of economic development. I am not talking about consultation. Members of Parliament who know about aboriginal affairs will realize that consultation has become a dirty word in relations between the Government of Canada and the aboriginal people. It has become a dirty word because it has been abused. Consultation has been a sham. It has been play acting. It has not been real.

What I am calling for, as the motion suggests, is not mere consultation, but full participation and full collaboration of the Haida people in the settling of this claim. I believe, with Members of the House and the Minister who is working toward this end, that in a part of that settlement we will see a national park reserve.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am very pleased to join in this debate this afternoon. I wish to congratulate the Hon. Member for Skeena (Mr. Fulton) for bringing this question before the House, particularly at this time. As the Hon. Member for Vancouver—Kingsway (Mr. Waddell) said, it is a rather lively debate in the sense that negotiations are going on hourly right at this time between the Minister's Department and the Government of British Columbia.

This is also a rather odd occasion, at least for me. I have been in this House for several years now and it is not very frequent that we have such wide unanimity on any issue. This is more like a love-in than a debate. Even before the debate got started, the House agreed it would pass this resolution unanimously. I think that is very peculiar and unusual happening, particularly with respect to a motion put by the Opposition.

I have no hesitation at all in endorsing the motion which calls for the Government of British Columbia to co-operate with the Government of Canada in setting aside an area in South Moresby as a national park reserve. The Minister of the Environment (Mr. McMillan), as we all know, has been working for almost two years to achieve this objective.

Hon. Members will recall, I am sure, that one of the first public statements the Minister made in 1985 was a pledge to work for the establishment of a South Moresby National Park. Since that time he has met on many occasions with various representatives, particularly those from the Province of British Columbia, in order to work towards the goal of preserving one of the greatest natural wonders of our country for the benefit and enjoyment of Canadians, and the development of a world-class tourist attraction.

Hon. Members from every province and territory will certainly have first-hand knowledge of what a national park can do for Canada. There are national parks in every province, I believe, and they are certainly an outstanding example of what can be done to preserve the original territory. I think Canada takes second place to no country in preserving its national parks.

I believe one of the most famous national parks is the Pacific Rim National Park in British Columbia. it was the first national park on the West Coast of British Columbia. The agreement with respect to that park was signed in 1970. The lands of the famous Long Beach section of the park were transferred to the Government of Canada in 1972. In barely 15 years the Pacific Rim National Park has grown to be one of the most attractive and popular national parks in Canada. In the last two years alone more than a million visitors have

enjoyed the peace and beauty of the Pacific Rim National Park. Since the park first opened, over five million visitors have visited this natural wonderland. I am sure all of those visitors would gladly endorse the motion of the Hon. Member for Skeena. I myself, with my family, have visited that park on many occasions. I can assure Hon. Members that nowhere else have I seen a greater example of natural beauty preserved in a manner which is capable of being enjoyed by everyone without destroying the natural flora and fauna.

As the Minister said today during his speech and on many other occasions, national parks in Canada are not a frill. They are not peripheral to the Canadian experience. They are part of our heritage and part of our way of life. They are places where Canadians find refreshment, inspiration and renewal. In a world which is becoming increasingly smaller and more crowded our national parks serve the purpose of preserving the original face of Canada.

I join with the Minister and Hon. Members of this House to urge the Government of British Columbia to co-operate in setting aside the South Moresby National Park Reserve. This is a difficult question. As someone said, it is not a question of motherhood. For that reason, and as the Minister has recognized so eloquently in his speech, it is necessary we talk about parks and recognize the competing interests. These are valid and difficult questions. Therefore, I strongly endorse the proposal that the federal Government provide for compensation and share in the costs of those interests which will be affected by such a national park reserve. Nothing is free in this society, and the establishment of a park is certainly not free. There are people who will suffer economic loss as a result of establishing a park in this area. Those people should be compensated adequately for the loss they will suffer.

• (1740)

The Minister of the Environment has said we will put our cash where our commitment is—right on the barrel head. I agree with that. We will cost share the buying out of the timber rights. That is only just. Compensation is really not the issue. As the Minister has said, it is a matter of political courage, will and responsibility to ensure that if this park is created, and I hope it is, all parties concerned will find it to their benefit and that no one will suffer inordinately from its establishment.

I understand, and it is only natural, that the province will seek the most favourable terms possible for the creation of such a park. I suggest that this is not a poker game in which someone is trying to gain an advantage over another. This is part of nation building. This park will be part of our nation for time immemorial. I honestly believe that while a fair price should be paid, no one particular party should benefit to the disadvantage of another. Therefore, I urge the Government of the Province of British Columbia to come to the negotiating table in search of a fair deal and not an unfair one. The key to this issue has to be the cost to the various parties concerned, and those are the costs of the Government. I think other matters can be worked out. Hopefully they are well on their way to being worked out now. Excessive costs will be the first thing that will torpedo this tremendous idea.

An agreement between Canada and British Columbia to establish the final boundaries for the Pacific Rim National Park was signed in February of this year. That is 15 years from the time negotiations were first started. The Government of Canada has agreed to pay $25 million as its share of compensation for forest interests. All those who are interested in national parks were pleased that the federal Government finally resolved this long-standing issue. I congratulate the Minister for so doing. This is a clear signal that the federal Government in living up to its commitment to the province for the Pacific Rim Park was seeking and is seeking similar co-operation for the South Moresby proposal.

It is time for political courage. I share the concern of the provincial Government and of Members of the House with respect to protecting the forest industry which, as we all know, is the cornerstone of the economy of British Columbia and a very important part of the economy of Canada. The proposal by the federal Government on this issue reflects that reality.

Of course logging will continue to be one of the main industries in the Province of British Columbia and in Canada. But national parks, and the one we are talking about in particular, raise the prospect of a great new industry in British Columbia in the Queen Charlotte area, an industry based on a world-class tourist attraction and destination.

The example of the Pacific Rim National Park which I have mentioned frequently may be useful to consider. It has been identified by Tourism Canada as a superior tourist attraction. The park attracted more than 75 per cent of the visitors to the region in 1983. The estimated total spending of visitors to the region was more than $5.6 million. The benefits of this national park are material and immeasurable, as they are in all national parks.

South Moresby has the potential to become an international attraction for visitors to British Columbia if we seize the opportunity now. If an adequate part of that unique area is protected, as I have said, there will be an opportunity to develop this area into a first-class tourist destination. There are currently some 15 tour operators working in South Moresby, and further interest has been expressed by the small cruise ship market and other tourist operators. We can anticipate that this interest will continue to grow.

At one time, as one of the speakers said earlier, when the parks of Banff and Jasper were established in western Canada people wondered why government money was spent on these remote areas. I can tell Hon. Members that the tourists and the people of the world are pounding at the doors of these parks. There is scarcely any room in them. In order to find a place to stay for the night one has to be there early. At times, reservations have to be made ahead of time. These parks have become very popular places.

Thus when we look ahead, we have to base our cost figures on the potential of these parks in the future, because there will certainly be no more land and there will always be more people. Hon. Members can rest assured that places such as Jasper, Banff and other national parks in Canada will be recreated and re-experienced by a place such as South Moresby when a park is created there.

By way of example, tourism in the Pacific Rim Park has grown by an average of 60 per cent in each of the past five years. What a staggering growth that is! I am sure that the proposed park in South Moresby will experience the same type of attraction to tourists throughout the world. We expect that tourism in British Columbia will increase even more if a world-class national park is established in South Moresby. However, tour operators and those who know have said that the tourist potential will be greatly reduced if excessive logging, in particular logging on the south slopes of Lyell Island and other areas visible from the proposed park, continues. Therefore, I welcome the British Columbia offer as it appeared in today's newspapers which stated that it would discontinue logging immediately should an agreement be reached with respect to this park.

From a review of a number of recently established national parks in other countries which have also been designated as world heritage sites, and from discussion with UNESCO officials, it has been confirmed that the establishment and active promotion of a proposed South Moresby National Park and its designation as a world heritage site would result in attracting new visitors to the Queen Charlotte Islands, especially from international markets. Of course that was the example in such areas in Australia as the Great Barrier Reef Marine Park with which the whole world is now familiar. It has experienced an increase in attendance of 10 per cent per year since it was first established as a world heritage site. Certainly the site which is being proposed in the House this afternoon is no less an attraction than the Great Barrier Reef in and near Australia. Foreign visitors have played a significant role in that particular area. We expect them to play a very significant role in terms of the establishment of this park.

As we all know, last year British Columbia played host to the world through Expo. The world loved it. Tourism is turning out to be the main legacy of Expo 86. A world-class tourist destination in the Queen Charlotte Islands would make a continuing contribution to the province and to the Canadian economy.

According to the province, preliminary research has indicated that significant numbers of first-time visitors plan to return to British Columbia in order to fully explore that great and beautiful province. The tourism sector is optimistic about the future of post-Expo opportunities. The development of new products, such as cultural tourism and native cultural destinations, are considered significant new developments.

• (1750)

So quite aside from preserving the heritage of our beautiful country, there are very valid commercial reasons for proceeding with this proposal. We cannot ignore the commercial aspects of the proposal now before the House.

In the recent Speech from the Throne in the Legislature of British Columbia, we had an expression of the intention of the Province of British Columbia in respect of this proposal. In that speech, the Government of B.C. made the following statement:

> We will attempt to expedite the federal-provincial negotiations for the establishment of a national park on South Moresby in the Queen Charlottes.

The speech went on:

> My Government—

And that, of course, refers to the Social Credit Government of British Columbia:

> My Government will seek a bilateral agreement with the federal government to develop the enormous tourism potential this area offers.

And the speech continued:

> Working together, our two governments can create a national park and tourism environment that will not only generate major economic benefits for all British Columbia, but in particular, new employment and income for the friendly people of the Queen Charlottes region.

That is an objective, Mr. Speaker, that we share. I call upon the Government of British Columbia to carry through fully on that particular promise.

Today in this House we heard the commitment of the Minister to co-operate and to work hard toward the realization of that dream, a dream that has been around for many years. I call upon the Premier of the Province of British Columbia to match the Hon. Minister's enthusiasm.

I should like to take a moment to deal with another matter contained in the resolution, a matter which has been referred to on occasion this afternoon, that being the situation with respect to the Haida people.

I was pleased to hear both the Minister of Indian Affairs and Northern Development (Mr. McKnight) and the Minister of the Environment indicate their commitment to the active involvement of the Haida in the planning and development and running of a national park reserve on South Moresby.

In closing, let me again congratulate the Hon. Member for Skeena on his motion. It is a subject that warrants the attention and support of all Members of the House. I am sure that we all share his desire and the desire of the Minister to see the establishment of a national park reserve in this area.

The Acting Speaker (Mr. Paproski): Questions or comments?

The Hon. Member for Regina West (Mr. Benjamin), on debate.

Mr. Les Benjamin (Regina West): Mr. Speaker, I, too, want to congratulate those who have preceded me in the

debate, starting with the Hon. Member for Okanagan North (Mr. Dantzer), the Hon. Member for Skeena (Mr. Fulton), the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), the Hon. Member for Hillsborough (Mr. McMillan), who comes from a beautiful province on the other side of the country, as well as the Hon. Member for Vancouver—Kingsway (Mr. Waddell), the Hon. Member for Davenport (Mr. Caccia), the Hon. Member for Humber—Port-au-Port—St. Barbe (Mr. Tobin), and the Hon. Member for Kindersley—Lloydminster (Mr. McKnight).

As a prairie boy, I support fully the efforts of all Hon. Members and the Government in the establishment of a national park reserve in the Queen Charlottes, and specifically the South Moresby area.

It is my hope that in the quest for an agreement, the loggers are not over-compensated. In my personal view, the compensation should amount to no more than the expenses involved in their departure from the area.

The trees of our wilderness areas belong to the people of Canada. Those companies involved in logging operations pay a royalty or stumpage fee on trees harvested. That is all they pay in order to harvest the forests of this country. Where a tree has not been harvested, no payment should be due the logger. But, in any event, let us get on with achieving agreement on this proposal for a national park reserve.

When it comes to the heritage of the environment, the resources, the natural habitat of this country, none of us have any right to leave a mess for succeeding generations.

Who do we think we are that we can waste our forests, pollute our waters, and foul our air in order to satisfy the bottom line syndrome, as I choose to call it, the principle of anything to make a buck? Since when does that take priority over the welfare of our people and our planet and our environment?

I hope that a national park reserve is no different from a national park. I am aware that in the case of some forest reserves, logging and mining interests have been allowed to operate. I am thinking of some reserve lands in eastern British Columbia and western Alberta, in the Rocky Mountains. These are what are called forest reserves and park reserves. Notwithstanding that they had been set aside as such, the regulations still permitted logging and mining operations.

I hope that in the establishment of the South Moresby National Park Reserve, no opening is left for the "cut-and-run" boys to move in down the road.

In supporting this proposal, I wish to take a moment to make an appeal for the establishment of the Grasslands National Park in southwestern Saskatchewan. This is something that the people of the Prairies, and particularly the people of Saskatchewan, have wanted for decades.

From my arrival here in 1968, there have been discussions and negotiations in respect of the Grasslands National Park. I can recall attending a large reception at which a profile map of the entire park area was displayed. Agreement had been reached among the province and the federal Government, the local municipalities, the ranchers and other interests on the establishment of the Grasslands National Park. But, Mr. Speaker, we still do not have it. It is still not in place.

I suppose it could be called a place where the buffalo can roam and the deer and the antelope play, and groundhog and the sage grouse and the prairie dogs and rattlesnakes thrive. It could be a place where the original grasslands, and the Coulees, and the Badlands, and the Buttes can remain as they are and as they were.

I put in a plea that the Minister renew discussions on an urgent basis with the Government of Saskatchewan and any other interests on the establishment of the Grasslands National Park.

Saskatchewan is one of the few provinces still limited to one national park. Apart from the odd small area in the United States, the southwestern part of Saskatchewan is the only area where we still have the grasslands existing in their original state.

It is my hope that once the Hon. Minister has achieved agreement on the establishment of the South Moresby National Park Reserve, he will then turn his attention to getting established, once and for all, the Grasslands National Park in Saskatchewan. As far as both are concerned, he has the unanimous support of all Members from all sides of the House of Commons. That being said, let us now get it done.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being six o'clock, pursuant to order made earlier this day, the motion is now deemed to have been adopted.

[*English*]

It is a great day for Parliament.

[*Translation*]

Motion agreed to.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

LITERACY—FUNCTIONALLY ILLITERATE ADULTS—NEED FOR FEDERAL-PROVINCIAL PROGRAM. (B) REQUEST THAT GOVERNMENT SET DEADLINE FOR ENDING ILLITERACY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, some 10 days ago I brought to the attention of the Government the fact that there are now five million functionally illiterate people in Canada and that their ability to find work in an

increasingly technological society is becoming smaller and smaller. I called upon the federal Government, in co-operation with the provinces, to develop a 10-year program with the objective to wipe out this blot on Canada.

I was appalled by the Minister's response, which simply promised more discussions and more meetings. There was little commitment, if any, to real action.

A substantial majority of the illiterate people in Canada were born in Canada. Almost half of them are under the age of 45 years. Some 60 per cent of them are unemployed and are not even looking for work. Given the 1.25 million unemployed at the present time, what chance would they have of being hired? Those who are lucky enough to obtain work are sentenced to minimum wage and uninteresting, mind-dulling work.

Who are the illiterate? They are farmers, native people, inmates in our jails and penitentiaries, and young people who somehow got through the school system without learning to read at a grade eight level or better. These five million people face a grim future for themselves, but their plight is creating an increasing danger for all Canadians.

However, the problem can be solved. The Solicitor General (Mr. Kelleher) announced a new program to tackle the problem of illiteracy among inmates in our prisons. I support the initiative but ask why we restrict the federal Government's involvement in the problem to our prisons.

Small successful programs have been operating in many parts of Canada. One of the most successful is Frontier College which has worked on this problem since the beginning of the century. In Ottawa, Calgary, Winnipeg, and other cities too numerous to mention, there are groups working with the illiterates in their areas. These groups were formed by churches, labour groups, and various community groups. They need the support of Governments, federal and provincial.

It has been demonstrated in Third World countries such as Cuba, China, and Venezuela that well planned programs which have the support of personnel and finances can succeed. Many of these countries have virtually wiped out illiteracy, which was so prevalent and was the fate of most of their people. If they can do it in Third World countries, we can do it in Canada.

These groups need support. They do not need to have plans worked out in Ottawa by the federal Government or even plans worked out in detail and imposed upon them by provincial Governments. The self-help groups need support, not only support of a financial nature. Their programs need publicity. They need more people involved and the development of new techniques. What they need the most is the assistance of thousands of volunteers who, I am convinced, would come forward to help in a very necessary program, if they were made aware of the need and were alerted to the kind of help they could provide in dealing with a tremendously serious problem.

I call upon the federal Government to meet with the provincial and territorial Governments, to work out plans, and to set a timetable so that, if not in the 10 years which I suggested in my original questions, at least by the end of this century, the year 2000, we will no longer have to accept the reality that 20 per cent of the people living in Canada are still functionally illiterate.

• (1805)

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I wish I had more than three minutes because I think the Hon. Member knows that I am also interested in this subject.

In 1980 the Hon. Member for Winnipeg North (Mr. Orlikow) and I served on a task force which identified this problem and made certain recommendations to the federal Government at that time. I am pleased to note now that our Government is taking some action regarding adult literacy. Because of the encouragement of the committee headed by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), and its work, along with the Hon. Member for Calgary West (Mr. Hawkes) and myself, continued pressure has been put on cabinet Ministers to come forward with a literacy program.

The former Minister of the Environment sits there and laughs and makes fun, but it is a very serious problem. The Hon. Member for Winnipeg North is absolutely right in what he says. The problem was recognized in the Speech from the Throne. Our Prime Minister (Mr. Mulroney) and the Secretary of State of Canada (Mr. Crombie) are taking active roles. Last week the Secretary of State met with many of the country's leading experts in the field of literacy. Among them were representatives of the Movement for Canadian Literacy, Laubach Literacy of Canada, *Regroupement des Groupes Populaires en Alphabétisation*, the Canadian Business Task Force on Literacy and the International Council for Adult Education. It was made clear at that time to the delegates that the Government does, indeed, recognize the problem and that it is taking a very active role. Another meeting will be held shortly, and the Minister will be presenting some information that I think Canadians will appreciate very much.

We are fully aware of the fact that illiteracy is costly in personal, educational, social and economic terms. The Member is correct that the volunteer sector is very important. It is the key to the whole program. I spent some time with the Peel Literacy Guild on Appreciation Night. Labour, industry and the volunteers—of which we have a large number in Peel but we can always use more—were honoured.

What the Secretary of State is doing at present, in co-operation with other Governments and organizations—because I think it has to be a co-operative effort—is trying to identify short-term initiatives immediately but in parallel with long-term strategies for lasting solutions. We have started with one of those short-term initiatives by increasing the basic adult literacy program among federal penitentiary inmates. This will

increase the number of inmates who will be taught reading and writing. It will be established over the next three years, with an increase of 400 per cent in the number of inmates receiving this type of training. That is just a start on what I and this Government consider a very serious problem. There will be more action in the very near future.

AGRICULTURE—WHEAT FARMERS 1987-88 CROP YEAR—REQUEST FOR DEFICIENCY PAYMENT. (B) REQUEST FOR INTRODUCTION OF NEW DEBT RESTRUCTURING INSTRUMENTS

Mr. Maurice Foster (Algoma): Mr. Speaker, on Monday of this week I put a question to the Prime Minister (Mr. Mulroney) as a result of his trip to western Canada. I asked him whether after four days in the west he would decide to finally provide a deficiency payment for the new crop year, 1987-88.

The Prime Minister met, albeit with selected people—mostly partisan supporters of his own—but even in meeting with a very select group of partisan supporters the message was always the same, that the situation in southern Alberta, Saskatchewan and Manitoba needed a commitment by the Government for the new crop year.

It is unfortunate that the Prime Minister refused to meet with the western wheat pools, the prairie pools and their constituent organizations, the National Farmers Union and the Keystone Agricultural groups. The Prime Minister when in the west operated on a solely photo-opportunity, closed-shop type of basis. It may have impressed people in eastern Canada that the Prime Minister was meeting with people in agriculture who are facing the worst economic crisis since the 1930s, but it did not impress the westerners themselves.

• (1810)

On Monday, May 11, the Montreal *Gazette* said the Prime Minister's message in the west missed the mark. The paper goes on to outline how the Prime Minister met with some Party supporters but did not get down to meeting with the broad-based agricultural groups who are facing such a difficult time. On May 9, *The Globe and Mail* said the Prime Minister's western trip generated scant enthusiasm. On May 10 the *Sunday Sun* reported that the welcome for the Prime Minister was lukewarm to hostile.

On Monday I asked whether or not the Prime Minister would make a commitment to a deficiency payment. The general strategy of the Government has been to keep talking about what assistance was provided in the current crop year, without making a firm commitment. The decrease in farm income is calculated at $2 billion to $3 billion from the 1985-86 crop year, yet we have no commitment from the Prime Minister. I believe he will be meeting with the Minister of Agriculture (Mr. Wise) on May 29. At this stage it appears that meeting will only be about an hour, a quick snapshot visit with the producers. The producers do not want the Minister of Agriculture to do what he did a few months ago, walk into the meeting, throw down a press release and say "this is what we are issuing as a result of this meeting".

The second part of my question dealt with the terrible financial crisis facing agriculture right across the country. It has been estimated that the value of farmland has decreased by some $17 billion since this Government came to power in September, 1984. There are about 170,000 economic-sized farms with gross sales of at least $20,000 a year. That means each of those farmers have lost an average of $100,000 in land value. When the Prime Minister talks about assistance amounting to $2 billion or $3 billion over the last couple of years, we have to compare it with the amount farmers have lost.

I asked the Prime Minister if he would make a commitment to bring in new debt restructuring instruments which would assist some 52,000 farmers who are facing either total insolvency or serious cash flow problems. His response was that he would be looking into it, but he made no firm commitment. That was a tremendous disappointment to every western farmer, indeed every farmer in the country. The Prime Minister went out there, he saw the malaise, hardship, indeed the tortured unfairness of it all. Farmers in this country are not receiving the same level of support as those in the U.S.

• (1815)

Thousands of our youngest and most productive farmers are facing the loss of their land and there are no proper debt restructuring instruments being put in place. The ones which are there are totally inadequate for the circumstances of the day.

I certainly hope that the Government will move expeditiously on both of these problems. We want a commitment now that farmers will receive an adequate deficiency payment in the new crop year this fall and that new debt restructuring instruments and programs will be put in place to assist farmers to stay on the land and continue to produce the food that is vitally needed for this country and for our international commitments.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I welcome this opportunity to complete what was said by the Right Hon. Prime Minister (Mr. Mulroney) in his answer to this question on May 11 this year.

The Government sees agriculture as a very important industry, a position that was reflected in the Prime Minister's pertinent and enlightened replies. The Government realizes that grain producers have been severely affected by the dramatic drop in world prices for grain, caused by a subsidy war between the European Economic Community and the United States.

We also realize that Western Canada has been particularly affected, and that is why we have taken exceptional measures to deal with this situation. Since we came to power, financial assistance to western farmers through federal programs has more than tripled. For this year alone, direct payments to

farmers under federal programs are expected to increase by about $1 billion over last year's, making a total of about $3 billion.

Mr. Speaker, to be perfectly frank, I think this is more than just lip service. These are concrete measures. They are official measures. These measures are the national expression of a national party, the Progressive Conservative Party, and were taken by our Prime Minister, by the Minister of Agriculture (Mr. Wise), by the Minister of State for the Canadian Wheat Board (Mr. Mayer) together with all provincial Agriculture Ministers, who represent four Parties between them, and they all agreed to help western farmers.

Mr. Speaker, I appreciate that the Hon. Member for Algoma (Mr. Foster) may not fully understand the problem because his speech does not recognize the facts, it does not recognize that we are fully aware of what is going on, we are fully aware of the steps taken by our Minister of Agriculture, the Prime Minister, the Minister of State for the Canadian Wheat Board to help Western producers cope through cash payments, we are thinking of the coming stabilization payments, $702 million, $64 million extra payments that have just been announced to help pay freight rates. We are aware that under those policies we are putting in place to help Canadian agriculture, we must keep on co-operating with the farming industry, we must keep on working with provinces to finally give farming something decent, a stable role, a foundation within our economy, our economic activity.

In conclusion, Mr. Speaker, I would like to stress to my colleague for Algoma that the Prime Minister is aware of farmers' problems, that he is the first Prime Minister in Canadian history who has ever succeeded in making agriculture a priority on the GATT agenda. That is a tangible move by this Government because agriculture is important to us, both in words and in deeds.

[*English*]

ENVIRONMENTAL AFFAIRS—NIAGARA RIVER CLEAN-UP PLAN. (B) START OF OPERATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the question I raised dealt with the Niagara River toxic problem and particularly with the management plan which was formulated to clean up the toxic chemicals which enter the Niagara River through municipal and industrial sewers and seep from old toxic chemical dumps through the porous bedrock directly into the river from the United States side. More details on how this plan will be defined, hopefully including targets, deadlines and a commitment to zero discharge, are to be released in July of this year.

• (1820)

Now, however, there is a wrench in the works and an open flank in the battle plan. It concerns airborne chemicals. The Niagara work plan agreed to in February of this year did not address the possibility of toxic chemicals being released into the air at Niagara Falls. This is a major blunder that could have been prevented.

In 1984, Dr. Barry Oliver, at the Canada Centre for Inland Waters in Burlington, calculated that 50 per cent of the toxic chemicals in the Niagara River volatilized, that is left the water by way of vapours and entered the air at the Falls themselves. Dr. Oliver wanted to measure toxic chemicals in the mist in 1984, but the severe cuts that were inflicted in November, 1984, by the Minister of Finance (Mr. Wilson) and subsequent budgets of Environment Canada made it impossible for Dr. Oliver to receive the money or the help to pursue this research. Finally, Dr. Oliver left Environment Canada in February of this year.

When the blob in the St. Clair River occurred, its clean-up sapped the limited resources that Environment Canada had left to respond to chemical crises.

In October, 1986, Pollution Probe did what Environment Canada should have done. They took samples of the mist at Niagara Falls and found nine toxic chemicals, including chloroform, benzene and toluene, in small amounts, that are not immediate health threats but could pose a chronic, long-term health hazard.

Last week came the release of the study done by Donald MacKay and Michael McLachlan, of the University of Toronto, which indicated that 35 to 175 tonnes of chemicals go into the air each year at Niagara Falls.

The questions that emerge are fundamental. Why has Environment Canada been so reduced in its capacity and strength to study toxic chemicals that only one full-time scientist is working on the Niagara River Toxics Management Plan while Ontario has four people on site?

Why was Dr. Oliver not provided with the necessary funds to carry out the study at the Falls in relation to the plan that had been conceived in recent times and would have included the study of toxicity released at the Falls themselves? Will Environment Canada, belatedly and after many warnings, tackle the problems of toxic chemicals in the mist at Niagara Falls? Finally, Environment Canada must get heavily involved at the Falls in measuring these toxics. Otherwise, how accurate can the estimates be of toxic chemical loadings based on measurements at Fort Erie and Niagara-on-the-Lake?

We are talking about the health of millions of Canadians in the Niagara Peninsula. We are also talking about the viability of the tourist industry, which is very intense, with millions of visitors every year. We must ensure that the issue is handled and that we know the impact of the toxic chemicals that are released at the Falls. We must ensure the presence of Environment Canada in international waters because that is demanded of the Department. I hope the Parliamentary Secretary will give us a satisfactory answer.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, all of my answers are

satisfactory so I do not know why the Hon. Member would add that caveat to his presentation.

I might say that there have been many solid achievements in the Niagara River issue. Of course, it is a major issue and one that should concern us all. Being an Ontarian and a Bramptonian who gets water from Lake Ontario, naturally I should be very interested in the issue. As a parliamentarian, I spent the weekend in Niagara Falls. A more beautiful part of the world is hard to find. There is no question about that.

• (1825)

The Hon. Member talked about the Niagara River Toxics Management Plan which had been agreed upon by Canada, Ontario, the United States and New York, and the second major initiative on February 4, 1987, of an international declaration of intent which is intended to accompany and complement the Niagara River Toxics Management Plan. This is a very important document because it talks about the political will to support the toxics management plan and to work toward what I think is key, the reduction of loadings to toxic chemicals entering the Niagara River by 50 per cent over the coming decade.

I think that is a great goal to work toward. I hope they surpass it as, I am sure, does the Hon. Member. I think we all do. We have the political will now. The Hon. Member knows how difficult it was to get that political will. He is a former Minister of the Environment and he had his problems getting those agreements signed. He should be happy that the political will is there now and that we have to get on with the job.

With respect to the toxics in the air to which the Hon. Member referred, there have been some media reports about this matter. By the way, the Hon. Member asked this question last November and is just following up now. I find that interesting. There have been recent media reports relating to a University of Toronto modelling study. The model estimated quantities of volatile chemicals evaporating into the air from the Niagara River and Niagara Falls.

This particular study was supported by Environment Canada on the basis that previous research conducted by the Government provided indications of the volatile nature of some of the contaminates carried in the river. So we have been involved in that right from the start, and we support it. While the model predictions should be considered preliminary—and the Hon. Member will understand that—and speculative at this time, support of such work is indicative of the continuing efforts by Canada to investigate and describe the environmental pathways, fate and effects of chemical contaminates in this system. Environment Canada will be conducting further research on volatile chemicals at Niagara Falls this year.

The Hon. Member tells us that Ontario has four people on site and we only have one person on site. I can tell the Hon. Member that that has been one of the major problems with the Government of Canada, trying to outdo the Ontario Government or vice versa. The money all comes from the same pocket. The important thing is that work is going on there now and we are studying this particular problem. It is worrisome to us all. It is being investigated.

Now that we have the political will, I think that is about three quarters of the battle won. We can now get on with the toxics management plan, together with the declaration of intent, which is intended to push the parties toward the goal of zero discharge and virtual elimination in a scheduled and stepwise fashion, which I think is very important. I think we should congratulate the Minister of the Environment (Mr. McMillan) for the work he has done.

[*Translation*]

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

At 6.29 p.m., the House adjourned.

HOUSE OF COMMONS

Friday, May 15, 1987

The House met at 11 a.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

WELFARE

CHILDREN LIVING IN POVERTY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the latest statistics from the National Council of Welfare illustrate the tragedy of the children of Canada, more than one million of whom are living in poverty. Almost four million Canadians are living in poverty. Yet, to read an interview given by the Minister of National Health and Welfare (Mr. Epp) in *Faith Today* entitled "Saints in Caesar's Household", you would think that people living in poverty choose their lot in life. He says:

> We have to recognize that there are those who are poor because of circumstances, but many by their own decisions are where they are.

Are those million children living in poverty where they are by choice? When the Minister was questioned on this issue earlier this week in committee he suggested that abusing families are also there by their own decision. It seems to me that when the Minister of National Health and Welfare (Mr. Epp) expresses this kind of attitude in a magazine he should be giving some answers to Canadian people.

• (1105)

The one million Canadian children are not living in poverty by choice. Abusing families are not abusing by choice. There is in fact work which must be done in this area. I frankly hang my head in shame when the Canadian Minister of National Health and Welfare makes a statement like that in a magazine in which he is labeled a saint in Caesar's household.

* * *

[*Translation*]

THE LATE SUZANNE BARUK

Mr. John Oostrom (Willowdale): Mr. Speaker, I would like to ask Hon. Members to join me in paying tribute to the memory of Suzanne Baruk, whose life and work have been an inspiration to hundreds of thousands of Canadians and whose thinking has been discussed at length in this House.

The wife of Henri Baruk made a major contribution to philosophy and to developing the Tzedek theory. Believers and agnostics, Semites and goyim, we are all indebted to Suzanne Baruk for her contribution to our civilization and to Western ethics. Canadians remember well her visits to Canada.

We want to express our sincere condolences to the entire Jewish community in Canada and to Professor Henri Baruk, the father of modern psychiatry and of Tzedek: *Baruch Dayan O'Emeth*! May Tzedek continue to shine as a star in our Canadian firmament!

* * *

[*English*]

NATIONAL DEFENCE

LOW-LEVEL TRAINING FLIGHTS OVER LABRADOR—ENVIRONMENTAL IMPACT REVIEW

Mr. Dan Heap (Spadina): Mr. Speaker, last fall the Government announced an environmental impact hearing on the proposal to build a NATO base at Goose Bay, Labrador. These hearings were scheduled to evaluate the legitimacy of the complaints that low-level flights would have destructive impacts on the environment and the Innu people of Labrador.

In January the Federal Environmental Assessment Review Panel issued interim recommendations that the number of low-level flights not be increased so that no further damage would be done to the environment or to the Innu people prior to the review being completed.

This week, according to news reports, the Department of National Defence showed its contempt for the FEARO process by rejecting that interim recommendation and by having the Minister sign an agreement with the Netherlands Air Force to engage in low-level flight training with the Dutch which will add 10 to 16 aircraft and a great number of daily or weekly flights.

I call upon the Government to stop using environmental hearings as mere public relations gestures, to take seriously the needs of the Innu people, and to stop breaking faith with the Canadian public.

S. O. 21

PERFORMING ARTS

ANNUAL STAGE BAND COMPETITION—PROCEEDS TO AID CHILDREN'S HOSPITAL OF EASTERN ONTARIO

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, Members of the House of Commons, please wait for the downbeat: A-one-two-three-four—

All this week some 8,000 students from high schools, colleges and universities from across Canada have been competing here in Ottawa in the Annual Stage Band Competition. The grand finale will take place on Monday evening at the National Arts Centre in a big band jazz night with proceeds going to the Eastern Ontario Children's Hospital.

What a line-up to prove that Canadian culture is alive and well among our young people and those of us in a more nostalgic mood. Following rave reviews for the same show at Hamilton Place a couple of years ago, song writer Norm Tufts of Hamilton and Bill Jupp of Ottawa, along with names like James Moodie, Guido Basso, Rick Wilkins, and even the Four Freshmen, will thrill a Victoria Day audience here with a 30-piece big jazz band aggregation. This will be ninety-nine and forty-four one-hundredths per cent pure Canadian content.

Mr. Tufts tells me that a lot of people have gone to a lot of work to make it happen. Queen Victoria herself would be proud to hear something so stirringly Canadian on her day.

* * *

[*Translation*]

OFFICIAL LANGUAGES

DEMAND FOR JUSTICE AND RESPECT FOR FRANCOPHONES IN AGENCIES RESPONSIBLE TO SOLICITOR GENERAL

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on Wednesday, the Solicitor General (Mr. Kelleher) announced that he would raise the target for francophone participation in the RCMP to 20 per cent.

Mr. Speaker, on 13 occasions, and I counted them, the Minister and his Cabinet colleagues: the President of the Treasury Board (Mr. de Cotret), the Minister of Justice (Mr. Hnatyshyn), and even the Prime Minister (Mr. Mulroney), have given me the assurance here in the House that the 20 per cent target set by the previous Government a few years ago had not been changed.

Mr. Speaker, why did the Minister announce Wednesday in Montreal that he reinstated the 20 per cent target, when we all know he said he never changed it? For six months, we have been fed hogwash.

The Director of the Canadian Security Intelligence Service has admitted to infringing the Official Languages Act for two years. Mr. Speaker, some public servants think the Official Languages Act is a regulation. It is not a regulation. It is an Act of Parliament. It is enshrined in the Constitution. The Ministers will have to start enforcing this legislation and making their employees understand, especially at the management and senior management level, that the legislation applies to the RCMP as well as to the Canadian Security Intelligence Service and Correctional Services.

Mr. Speaker, the Minister ought to do his job. If he cannot, he should resign and let others do it for him.

* * *

• (1110)

[*English*]

FORESTRY

OUTBREAK OF FOREST FIRES—CAMPERS URGED TO EXERCISE CAUTION

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, a very serious problem has developed very rapidly in the forests of western and northern Canada. They are tinder dry at this moment and, as I speak, thousands of acres are raging under forest fires, posing a serious problem to all Canadians.

We have already lost $100 million in forests. In Manitoba alone there are 400 people fighting forest fires. Fifty homes in Fisher Bay had to be evacuated and at Wallace Lake there is another extremely serious fire.

This is the first long weekend when thousands of Canadians will go to the forests to enjoy camping. I ask the Government and all Members of Parliament to urge everyone to exercise extreme caution when setting campfires because most fires are caused by human error and carelessness.

I am sure that if it does not rain in western Canada we will lose many more hundreds of thousands of acres of our forests. This is an important concern, and everyone should be very much aware of the importance of our forests.

* * *

EXTERNAL AFFAIRS

MILITARY COUP IN FIJI

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, we in this Party view with alarm and grave concern the military coup in Fiji.

We share the sentiments expressed yesterday by the Prime Minister of New Zealand who told his House of Representatives: "That the parliamentary democracy which was so recently reinforced in Fiji by the general election should have gone in such a way is abhorrent".

All Members of the House will be concerned about the subversion of democracy anywhere. That such subversion by

the military should take place in the Parliament of a sister commonwealth country is especially distressing.

While recognizing the clear divisions within Fijian society and politics at the moment, we all feel that the return to parliamentary democracy must be the first priority of the Fijian people and Fiji's friends.

It is important that Canada not give any recognition or support to the military leaders and that civilian government and democracy return to Fiji quickly.

* * *

[*Translation*]

SOCIAL SECURITY

MINISTER'S ALLEGED STATEMENT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Once again, Mr. Speaker, Canada's social injustice Minister—the Minister of National Health and Welfare (Mr. Epp)—has shown his lack of concern and his incompetence with respect to the Canadian people.

Remember his intention to de-index old age security pensions, remember the de-indexation of family allowances, and remember the tax on prescription drugs, on sick people. But now, Mr. Speaker, the Minister has made an outrageous statement: National Health Council officials have just told us that four million Canadians live in poverty, so the Minister of National Health and Welfare says that these people live in poverty because they like it that way.

Mr. Speaker, all Members of the House should tell the Minister of National Health and Welfare to withdraw his remarks and offer his apologies, and they should urge the Prime Minister to ask for the resignation of the Minister of National Health and Welfare. This is unacceptable from a man who is expected to defend the interests of poor people in Canada.

* * *

[*English*]

THE DISABLED AND THE HANDICAPPED

EMPLOYMENT OF STUDENTS BY HOUSE OF COMMONS—TRIBUTE TO SUCCESS OF "BUDDY" SYSTEM

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, former Speaker Bosley, and you, Sir, along with myself, the Member for London—Middlesex (Mr. Clifford), and many parliamentary staff members, in co-operation with Ridgemont High School's co-operative education program, through Glen Pettinger, Ilse Turnsen, Bud Crawford, Pat Mainwaring and Charlotte Boroczki, put into place the "buddies" system that assigned students with intellectual handicaps to staff at the House of Commons.

This program provides valuable work adjustment training and has the potential to evolve apprentice-like skill development for real employment.

• (1115)

Such a model encourages Governments and businesses to share with educators in the responsibility we all have to our handicapped citizens to provide relevant training and preparation for productive participation in our society.

[*Translation*]

The House must congratulate the employees who made it possible to launch this program by ensuring its smooth operation and success: Rita Makavic, Bernie Bédard, Rod Despaties, Adèle Saulnier, Claudette Larocque, Lucille Ryan, Noëlla Forgues, Muriel Larabie, Lucienne Lebrun, Claude Nobert and Maurice Poirier. Such small things make life that much more pleasant, and it proved to be a challenging experience for Ridgemont students.

[*English*]

Some Hon. Members: Hear, hear!

* * *

ENERGY

EFFECT OF FORMER NATIONAL ENERGY PROGRAM

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, Ralph Hedlin writes in the *Western Report* magazine, and I quote:

> It will soon be seven years since Pierre Trudeau's Government laid down a new set of principles to govern western oil and gas policy—the National Energy Program of October 28, 1980.
>
> The National Energy Program was the capstone of a decade of intense Trudeau Liberal Government intervention in oil and gas during the years of 1974-84.
>
> The Trudeau Liberals, among whom John Turner was a major player, put in position policies that transferred a greedy proportion of the benefits from the west to the consumers of central Canada and the tax-gatherers in Ottawa.
>
> Every year new evidences surface that bear witness to the damage done by the intervention of the federal politicians and bureaucrats.
>
> The most recent is the demise of Dome Petroleum. The wild irresponsibility of the debt accumulation of the Trudeau years is only comprehensible if one accepts that the Government was satisfied it could recover by looting the west of revenues produced by $100 oil. Interest charges on those immense debts are a major contributor to today's deficits and a major drag on the Mulroney Government.
>
> In the long history of Canada there has been no economic initiative that has been as utterly wrong-headed and as disastrously damaging as the energy policies of the Trudeau years. It is a root cause of much of the economic frailty and regional distrust in Canada.

The players have passed from the stage, nearly, but we are still suffering the legacy of those policies from those years.

Oral Questions

ABORTION

RESTRICTIONS ON ACCESS TO ABORTIONS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, recently a 14-year-old girl was refused an abortion at Royal Inland Hospital in Kamloops. She was forced to suffer a very difficult forced delivery which will scar her emotionally for the rest of her life. Across British Columbia women's access to abortion is becoming more and more restricted as politicians, led by the Premier, are imposing their personal moral views on women despite the fact that the general public supports greater access to abortion under our existing legislation.

The restriction of access to legal abortions, which is approved under existing federal legislation, surely is contradictory to our federal laws. What is our Minister of Justice (Mr. Hnatyshyn) doing about this?

Women of Canada feel strongly that access to abortion is an essential service, essential to their health. Limiting access to abortions approved by committees in accredited hospitals denies the spirit of the Canada Health Act which states that we should have reasonable access to health services.

I urge both provincial and federal Governments to uphold existing federal laws and to work toward more progressive changes in future.

* * *

POLICE WEEK

TRIBUTE TO MEMBERS OF POLICE FORCES

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, Police Week was established as a means by which this nation could officially recognize and pay tribute to those men and women who have chosen a career to protect and serve their communities. I am pleased to have the opportunity to express my personal views, my profound respect and heartfelt appreciation for these men and women.

Police work requires a special kind of person. They must have courage to deal with the dangers inherent in their work. They must be fair and impartial in enforcing the law. They must have integrity beyond reproach. They must exhibit and utilize consideration, sensitivity and compassion when dealing with the public. Those personal characteristics have always been, and are still required by police officers.

However, new skills have been incorporated into modern-day policing. The police officer today requires many of the skills of a psychologist, social worker, criminologist, computer scientist, lawyer, accountant and administrator. Police forces have in recent years moved rapidly to adjust to these new demands and have developed and engaged officers to meet the challenge of crime in today's society.

I believe all Members of this House will join in paying tribute to these police officers and to the Chiefs of Police across this nation who have meet these new challenges with resolve and are serving each and every Canadian as they fulfil their responsibilities on behalf of us all.

Some Hon. Members: Hear, hear!

• (1120)

ORAL QUESTION PERIOD

[*Translation*]

ENERGY

REQUEST THAT GOVERNMENT ASK PETRO-CANADA TO REDUCE PRICE OF GASOLINE IN QUEBEC

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. On April 13, Petro-Canada was the first to raise the price of gas in the Eastern Townships and the Quebec City region. Yesterday, the Quebec Minister of Finance told the oil companies to stop fleecing Quebec consumers. Furthermore, the Quebec Minister of Energy has advised the federal Government to put pressure on Petro-Canada so it will stop taking the lead in raising the price of gas in Quebec, as it has done in the past. My question for the Minister is the question all Quebecers are asking today: Considering this advice, is the Minister willing to ask those in charge of Petro-Canada to reduce the price of gas in Quebec and show it can behave as a good corporate citizen?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, Petro-Canada, like all oil companies in Canada, is subject to federal and provincial regulations and legislation, according to the respective responsibilities of each jurisdiction. Petro-Canada has been given a mandate by this Government to operate on a commercial basis, in the interests of the consumer and also in the interests of investing in exploration.

PETRO-CANADA—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary for the same Minister. When we see Gérard D. Lévesque cailing for help and asking Petro-Canada to stop fleecing Quebecers; when we know that the reduction in the escalator tax—more than 50 per cent of the money will go to the oil companies—and when the Minister tells us that Petro-Canada has a duty to protect the consumer, could the Minister please explain why he is not taking any action? Why is he letting Petro-Canada protect the corporations instead of the consumer? Why isn't he doing anything about that?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member for Montreal—Sainte-Marie has indulged in his usual rhetoric in presenting his questions. However, that does not change the situation.

Petro-Canada's mandate is a public one. It is supposed to operate on a commercial basis like all other oil companies in Canada. These companies, including Petro-Canada, are expected to act in the full knowledge of the applicable legislation and regulations of the provinces and the federal Government. If Canadians feel there has been abuse in this area, they can file complaints either with the Department of Consumer and Corporate Affairs in Ottawa, depending on the particular jurisdiction, or with the provinces. It will then be up to the various departments to take action, if necessary.

ESTABLISHMENT OF PRICE CONTROL BOARD IN QUEBEC—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary. Considering the absence of any action on the part of the Minister of "inertia", and considering his admission that his hands are tied—would the Minister be willing to support the Government or the Minister of Energy of Quebec, who is a Minister who does defend his consumers, to help Quebec establish a price control board like the one in Nova Scotia? Is the Minister prepared to help Quebec do that?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, it is not up to the Minister of Energy, Mines and Resources to intervene on a daily basis in the activities of Petro-Canada. If I did so, the Opposition would be the first to criticize me for it. The Hon. Member is indulging in a lot of rhetoric by starting a debate of this kind, because if Parliament had wanted the Minister of Energy, Mines and Resources to intervene daily in Petro-Canada's business, it would not have passed legislation making Petro-Canada a Crown corporation separate from the daily activities of the Department and the Minister of Energy, Mines and Resources.

Furthermore, regarding Quebec's interest in creating a price control board like the one in Nova Scotia, it is obviously up to the Government of Quebec to take action as it sees fit.

PRICE OF GASOLINE—REQUEST FOR REFERRAL TO COMMITTEE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, how funny that we should be listening to Louis XIVth talk about demagogy. Still, my question is directed to the same Minister.

Talking about consumer protection as the Minister does, I should like to know whether he would be prepared to accept that we, as Members who are here precisely to speak up on behalf of citizens, refer this question to the Standing Committee on Energy, Mines and Resources where the chairman of Petro-Canada will appear next week to justify what he is doing now, which is not in the interests of either consumers or Canadians.

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I can appreciate the fact the Louis XIVth could not possibly have heard about Petro-Canada since the corporation did not exist at the time. But the Hon. Member for Hamilton East should at least know that it is not up to the Minister of Energy, Mines and Resources to decide whether he will give or withhold his agreement so that a parliamentary committee of this House might be authorized to ask the chairman of Petro-Canada to give evidence and answer their questions. The Hon. Member would know that this Government does not operate that way, and if she wants to invite the chairman of Petro-Canada and ask him a number of questions, there is a procedure for doing just that.

• (1125)

[*English*]

Ms. Copps: Mr. Speaker, I fully expected that the Minister would pass the buck on to the committee, in the same way that he passed the buck on to the Minister of Consumer and Corporate Affairs, in the same way that he passed the buck on to the consumers, and in the same way that he passed the buck on to Petro-Canada.

REQUEST THAT PETRO-CANADA PRESIDENT BE CALLED BEFORE COMMITTEE

Ms. Sheila Copps (Hamilton East): I should like to ask the Acting Chairman of the Standing Committee on Energy, Mines and Resources whether that committee is prepared to show some leadership, where the Government is ill-prepared to do so, and in fact call Mr. Hopper before the committee next week to justify the gouging that is going on of Canadian consumers.

An Hon. Member: No one answers!

Mr. Speaker: The Hon. Member for Hamilton East might wish to direct her question to the chairman of the appropriate committee.

An Hon. Member: Can anybody answer?

Mr. Speaker: The chairperson of the committee is apparently not here this morning.

I appreciate that the Hon. Member for Vancouver—Kingsway (Mr. Waddell) may be quite prepared to volunteer a response.

Some Hon. Members: Oh, oh!

Ms. Copps: I am prepared to redirect the question to the Government House Leader.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): The Hon. Member has had a lot of parliamentary experience, and she will know that this is a matter that should be considered at the committee level or at the steering committee level. If she has a representation to make in that regard, she should get on that committee and make that representation.

Mr. Gauthier: You can make a reference.

[*Translation*]

GOVERNMENT'S ATTITUDE

Mr. Robert Toupin (Terrebonne): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Yesterday the Minister stated that the market should dictate the price of gas in Montreal, that one of the reasons why gas was more expensive in Montreal was the distances from the various refineries to the gas pumps.

My question is this: Since the Minister is referring to market forces, why did his Government, this Conservative Government, allow a reduction of competition in Quebec and the closing down of the Gulf refinery?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the existence of refineries is not dictated by the Canadian Government. It is not for the Minister of Finance nor the Minister of Energy nor the Minister of Consumer and Corporate Affairs to decide whether at any given place a refinery shall open or close. Such is not the Government's responsibility. Companies are responsible for setting up refineries where needed, if warranted by the market.

I know that is not the kind of world the socialist party would like to live in. They would rather live in a system where everything is planned, everything is organized. That is the kind of system, that was set up in the energy sector a few years back, Mr. Speaker, following gross Government interventions, with results such as we have seen in the energy sector, corporate wind-ups, hundreds of people laid off. Mr. Speaker, we have no intention of reverting to that kind of system.

Mr. Toupin: Mr. Speaker, with that flow of rhetoric I suppose the Minister conceded his Government was not the mastermind behind that shutdown and that reduction in competition. He is right, Mr. Speaker. His Government was merely the puppet of large financiers and oil multinationals.

REQUEST THAT MINISTER INTERVENE

Mr. Robert Toupin (Terrebonne): Mr. Speaker, does the Minister intend to ask Petro-Canada—and I insist again—to move to lower its sale prices to Quebec consumers, to reinstate a healthy competition and, as an immediate action, to remit to Quebec consumers the fuel tax reduction implemented by the Quebec Government?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the energy critic for the socialist party is pursuing a dream, a myth of a wishful nature in which market forces would not exist, in which entrepreneurial freedom would not exist, in which there would only be bureaucracy, regulations, ministerial decisions. Mr. Speaker, that is not the kind of world we want to live in. We want to live in a world of free enterprise, in which the market is the prime indicator.

It is in that spirit that Petro-Canada has a clear and specific mandate, a business mandate to work with and abide by market forces, in the interest of both consumers and those who invest in exploration.

Mr. Toupin: Mr. Speaker, I just mentioned the flow of rhetoric we heard from the Minister; well, the Minister just gave us more of the same.

REQUEST THAT MINISTER ACCEPT RESPONSIBILITY AND SHOW LEADERSHIP

Mr. Robert Toupin (Terrebonne): This is my final question Mr. Speaker. Is the Minister prepared to accept responsibility and show some leadership mainly at the level of his Department and this, as I said, in the interests of both Canadian consumers and those in Quebec?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the first quality of leadership in the energy sector is to make sure that bogey men and other nasty fellows in the mind of the spokesman on energy for the socialist party does not have any effect on the energy policy.

The Hon. Member lives in a world where all decisions makers are callous capitalists or bogey men who want to gouge the consumer. Mr. Speaker, he is living in a dream or a mythological world. We are living in a world where free market and entrepreneurship exist, where companies have to protect consumers as well as shareholders and their investments. The Government of Canada as the Government of Quebec have enacted legislations to that effect and corporations have to abide by them.

* * *

• (1130)

[*English*]

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, obviously the Minister needs to learn the difference between free enterprise and price fixing. There is a hell of a difference.

My question is directed to the Minister of Energy, Mines and Resources and concerns the Dome-Amoco deal. The Minister has been telling Members of the House that the Government will take a hands-off attitude in respect of the deal, and that other offers will only be entertained when it becomes clear that the Dome creditors have rejected the current deal. Now that rejection gets closer every day.

Under the memorandum of agreement signed between Dome and Amoco, is the Minister aware that the concerned parties indicated that even if the creditors turned down the deal, "Dome will attempt to effect the transaction under the

Companies' Creditors Arrangement Act or such other procedures"?

In other words, even if the creditors say "no", they will appeal for a trustee to be appointed under a government Act to enforce the deal anyway. Is that an acceptable way for Canadian energy policy to be put in place?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the first responsibility of the Government was to make sure that proposals would be made to Dome and, as a result of our initiative, we saw that three different groups expressed interest in acquiring Dome. The Dome board of directors picked one of the three offers and agreed to convey it to their stockholders and their creditors who were made aware of the offer yesterday and will make their decision after due consideration. We are now at the second stage, Mr. Speaker, and first and foremost we must let these people make their own judgment.

[*English*]

GOVERNMENT POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the people of Canada are wondering why the Minister does not have the guts to admit, notwithstanding whether or not the deal is good for the creditors in Canada and notwithstanding whether or not the deal is good for Canadians in terms of energy policy, that the Government, under a hammer poised by the muscled arm of Washington, is sitting neutered and afraid to take its responsibilities. Why does he not admit that?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member may well raise his voice and try to use one word or another, but there is one fact he simply cannot ignore: he remained silent at the time, yet the problems now experienced by Dome are first and foremost the aftermath of the policies advocated by the previous Government. Where were you at the time? Today we are in a situation where 4,000 Dome employees want to protect their jobs, where hundreds of acres of land are there awaiting development. The Government wants to make sure that Dome will continue to operate in Canada because we need it for purposes of energy security and supply. We need that company for the economy of Alberta and Saskatchewan, and we also need it for investment purposes. That is what the Government has done. That is the difference between the two policies: yours which drove Dome to the brink of bankruptcy, and this Government's policy which is responsible for the fact that three companies were interested in buying Dome.

[*English*]

DOME'S OIL LANDS LEASES AND HOLDINGS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have a supplementary question on this matter for the Minister of Energy. The Minister must know—and he just mentioned it—that Dome has a net working interest in 14.9 million acres of land, three-quarters of which is in conventional producing areas. It has been described as the best developed acreage in North America, and there are 4,000 workers out there.

Would the Minister not admit that the result of the meeting yesterday was a great deal of uncertainty? Would he tell the House why he is not taking action and showing some leadership? Who is speaking for Canada when one of its largest energy companies is going down the drain, possibly to bankruptcy? Why is he taking this hands-off approach? Why does he not get involved in the bankruptcy of Dome?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the uncertainty has been there for the last two years because of the type of policies the NDP pushed on the Liberals. That is where we are; that is the difference. We are working for the real economic future of Dome. However, what they have done, in the last two years has put Dome where it is now. That is what happened.

Mr. Waddell: That is patently absurd.

Mr. Althouse: For the last two years you have been in government.

Mr. Gauthier: You have been the Government.

Mr. Waddell: Would the Minister like to exchange seats with us? We will go over there.

Mr. Speaker: The exchange has been very vigorous, but perhaps the Chair might ask Hon. Members who are asking questions to try to confine their remarks to questions.

Of course long preambles which are argumentative invite a response, and then a further response. I would ask the Hon. Member, who I know is very knowledgeable in the matter, to put his question and to put his question precisely.

MINISTER'S POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, given the uncertainty, does the Minister intend to take any steps at all to deal with the banks or with the Swiss creditors to decide the future of Dome Petroleum?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the offer was unveiled at the meeting yesterday. These people must consider it and respond. Once we get to know their answer, perhaps it will dispel what you call uncertainty.

[*English*]

I do not know.

First of all we have to make sure that we have the proper time to reflect and to take a decision.

I just want to tell members of the socialist Party that they cannot have it both ways. They cannot have the dumb, stupid policies which they pushed on the former Government and now ask the Government, by other proposals, to clean the same barn which they have already put in a mess.

* * *

AIR TRANSPORT

CASE OF FRED TURNER, FORMER AIRLINE LICENCE HOLDER

Hon. André Ouellet (Papineau): Mr. Speaker, in the absence of the Minister of Transport I have a question for the Deputy Prime Minister.

Because it is now clear that Mr. Fred Turner has been the victim of a series of unfortunate events and possibly over-zealous actions by government officials, will the Government now accept the referral of the matter to an impartial, binding arbitrator, in order to give Mr. Fred Turner an appropriate amount to compensate him for the loss of his business?

• (1140)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, of course this action was started under the previous administration. I think that should be clearly noted, and it should also be noted that a number of allegations have been passed back and forth.

There was a certain violation of compliance with respect to the operating licence of the applicant in question, which was dealt with through due process under the aegis of the Canadian Transport Commission. The matter has been reviewed on a number of occasions. It has recently been reviewed by the Minister of Transport. My understanding is that the standing committee is seized of this issue. Perhaps that might be the most appropriate place for the issue to be dealt with further. Suffice it to say that the appeal process has been complied with. It is a fairly clear-cut case in terms of compliance as it relates to requirements under the licence.

Mr. Benjamin: Clear your backsides.

Mr. Mazankowski: This is a very serious matter. I think the heckling from the New Democrats contributes to the fact that they only want to make a political issue out of this thing.

The matter has been considered seriously. It will be brought before the standing committee. I understand that Mr. Turner spoke to the Prime Minister about it yesterday. The Minister of Transport indicated that, while he sympathized, there are certain rules and regulations that have to be complied with.

REQUEST FOR APPOINTMENT OF INDEPENDENT ARBITRATOR

Hon. André Ouellet (Papineau): Mr. Speaker, the Minister said that Mr. Turner spoke to the Prime Minister. The last thing that should be done is to treat this question as a legal matter. I think the Prime Minister said yesterday this was more or less a moral issue. The Minister has to realize that this is a case of big government versus a poor individual.

Since his Government—I think from his own initiative while he was Minister of Transport—has agreed to offer Mr. Fred Turner the sum of $15,000 on an *ex gratia* basis, would it not be the right thing for the Minister to make sure that an impartial person decides on the proper amount to be given to Mr. Turner?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I hope the Hon. Member is not suggesting that we as a Government and as responsible Members of Parliament should be ignoring some of the basic requirements of compliance with the law and compliance with a licence requirement. Mr. Turner was operating, I am told, without adequate liability insurance.

Mr. Benjamin: He was not operating. His licence was under suspension after you cancelled it.

Mr. Mazankowski: His aircraft had been seized, he was not in possession of a valid Transport Canada operating—

Ms. Copps: You better get a new researcher.

Mr. Mazankowski: I am simply quoting the statements of the Minister of Transport who, I suggest, would probably have as good an idea as the Hon. Member from Hamilton who thinks she is an expert on everything but is an expert on nothing.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: I repeat, the matter as I understand it, is before the parliamentary committee. If there are any changes with respect to the disposition of this, those changes will be enunciated by the Minister of Transport.

REQUEST FOR BINDING ARBITRATION

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a supplementary question. I met with the Prime Minister and Mr. Turner yesterday. I would like to get to the bottom of this. In 1984 the former Government under the CTC cancelled Mr. Turner's licence. This Government, and I congratulate it for it, gave Mr. Turner his licence back recognizing that what had been done was wrong. In offering the $15,000 *ex gratia* payment, it is known that Fred Turner and Turn-Air cannot get back in the air.

Will the Deputy Prime Minister agree that now is the time for binding arbitration so that Fred Turner can get a fair settlement so that he can get his aircraft back in the air and his airline operating?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I know the Hon. Member has been very active on this file. I wish he would listen to the answers that I give to the House because it would

result in him not having to ask the question again. I simply indicated that if there was going to be a change in policy, it would be announced by the Minister of Transport.

BINDING ARBITRATION SOUGHT

Mr. Jim Fulton (Skeena): Mr. Speaker, something very important is going on here. Mr. Turner's licence was taken away by the CTC. The Cabinet of this Government recognized that was wrong and gave him his licence back. Mr. Turner has lost his six aircraft, he has lost his licences, he has lost his hangar and he is losing his home. This is an honest upstanding Canadian, Mr. Speaker.

Will the Government put forward a binding arbitration process to look at what the losses have been to Fred Turner and give him what is necessary so that this Canadian can get back into the business that he duly deserves?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, while we have shown sympathy toward this issue, I think the Hon. Member would be the first one to criticize if this Government or any Minister attempted to circumvent the due process, and now he is suggesting just that.

The Member has repeated the question. I will repeat the answer. If there are any changes respecting disposition, the matter will be considered by the Minister of Transport and he will make an announcement if such is the case.

* * *

FILM INDUSTRY

CANADIAN DISTRIBUTION POLICY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, at the Cannes Film Festival this week Canadians still cannot close deals for films for Canada. European and foreign film makers just do not believe this Government and do not believe we are committed to a Canadian film distribution policy. Americans continue to buy and tie up North American distribution rights. My question is for the Deputy Prime Minister.

I am laughing, Mr. Speaker, because I see that the Deputy Prime Minister is a little preoccupied. My question has to do with the promise that you made that you were educating the Americans to no threats—

Mr. Speaker: Perhaps the Chair could help. First, I know the Hon. Member for Mount Royal would prefer not to use the personal pronoun you. I have noticed that it has been used a bit this morning. We will try not to do it again.

The Hon. Deputy Prime Minister was in some difficulty because a distinguished Hon. Member from the other side of the House seemed to wish to speak with him while the Hon. Member's question was being put. That situation has been rectified.

Some Hon. Members: Oh, oh!

Mr. Speaker: I will ask the Hon. Member to put her question.

Mrs. Finestone: I am seeking guidance from you, Mr. Speaker. Do you think that the Deputy Prime Minister heard the question, or should I start again?

Mr. Speaker: I am certainly not going to take a vote on that.

Some Hon. Members: Oh, oh!

Mr. Speaker: I think the Member should put the question again.

Mrs. Finestone: Mr. Speaker, at the Cannes Film Festival nobody believes that the Canadian Government believes in a Canadian film distribution policy. My question is for the Deputy Prime Minister.

Does he realize that unless the Government removes the cloud of uncertainty that hangs over the reality of tabling your Canadian film distribution policy that no one believes the Minister of Communications and no one is going to accept her policy? Stop scuttling her Bill. Are you going to deposit that Bill in the House before the end of June? Yes or no?

[*Translation*]

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of Communications): Mr. Speaker, for 55 years now, the film industry has been seeking a Bill similar to that which the Minister of Communications is planning to introduce. There is no change in our agenda. There are many rumors about. Just the same, the Hon. Member should know that the Minister is firmly committed to this Bill and that she will introduce it as soon as the legislative agenda will allow.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Hon. Member should know that there is a big difference between a promise and action.

[*English*]

REQUEST THAT BILL BE INTRODUCED

Mrs. Sheila Finestone (Mount Royal): The game plan to promise but not deliver but to delay is the obvious game plan that has been accepted in Cannes right now. That is why we cannot, as Canadian film distributors, buy the films we want from the Europeans.

Mr. Masse: Because of the former Government's policy.

Mrs. Finestone: You have been here for three years practically—

Mr. Masse: You did nothing for the film industry at all.

[*Translation*]

Mr. Speaker: I should like the Hon. Member to please ask her question.

• (1150)

[*English*]

Mrs. Finestone: To the Deputy Prime Minister, to the House Leader, will you deposit that Bill before June 30, yes or no?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I thought that question was answered fully not only today but on several occasions this week by the Prime Minister and by the Minister of Communications. Why does the Hon. Member not listen once in a while?

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to raise a question with the Deputy Prime Minister as well. I have here leaked documents from the United States which—

Some Hon. Members: Oh, oh!

Mr. Masse: Big news.

Mr. Langdon: The Government of the State of Michigan last month told the chief U.S. trade negotiator that his state wants the Auto Pact and its safeguards done away with so that auto products would be treated like any other product under free trade. Given the fact that this pressure is coming from the most auto intensive state in the United States, will the Government finally admit that the Auto Pact is now squarely on the bargaining table and that Canada runs the risk of losing those safeguards and the thousands of jobs that go with those safeguards?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it is Friday. I will explain it to the member of the NDP once more, very clearly, and I will go slowly so he will be able to understand it this time. The Auto Pact is not on the table. There has been no request for it to be on the table. If there is a request for it to be on the table, we will only accept changes if they are better for Canadians and Canadian workers, period.

MICHIGAN'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, let me read slowly from the document of the Department of Commerce of the State of Michigan which states that if its recommendation is carried through, we will see a shift of production over time from Canadian to U.S.-based manufacturing facilities and the shrinkage of the Canadian auto industry. Will the Government admit that the auto safeguards are crucial, something it has not been prepared to admit before, and that if these are weakened in any way there will be a tremendous loss of jobs right across Ontario and Quebec?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, members of the NDP are up to their old trick of fear-mongering again. They are frightening the workers. This supposed document of which he speaks, which I have not seen nor had the opportunity to review, says "if". It is a state document, not a federal document and not an administration document. The Hon. Member keeps saying: "if, if, if". We are saying that there are no ifs. Quit scaring the workers like that. That is the NDP's tactic; they do it all the time for no just reason at all.

* * *

APARTHEID

SOUTH AFRICA—PROPAGANDA BOOKLETS MAILED TO PARLIAMENTARY SPOUSES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Deputy Prime Minister. Last week a number of parliamentary spouses received in the mail two propaganda booklets from right-wing organizations promoting apartheid in South Africa. This material was mailed at the House of Commons using the frank of the Tory MP from Okanagan—Similkameen. It describes South Africa as a model multiracial society and describes people against apartheid as radical revolutionaries who are Marxist-Leninists and so on.

What is the new position of the Government on South Africa? Is it the one described by the Hon. Member for Okanagan—Similkameen in this document he sent to us or is it the earlier one that we have been hearing all along?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the policy of the Government on South Africa has been clearly enunciated from time to time by the Prime Minister and by the Secretary of State for External Affairs.

Ms. Jewett: Let your caucus know.

Mr. Mazankowski: We can talk about the NDP caucus or the Liberal caucus for that matter. They really have to learn some lessons in being united on certain things as well.

In this case, the position is very clear.

Mr. Speaker: The Chair is in a bit of difficulty here and I would ask Hon. Members to bear with the Chair for a moment. As I understand the Hon. Member's question, the Hon. Member for Okanagan—Similkameen has apparently sent two documents presumably published by the Government of South Africa or an agency thereof. Unless it is quite clear that the Hon. Member is speaking for the Government in endorsing those statements, and I am not sure that is what the

Hon. Member is saying, we do have a rule that we do not attack the motives or propriety of any Hon. Member unless it is quite clearly a case where the Hon. Member has made those statements.

I am a bit troubled because the documentation clearly does not seem to be documentation that was printed or prepared by the Hon. Member. I would ask the Hon. Member for Glengarry—Prescott—Russell to keep that in mind in his second question.

Mr. Boudria: Mr. Speaker, I will bear that in mind. Thank you for your guidance.

GOVERNMENT'S VIEW

Mr. Don Boudria (Glengarry—Prescott—Russell): I would like to ask the Deputy Prime Minister if the following quote from the document is the position of the Government:

> Those behind the scene manipulators who drive the bandwagon against the moral evils of apartheid in the South African reformist Government are neither Christian nor moral but rather amoral, immoral, non-Christian, anti-Christian and pro-Marxist-Leninist.

Does the Deputy Prime Minister on behalf of the Government share that view?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the answer is no. The Hon. Member is trying to assert that what he is reading from is a government document that represents government policy. He knows that that is the kind of misrepresentation that certainly does not augur well for Hon. Members of the House and, indeed, the institution.

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—OTTAWA FIRM'S EXPORTS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, in the absence of the Prime Minister I would like to direct my question to the Deputy Prime Minister. It has been revealed today by *The Toronto Star* that Semoptics of Ottawa is selling to the United States vital material that is a key element in the development of star wars weapons. Semoptics is doing this through the use of about $200,000 worth of National Research Council equipment.

In light of the Government's own policy not to offer government support for star wars research let alone for star wars weapons development, will the Government investigate the NRC involvement and will it move now to end any and all such support to firms involved in either star wars research or, worse still, star wars weapons development?

[*Translation*]

Hon. Monique Landry (Minister of External Relations): Mr. Speaker, the position taken by the Canadian Government was quite clearly expressed by the Prime Minister on September 7, 1985, when he confirmed that there would be no Government to Government participation by Canada to the United States strategic initiative. On the other hand, the Government has allowed the private sector to participate, and I think that is an example of the private sector's contribution to the American initiative.

[*English*]

GOVERNMENT POLICY

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, is the Minister saying that government Departments and agencies like the National Research Council can lend support to star wars projects? Is she saying that the Government's policy is that now government agencies like the National Research Council can lend support to private firms doing star wars research or star wars weapons development?

[*Translation*]

Hon. Monique Landry (Minister of External Relations): In my opinion, Mr. Speaker, my hon. friend is raising a hypothetical question and no request has been made directly to the National Research Council. Should one be made, we would analyze the situation before taking any position.

• (1200)

[*English*]

Ms. Jewett: Brief supplementary.

Mr. Speaker: The Hon. Member.

REPORTED USE OF NATIONAL RESEARCH COUNCIL EQUIPMENT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, there is a report done by an investigative reporter which shows that National Research Council equipment is in fact being used by Semoptics for its star wars research. Will the Minister commit the Government to give to the House full information on all government agencies or Crown corporations which are involved in assisting or supporting star wars research or star wars weapons development?

[*Translation*]

Hon. Monique Landry (Minister of External Relations): As I said earlier, Mr. Speaker, this question seems hypothetical to me. Should a request be made, we would examine it in the light of the impact such research would have on Canada's objectives. Then we would make a decision.

[*English*]

CANADA POST CORPORATION

FIRST, SECOND, AND THIRD CLASS MAIL DELIVERY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is for the Minister responsible for the Canada Post Corporation. In a speech before the National Association of Major Mail Users on May 12 the President of Canada Post said that first class mail, second class mail, and third class mail as well, will be treated the same way.

Can the Minister tell us why first class mail with a 36-cent stamp does not get priority over junk mail which requires only a 7-cent stamp? Is first class mail now third class mail?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): No, Mr. Speaker. I think the President of Canada Post was saying that it is the intention of Canada Post to deliver all mail; first, second, and third class, as expeditiously and on time as possible. Standards have been articulated in the corporate plan as to the number of days which will be required for each class and they are different for each class. An independent auditing company will be reporting on a quarterly basis on the extent to which Canada Post meets those standards.

[*Translation*]

ALLEGED EMERGENCY PLAN—REQUEST FOR DETAILS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I wish to direct a supplementary question to the Minister responsible for the third class postal service. In the same speech, the President of the Canada Post Corporation indicated that "strike or no strike, we are going to deliver the mail". Could the Minister indicate to us how the Canada Post Corporation will deliver the mail if its employees are on strike? The medias have been telling us that there is a plan. Could the Minister confirm its existence?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): No, I cannot, Mr. Speaker. Canada Post is a Crown corporation and operates at arm's length as was intended by Parliament when the Crown Corporations Act was created. In that context the corporation was directed by Parliament, as it has been consistently, to deliver the mail to the extent possible. As I understand the speech, the intention is to do that.

Mr. Speaker: I would like to advise the House that we are over time. The Hon. Member for Cochrane—Superior may ask one question to close off Question Period. I am sure the New Democratic Party will note that I allowed one of their Members three questions.

INDIAN AFFAIRS

POST-SECONDARY EDUCATION ASSISTANCE PROGRAM

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. As the Minister knows, the Post-secondary Education Assistance Program for Indian students has been among the most successful federal government programs which we have had. In fact, over a decade it has grown from an expenditure of $8 million to $93 million because more and more young Indian people have seen this as the route to self-sufficiency and independence.

Yesterday the Minister moved to limit this program. Does he believe it is right and fair that when so many other government programs have universal access we should have a different policy for Indian people? How can he explain to the House that this year's high school graduates and those studying law, education, and medicine have the lowest priority for access to this important program?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, in his question the Hon. Member recognized the growth from $8 million to $93 million. Unless other programs within the Department are reduced we cannot state with certainty the number of dollars which will be made available for post-secondary education for Indian and Inuit students.

The dollars that have been identified this year are beyond the historic increase in expenditures. An additional $12 has been identified. The establishment of criteria in an interim manner for this year, while we discuss with Indian leaders and bands changes that can be put in place, was necessary so that we could maintain dollars in other Indian programs.

To meet the increase that was necessary last year money from other very important Indian programs such as housing, infrastructure and band support had to be used to supplement the education budget.

Mr. Speaker: Is the Hon. Member for Regina East rising on a point of order?

Mr. Benjamin: No, Mr. Speaker. I was hoping you would relent and allow my question.

Mr. Speaker: I deeply regret that I cannot. We are over time. I ask for the co-operation of all Members.

Mr. Benjamin: Don't see the clock.

Mr. Speaker: I am sure the Hon. Member can give me much advice.

Mr. Benjamin: It's Friday.

Mr. Speaker: I have to advise that that was the last question.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TABLING OF EXTRACT OF MINUTES OF MEETING OF BOARD OF INTERNAL ECONOMY RESPECTING SALARY REVISIONS

Mr. Speaker: I have the honour to lay upon the Table an extract from the minutes of a meeting of the Board of Internal Economy held on Wednesday, May 13, 1987, concerning revisions of the salaries of certain eligible employees of the House of Commons effective April 1, 1987.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

GOVERNMENT RESPONSE TO REPORT OF THE STANDING COMMITTEE ON LABOUR, EMPLOYMENT AND IMMIGRATION

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I have the honour to table, in both official languages, the Government's response to the report of the Standing Committee on Labour, Employment and Immigration on the reform of Unemployment Insurance.

[*English*]

TABLING OF GOVERNMENT RESPONSE TO REPORT OF STANDING COMMITTEE ON COMMUNICATIONS AND CULTURE

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to the provisions of Standing Order 67(2) I have the honour to lay upon the Table, in both official languages, copies of the Government's response to the report of the Standing Committee on Communications and Culture on taxation of artists and the arts.

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions No. 332-1785, 332-1814, 332-1896 to 332-1898 inclusive, 332-1919, 332-1921, 332-1926, 332-1931 to 332-1934 inclusive, 332-1946, 332-1960, 332-1964, 332-1967, 332-1976 and 332-2008.

Statement by Ministers

UNEMPLOYMENT INSURANCE

REFORM

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I rise today to speak about Unemployment Insurance.

Since its inception over 40 years ago, unemployment insurance has evolved into one of our most important national programs, touching almost every Canadian and forming an important element of Canada's economy. Originally, unemployment insurance was meant to provide temporary income protection against an unexpected job loss. Over the years, it also became a response to seasonal unemployment. Today, for many, it remains temporary income protection. For others, it has become a frequently used source of guaranteed income. For others it provides what are called "social benefits" such as income support during maternity leave.

[*English*]

Few government programs affect so many people in Canada. This was never clearer than during the recession of the early 1980s when, out of necessity, more and more people from all walks of life turned to unemployment insurance for support. Such an important and broad program having such an important effect on so many individuals, economic sectors, and regions of the country was naturally prone to criticism from different quarters for different reasons.

[*Translation*]

When we came into office, Mr. Speaker, we decided that the Unemployment Insurance program needed to be reviewed. We had to ensure that it continued to meet the needs of Canadians. We established a Commission of Inquiry to examine the program and its place in the Canadian economy. We asked that, for the first time, there be public hearings across the country to receive the views of all interested Canadians.

In December we received the Report of that Commission, which included a minority report by two commissioners and supplementary statements by four commissioners. In the past six months the Government has considered carefully the advice of all of the commissioners. As well we have studied the recommendations of the Royal Commission in Newfoundland, the Macdonald Commission recommendations and those of the Standing Committee.

Members of this House will know that there are sharp and irreconcilable differences between these studies.

The Government has listened closely to the public debate. We have consulted widely on the subject. I have met with worker and employer groups. I have received representations from many Canadians, who have made their views known to me. These consultations made it clear that opinion on Unemployment Insurance is divided—even polarized. Some want a more generous unemployment insurance system while others want a more restrictive program.

I have also met twice with the provinces on the Unemployment Insurance Program. Some provinces are strongly opposed to any move to a more restrictive program, while others want the social aspects to be removed. Mr. Speaker, two distinct schools of thought have emerged. One school holds that to achieve the objectives of the current program, it should be broken apart into at least two distinct programs: insurance on one side and what are called social benefits on the other. It is argued that the current system actually encourages people not to work—that unemployment insurance should return to strict insurance principles and let the social benefits be handled by another, unspecified, mechanism.

The other school of thought holds that the scope and coverage of unemployment insurance should be expanded and enriched. It is proposed that unemployment insurance play a stronger income support role. This school rejects as "myth" the notion that substantial numbers of Canadians draw unemployment insurance in preference to holding a job. Thus the proposals are for more money to be introduced into the program. The distinction between social benefits and insurance principles is simply not accepted.

Each of these schools is not only sharply critical of the other, but each forecasts disastrous results if the other's proposals are implemented. But everyone is agreed that any change in the design of the program would profoundly affect millions of individuals and the economies of the regions where they live.

• (1210)

[*English*]

The Government has considered carefully the current program and all of the proposals for a change in its design. We reject the argument that unemployment insurance benefits should be expanded and enriched. Not only would this be expensive and require an increase of premium payments by all Canadians, it may well create disincentives to work.

Equally, we reject the proposals for a reduction of unemployment insurance benefits. Such reductions would hurt blameless individuals and would damage the economies of certain regions of the country.

As the Government charged with representing an interest of all Canadians, we have concluded that the competing and conflicting opinions of all the interested parties are, at best, reconciled within the current structure of unemployment insurance.

The common element in all the proposals for change is that they would cause hardship among individuals, businesses, and regions, all for an uncertain result. This would be counterproductive to the progress we have made in rebuilding our economy, supporting regional development, and creating jobs.

[*Translation*]

The Government acknowledges unemployment insurance is not a perfect program, but the current system is helping millions of Canadians and we will not induce unnecessary uncertainty by attempting change for the sake of change. Our plan is not to reduce unemployment insurance but to reduce the need for unemployment insurance.

[*English*]

We must continue to do what helps Canada achieve durable employment. All our economic, fiscal and regional development, trade and human resource development policies are dedicated to this end. Unemployment insurance is assisting in those efforts and will continue to do so.

Unemployment insurance is only one tool within the package of our labour market and employment development programs. The Canadian Jobs Strategy plays a vital role in assisting Canadians to adjust to changing economic circumstances.

While the employment picture is steadily improving—778,000 jobs have been created since September, 1984—and we have an excellent and effective set of programs, I cannot and shall not rest complacent. I intend to ensure that the jobs strategy remains responsive to regional needs and labour market changes, responsive to the needs of individuals such as women re-entering the workforce, the older unemployed, youth making the transition from school to work, those workers facing shifts in global trading pattern, and technological change, and the long-term unemployed.

Reducing regional disparity is a major goal of the Government. We are giving special emphasis to diversifying the economic base of western Canada. We have taken steps to assist the oil industry and we are working to help the agricultural sector. The Atlantic Canada Opportunities Agency will improve federal development initiatives in Atlantic Canada.

Throughout my consideration of unemployment insurance, I have been struck by the importance of how the unemployment insurance program is administered. For most people, the way the program is delivered is the first issue raised. Our staff in the Canada Employment Centres do a fine job in what are often difficult circumstances, but I believe that we can and must do better in administering the program. We can provide better and more sensitive service to our clients and we can better control abuse by those who would cheat the unemployment insurance program.

[*Translation*]

Mr. Speaker, I should like to outline administrative initiatives which we will implement, and which should be fully operational in 1988.

We will place Claimant Services Officers in our busiest offices. These people will work directly with our claimants to provide clear explanations and help when it is needed. We will provide public awareness sessions, so people can understand the system, and will know what to expect. We will provide better telephone access so our clients can be spared the frustration of busy phone lines, and can get the information they need about their claims.

We will implement a simplified Record of Employment after consultations with employers and employees to reduce the paper burden on employers.

We will step up our activities to weed out those who would abuse the system. There will be enhanced job search and availability interviews. We will serve our claimants better—those honest people who would rather work than collect unemployment insurance. The small group who would cheat the Unemployment Insurance Program, and who tarnish the reputation of all claimants, will not be tolerated.

Mr. Speaker, I would like to take this opportunity to thank each member of the Standing Committee on Labour, Employment and Immigration for their work on the Unemployment Insurance Program.

Their report was most helpful in our consideration of not only the current program but the other proposals for reform we received. The committee suggested we consider its recommendations as a package and we have done so.

I am tabling today a letter to the Chairman of the Standing Committee reflecting the contents of my statement which will serve as the Government's response to the Report in accordance with the Standing Orders.

• (1220)

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, Canadians are laughing at the Government this morning but they are not amused. After two and a half years and millions of dollars spent on four commissions and studies, the Forget Commission, the Macdonald Commission, the Newfoundland Royal Commission and the Standing Committee on Labour, Employment and Immigration, the Minister comes to the House this morning and says he is going to do absolutely nothing about unemployment insurance reform. There will be no Bill dealing with necessary reform of the Unemployment Insurance Act. The Minister mentioned a few administrative changes which he could have put in place two years or three years ago without any study whatsoever.

On November 8, 1984, the Minister of Finance in his Economic Statement said:

> To ensure that this program—
>
> The Unemployment Insurance Program.
>
> —meets the needs of individuals in adjusting to rapidly changing labour market conditions at a reasonable cost to workers, employers and the Government, statutory changes are likely to be required. Accordingly, the Government has initiated a review of the Unemployment Insurance program to be undertaken on an urgent basis. A discussion paper will be published shortly by the Minister of Employment and Immigration (Miss MacDonald) followed by appropriate parliamentary review.

The Minister then went on to give us more details in his book entitled *A New Direction for Canada. An Agenda for Economic Renewal*. Talk about urgency. The Government then took seven months to set up the Forget Commission which cost this country nearly $7 million. After more than a year and a half of research and study and hearings, Forget produced his report in December of 1986, along with two minority reports. The commission was very severely divided.

At that time we in the Liberal Party took strong exception to proposals by Forget to reduce benefits by a method of calculating them on the basis of annualization, and to his proposals to cut seasonal and regional benefits. The Standing Committee on Labour, Employment and Immigration then undertook a study of the Forget Report and made its own report on the subject in March of 1987. The committee unanimously rejected the annualization proposal and cuts in benefits and made 90 recommendations for improvement to the Unemployment Insurance Program. Many of these recommendations were similar to the Forget Commission's recommendations. There were agreements between the standing committee and the Forget Commission on some essential points.

The Minister, however, has ignored all these proposals. He has done nothing to extend unemployment insurance to the growing number of part-time workers. He has done nothing to improve maternity and parental benefits. He has done nothing to provide more training opportunities for those on unemployment insurance. He has done nothing to clarify the law with respect to those locked out or unable to work during strikes. He has done nothing to bring equity to the problem of overpayments.

During our hearings we heard many horror stories of people who were paid the wrong amount of unemployment insurance benefits. It was through no fault of their own but was the fault of government officials. Yet they were asked to pay back thousands of dollars while they were still unemployed. Nothing is going to be done about that. The Minister has said nothing about the restructuring of the Unemployment Insurance Commission to make it more efficient and independent.

The Government is once again abandoning its political agenda. Once again it has ignored a unanimous committee report, despite great claims for parliamentary reform.

[*Translation*]

Mr. Speaker, this Government brought in parliamentary reform, but this month it managed to ignore two unanimous reports from the Committee on Employment and Immigration, one on refugees and one on unemployment insurance.

[*English*]

Twice in one month the Government, which has prided itself on Parliamentary reform, has ignored two unanimous committee reports from the same committee. The Minister's claim in his statement that "Our plan is not to reduce unemployment insurance but to reduce the need for unemployment insurance" is a real farce. If the Minister has in mind some new programs to combat unemployment, where are they? He certainly did not announce them this morning.

The rate of unemployment in this country is still 9.3 per cent with 1.2 million persons out of work. We have not yet returned

to the pre-recession rate of 7.5 per cent unemployment which existed in 1981 and we are three years out of the recession. We have nowhere approached the average rate of unemployment of 5.6 per cent which existed in this country from 1965 to 1980. In fact, the Government has cut the employment and training programs by 30 per cent, from $2.2 billion in 1984 to $1.6 billion in this fiscal year. The Government's approach is one of *laissez-faire* resulting in low unemployment figures in the Toronto area but a 20 per cent rate in Newfoundland, a 12.6 per cent rate in British Columbia, a 10 per cent rate in Alberta and a 14 per cent rate for youth in this country.

The Government is doing nothing with respect to the growing number of low-paying, non-union part time jobs which have no benefits, 70 per cent of which are held by women. Nothing is being done about the growing gap between the incomes of men and women. This year for the first time in 18 years the gap widened rather than narrowed. The Government is also doing nothing about the growing gap between rich and poor as a result of the growing tendency to low paying part-time jobs.

The Unemployment Insurance Act was introduced by a Liberal Government in 1940 following the unemployment tragedy of the 1930s. The legislation was a great accomplishment of the Liberal Party under MacKenzie King. Over the years the Liberal Party has continued to refine, reform and fine tune the legislation. We still favour reform and improvement. We supported all the 90 recommendations in the standing committee report but one.

Much could have been done by the Government without touching controversial issues, but it has shown absolutely no leadership. The statement by the Minister today will not please anyone. It is a complete abdication of responsibility.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, first, I want to express to the Minister my thanks for the promptness with which I received his statement. He said I would receive it in my office shortly after 9 a.m. and it was there shortly after 9 a.m. That is certainly an example which should be emulated by every Minister on the benches opposite.

Having said that, and that is the only one nice thing I am going to say about the Minister today, I do not think Canadians are laughing. I think that at 12.08 p.m. today, a collective sigh of relief went up from all the unemployed Canadians across this country. They are relieved because the Minister did not implement any of the Draconian recommendations of the Forget Commission. In fact, the Standing Committee of the House of Commons on Labour, Employment and Immigration is largely responsible for getting the Minister off the hook. He should get down on his knees and thank every single member of that standing committee of the House of Commons.

[*Translation*]

Mr. Speaker, May 15, 1987 is a great day for the rights of Canadian workers, who will keep unemployment insurance as a form of income support when looking for a job. It is probably a slap in the face for Mr. Forget and his recommendation for annualization.

Members of the Standing Committee managed to put their personal views aside and unanimously recommended a set of measures and some thorough reforms for unemployment insurance. Members of all Parties in this House made it possible for the Government to save face and reject the abomination of annualization. Much remains to be done, however, to gain acceptance for measures that will improve the unemployment insurance system.

• (1230)

[*English*]

It is too bad that the Minister could not summon up his courage. As I read his statement I felt like a mosquito in a nudist colony—I just did not know where to begin.

First, I should set out very clearly that the only good thing that I can see in the statement is the fact that the recommendations of Forget have not been implemented. It is too bad that the Minister preferred to do this balancing act. As a matter of fact, I am surprised that he has been sitting on the fence for five months and 10 days from December 5 to May 15. It is five months and 10 days since the report of Forget was tabled in the House. The Minister sat on the fence for that length of time. I am surprised that today he is still on the fence and that there are not any splinters in his *derrière*. For five months and 10 days the Minister has been sitting on this egg. He was sitting on this egg, clucking and clucking, and what we have today in his statement is a scrambled result.

The Minister could not find the courage to deal with the unemployment insurance program in the positive way that was recommended by the Standing Committee on Labour, Employment and Immigration. In his statement the Minister mentioned the Macdonald Commission Report, the report of the Newfoundland Royal Commission and the report of the committee of the House of Commons as if all three are separate reports. In fact, the Forget Commission Report was set up to study the recommendations of the Macdonald Commission. The standing committee of the House examined the Forget Report.

In the standing committee there sat members from all three Parties dominated by Conservatives. We considered Forget's report. We heard witnesses. In fact, the committee came back with 90 recommendations, 89 of them unanimous. Yet what has the Minister done instead of taking some of our recommendations? We recommended 10 weeks and 50 weeks of benefit. Yet what did we get? We got five and ten—five months and ten days that the Minister has been sitting on this issue.

We expected the Minister to deal with some of the positive recommendations we made. Some of the recommendations were with respect to maternity benefits. There was agreement from 99.99 per cent of the witnesses we heard that maternity benefits ought to be enhanced.

One of the most serious problems starting to emerge in our economy is with respect to part-time workers who are not only mostly women but young people. We looked at the question and we made a positive recommendation to the Government. Yet there has been no response to it.

We considered training, which was one of the issues in the Forget Commission Report. We specifically recommended to the Government certain items with respect to training. We did the same thing with respect to administration. In our report there are specific recommendations with respect to improving the records of employment so that delays to claimants can be avoided. So what will the Minister do with records of employment? He is going to consult. He is going to consult employers and employees. He is going to do more studies when there was a specific recommendation dealing with records of employment.

As for administration and local offices, we will improve the profits of Bell Telephone. A few more telephone lines will be put in. Does it take the $6 million or $7 million of taxpayers' money which was spent on Forget, the thousands of dollars which were spent on the expenses of the standing committee which studied Forget and five months and 10 days to discover that we do not have enough telephones in local offices? Has it taken that long for the Minister to discover that claimants are getting busy signals?

The Minister has set up a great straw person. Oh, there is abuse in the system, he says. We thoroughly examined the UI Program and all the evidence from the Minister's bureaucracy. The Minister clearly indicated that abuse in the system is 3 per cent or less. That compares with doctors in the medicare system. It compares with lawyers in the legal aid system. Three per cent abuse and the Minister says that we are going to cuff them with respect to benefit control to claimants.

We made specific recommendations with respect to how to deliver the services to legitimate claimants in an effective and efficient manner with as little delay as possible. The Minister has those recommendations in the report of the standing committee. Yet what does he do? He completely ignores the report and goes off to say, "Oh, well, we are going to consult with employers and employees to improve that. We are going to do this and do that".

We have entered into a new era with respect to standing committees of the House. They are supposed to have more power. They are supposed to participate more fully in what goes on and what should come from government. Well, our committee unanimously supported 89 recommendations. One recommendation, the ninetieth, was a majority recommendation. The Government has chosen to ignore these recommendations.

Ours was the first report on unemployment insurance that I have ever seen around here in which there was unanimity. Conservatives, who share the same ideology as the Minister, and some of them come from the same region as he, sat and discussed Forget with us. We called witnesses. We called Forget twice, and we called the members of his commission twice. We called the members of his commission who wrote the minority report. We talked to the bureaucrats. We talked to the Advisory Council on Employment and Immigration. The committee meetings were extensive. The Minister has a blueprint. Yet all the recommendations he picked out of the 90 amounted to zilch—zero. It is shameful that the Minister would ignore completely an arm of this House in the form of the Standing Committee on Labour, Employment and Immigration and not recognize the work it has done by implementing its recommendations which are positive and which enhance the Unemployment Insurance Program. It is indeed sad that it took the Minister five months and 10 days to come up with his statement.

[*Translation*]

Mr. Speaker, the Hon. Member for Roberval and Minister of Employment and Immigration (Mr. Bouchard) should realize that, from now on, beating around the bush and political rhetoric will no longer be acceptable. We demand the implementation of a set of measures and of reforms of our—

[*English*]

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired. Is the Hon. Member for Montréal—Sainte-Marie (Mr. Malépart) rising on a question of privilege?

[*Translation*]

Mr. Malépart: Mr. Speaker—

The Acting Speaker (Mr. Paproski): The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, the Minister is leaving and when we consider that Hon. Members did not receive the text of the Minister's speech . . . Six million dollars were spent, four inquiries, and we have a Minister with the face of an angel but a heart of stone . . . Seven million dollars of taxpayers' money wasted!

Mrs. Mailly: They have a nerve talking about wasting money—

* * *

• (1240)

[*English*]

PETITIONS

REQUEST FOR APPOINTMENT OF ARBITRATOR—SETTLEMENT WITH FRED TURNER

Hon. André Ouellet (Papineau): Mr. Speaker, I should like to present a petition on behalf of those who feel that the Government of Canada has inflicted an extreme injustice on one of its citizens, one Mr. Fred Turner, by wrongfully

depriving that individual of his right to earn a living through the operation of his family business.

The petitioners hope that the Government will appoint an independent arbitrator to investigate the details of this case, thus ensuring a settlement that better reflects the true nature of Mr. Turner's loss.

[*Translation*]

CANADA POST—OPPOSITION TO CORPORATE PLAN

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I have here several hundred petitions from various parts of Canada, including Repentigny, Rigaud and Ville Saint-Laurent, in the Province of Quebec, as well as Weston, in Ontario. I also have many petitions covered with the signatures of hundreds of residents of Belleville, in Ontario.

The petitioners feel that the new Canada Post corporate plan will create two classes of citizens through the permanent installation of superboxes in both urban and rural areas; that the closing of post offices in rural areas will deprive the citizens of a unique federal presence and reduce the level of postal service which is vital to rural communities; and that the rate increases, especially for second class mail, will jeopardize the distribution of many newspapers, regional weeklies, magazines and religious publications.

They humbly pray and call upon Parliament to turn down the Canada Post Corporate plan and urge Canada Post to deliver mail indiscriminately to all Canadian taxpayers.

[*English*]

EFFECT OF FREE TRADE NEGOTIATIONS ON AUTO PACT SAFEGUARDS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have close to 1,300 names on three petitions dealing with the Auto Pact. The petitioners are resident in various parts of my constituency.

The first petition contains a total of 441 names, with the petitioners in this particular case coming mainly from the City of Windsor itself; the second petition, with 232 names, is from auto workers in the rural areas of the constituency; and the third petition contains the names of residents of many of the small towns throughout my constituency, such as Amherstburg, Essex, Belle River, Stoney Point, and La Salle.

These petitions, as a whole, say to the Government that there is a great deal of concern that the safeguards built into the Auto Pact will be given away in the free trade talks with the United States. The petitioners call upon the Government to prevent any threat to the Canadian content safeguards of the Auto Pact and to maintain the promise that the Auto Pact will not be a subject for negotiation in the free trade talks with the United States.

LOW-LEVEL FLIGHTS AT ARMED FORCES BASE AT GOOSE BAY

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition, duly certified by the Clerk of Petitions, from a number of Canadian residents, from such places as Halifax, Sackville, Toronto, Cooper Creek, B.C., Hamilton, Winnipeg, Wolfville, Victoria, and Côte des Neiges.

These petitioners point out that the low-level flight training of pilots of NATO countries at the Canadian Forces Base at Goose Bay, Labrador disrupts the way of life of many of the native people in that area, and that it is also an aggressive and war-fighting action which tends to endanger world peace. They therefore ask Parliament to ensure that the Prime Minister ends all low-level flight training at Goose Bay Canadian Forces Base and ceases negotiating with NATO for the establishment of a larger base at that location.

UNIVERSAL ACCESS TO FAIR ORAL HEARING BEFORE REFUGEE BOARD

Mr. Dan Heap (Spadina): Next I have a petition from some 150 Canadians, from such places as Saskatoon, Whitby, Grand Falls, St. John's, Newfoundland, Ottawa, Amherstburg, Varennes, Quebec, Scarborough, St. Bruno, Charlesbourg, Hamilton, Montreal, Toronto, Mississauga, Estevan, Swift Current, Neville and Regina in Saskatchewan.

This petition points out that many people around the world are being forced to seek safety from persecution by coming to Canada. It goes on to point out that we have in the past in Canada had a good system for refugee determination but that system has now broken down.

There has been a proposal put forward, with support from all sides of this House, as well as from the Canadian Council of Churches, the Canadian Bar Association, the Canadian Jewish Congress, and other groups, that Parliament should enact legislation that will embody the principles of fair and quick oral hearings for refugee claimants before a refugee board, independent of the Immigration Commission, and that there be provided universal access to these hearings for every claimant in Canada and adequate opportunity to arrive in Canada to make the claim that one is a refugee.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the following questions will be answered today: Nos. 105 and 107.

[*Text*]

SUPPORT FOR EDUCATIONAL ORGANIZATIONS IN SOUTH AFRICA

Question No. 105—**Mr. Vankoughnet:**

1. Since January 1986, did the government give financial support to educational organizations in South Africa and, if so (*a*) what were the names of these organizations (*b*) for each, what was the amount of financial support?

2. Is the Government presently giving financial support to any educational organizations in South Africa which condone violence and, if so (*a*) what are the names of these organizations (*b*) for each, what is the amount of financial support?

3. Has a (*a*) Canadian Prime Minister (*b*) Canadian Minister of External Affairs ever visited South Africa and, if so, on what date did the last such visit take place?

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): I am informed by the Department of External Affairs and the Canadian International Development Agency as follows:

1. See below.

2. The Government is not giving financial support to any organizations in South Africa which condones violence. The organizations funded have education as their mandate and their projects are evaluated using developmental criteria.

3. There has not been an official bilateral visit to South Africa by a Canadian Prime Minister or a Secretary of State for External Affairs. In October, 1978, the then Secretary of State for External Affairs, Donald Jamieson, visited South Africa with the other four Contact Group Foreign Ministers to encourage South Africa to continue talks on agreeing to United Nations supervised elections in Namibia. In July, 1980, Secretary of State for External Affairs, Mark MacGuigan, transited through the airport in Johannesburg en route from the funeral of the President of Botswana. Dr. MacGuigan met the South African Foreign Minister at the airport.

In July, 1985, a new initiative for educational assistance to South African blacks was announced by the Secretary of State for External Affairs. A $7 million program was approved in May, 1986, toward this end. As part of this $7 million initiative, CIDA's bilateral program provided funds to support the educational organizations in South Africa listed below.

(a) The Educational Opportunities Council (EOC) of South Africa—Undergraduate Scholarships tenable in South African and awarded by EOC in collaboration with the Canadian Embassy ($1.6 million over the next three years; $60,000 disbursed as of March, 1987).

(b) Through the Canadian Education Fund (CEF), which was established as a component of the $7 million program for the purpose of supporting small scale educational initiatives, the 12 organizations below received support. Two million dollars have been allocated to CEF over the next three years, of which $196,000 (approximately R310,000) had been disbursed as of March, 1987.

(i) St. Ansgars Primary School (R50,000)

(ii) Witswatersrand Council of Churches (R10,000)

(iii) Winterveldt Community School (R40,000)

(iv) Christian Outreach and Education (R30,000)

(v) Ikageng Education Centre (R15,000)

(vi) Four Universities (Witswatersrand, Natal, Capetown and Rhodes) (R20,000 each)

(vii) St. Alban's College (R20,000)

(viii) The Rudolf Steiner Centre for Adult Education (R10,000)

(ix) The Moltena Project (R50,000)

CIDA's Special Programs Branch provided funds to support the following educational organizations.

(a) The South African Insititution of Race Relations, through World University Service of Canada (WUSC), for scholarships to 110 black South Africans. In fiscal year 83/84, $1.5 million was approved over five years; following the announcement of the $7 million program, an additional $814,000 was earmarked for this purpose; between January, 1986, and March 31, 1987, $702,400 were disbursed.

(b) The University of Kwazulu, through the University of Calgary for extension staff and faculty member upgrading ($246,000 over three years).

(c) The Self Help Associates for Development Economics (SHADE) through the Coady International Institute ($520,000, of which $386,000 was approved in May, 1986, and $134,000 was approved in September, 1985, and of which $107,000 were disbursed since January, 1986). These funds are used for adult education, self-help activities and community development.

Twenty-two organizations received support through the Mission Administered Fund; these are listed below.

(a) Masazane open school ($2,946)

(b) English language teaching information centre ($5,892)

(c) Alexandra Art Centre ($7,070)

(d) Christ the New Man Youth Centre ($1,673)

(e) Independent Educational Trust ($5,892)

(f) South African Council for Higher Education and Development ($5,892)

(g) Cape Mental Health Society ($3,235)

(h) Montagu-Ashton Community Service ($6,285)

(i) Association for Christian Education in Venta ($5,358)

(j) Children's Resource Centre ($4,890)

(k) Servants of Christ the Priest ($5,358)

(l) Intermediate Technology and Small Industries Development Unit ($9,020)

(m) Woodlands Daycare Centre ($5,564)

(n) Community Development Projects Association ($6,802)

(o) Grassroots Education Trust ($28,693)

(p) Catholic Welfare Bureau ($8,428)

(q) Education Information Centre ($6,515)

(r) Molobasane Secondary School ($2,189)

(s) Itusheng Community Health Association ($9,939)

(t) Pelong Catholic Creche ($2,342)

(u) Confessing Fellowship Lutheran Community Development Organization in Venda ($8,209)

(v) Centre for Social Development ($4,132)

INFORMATION PACKAGE "INNOVACTION"

Question No. 107—**Mr. Boudria:**

Supply

1. On March 24, 1987, did the Ministry of State for Science and Technology release an information package entitled "INNOVACTION" and, if so (*a*) what was the total cost (*b*) how many kits were prepared (*c*) what was the cost for (i) production (ii) printing (iii) distribution (*d*) were any other costs incurred and, if so, what were they?

2. What was the purpose of the information package?

Mr. Gordon Towers (Parliamentary Secretary to Minister of State for Science and Technology): 1. An information package entitled "INNOVACTION" was released on March 24, 1987. (a) The total cost was $49,915.94. (b) 10,000 kits were prepared. (c) The costs for the following were:

(i) production: $10,000

(ii) Printing (including typesetting): $37,201.20

(iii) distribution: $2,714.74

(d) No other costs were incurred.

2. The purpose of the information package was to inform the public of the details of the strategy.

"INNOVACTION" is a five-part strategy designed to provide a framework for Canada's science and technology efforts. It will involve a number of specific initiatives introduced by federal departments and agencies, which will strengthen our scientific and technological resources, as well as improve Canada's ability to compete within the global marketplace, in the area of science and technology.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of Communications): Mr. Speaker, if Question No. 95 could be made an order for return, this return would be tabled immediately.

The Acting Speaker (Mr. Paproski): The question mentioned by the Parliamentary Secretary has been answered. Is it the pleasure of the House that Question No. 95 be deemed to have been made an order to return?

Some Hon. Members: Agreed.

[*Text*]

TRAVEL OUTSIDE OF CANADA BY MEMBERS OF PARLIAMENT

Question No. 95—**Mr. Fulton:**

For the period September 4, 1984 to March 4, 1987, did Members of Parliament travel outside of Canada at the expense, in whole or in part, of any department of the Government of Canada and, if so, for each Member and each trip what was the (*a*) sponsoring department (*b*) purpose (*c*) destination (*d*) cost?

Return tabled.

[*Translation*]

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

Mr. Gauthier: Concerning the corrected answer to Question No. 95, Mr. Speaker, I assume that the answer to Question No. 95 which was tabled two days ago has been withdrawn. There could not be two answers to the same question.

• (1250)

[*English*]

The Acting Speaker (Mr. Paproski): I have to agree with the Hon. Member. Certainly this will be done.

Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Before proceeding to the consideration of the opposition motion, I should like to advise the House that because of the ministerial statement, Government Orders will be extended by 30 minutes beginning at one o'clock p.m.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—THE ENVIRONMENT—REQUEST THAT THE GOVERNMENT ENDORSE, ADOPT AND ADVOCATE, AT HOME AND ABROAD, THE GOALS AND RECOMMENDATIONS OF THE BRUNDTLAND REPORT

Hon. Chas. L. Caccia (Davenport) moved:

—That this House urge the Government to endorse, adopt and advocate, at home and abroad, the goals and recommendations of the report of the World Commission on Environment and Development (Brundtland Report), entitled "Our Common Future";

That this report, dealing with global concerns, challenges and endeavours, be adopted as the central policy of the federal Government, its agencies and commissions; and

That the Minister of the Environment advocate the spirit and the substance of this report at the coming General Assembly of the United Nations on behalf of Canadians and of the global community, thus continuing Canada's tradition of giving leadership on environmental matters.

He said: Mr. Speaker, through this motion we urge the Government of Canada—

to endorse, adopt and advocate, at home and abroad, the goals and recommendations of the report of the World Commission on Environment and Development—

—widely known as the Brundtland Commission whose report is entitled "Our Common Future".

We are asking:

That this report, dealing with global concerns, challenges and endeavours, be adopted as the central policy of the federal Government, its agencies and commissions.

And finally, Mr. Speaker, we insist:

That the Minister of the Environment advocate the spirit and the substance of this report at the coming General Assembly of the United Nations on behalf of Canadians and of the global community, thus continuing Canada's tradition of giving leadership on environmental matters.

[*English*]

The history of the report goes back a few years to when the global community came to the conclusion that the environment and its protection and the understandable aspirations of developing nations had to be examined at the same time by way of a global commission. The debate was long and difficult. Finally, in December, 1983, the General Assembly gave the green light to the commission which came down with the report that we are discussing and debating today.

Canada's role or involvement in the time leading to the decision in December, 1983 was central, important, and of considerable significance, because of the role which Canada played in preceding years in other initiatives such as the discussions and negotiations leading to the adoption by the United Nations of the Law of the Sea.

In 1983, the then environment critic of the Official Opposition, who is now the Speaker, lent his support to the initiative. It is important to make that point because there has been, therefore, strong parliamentary support in addition to the government initiative at that time for what we are debating today.

What we are debating today is only one step in a long series of steps behind us and a number of important steps still ahead of us. The commission consisted of 22 individuals drawn from many regions of the globe. Among them were two Canadians. One was Maurice Strong who was very well known for the fact, among other things, that he was the Executive Director of UNEP and as Secretary General was the person in charge of the Stockholm environmental conference in 1972. The other Canadian was the Secretary General of the commission itself, Jim MacNeill. Preceding that assignment, he was the Director of Environment of the OECD. We can see that there was also participation in terms of human resources in the work of the commission by Canada, which lends additional significance and dimension to the report.

The report was released in London on April 27 of this year. I am glad that only 19 days later we have the opportunity in this House to debate its contents and to advance the cause embodied in the report entitled *Our Common Future*.

The commissioners advanced the debate on the environment from a theme of protection to a theme of survival of the human species on this planet, involving not only us as the human species, but the totality of living beings, with the background notion that between now and the year 2025 the population of this planet will double to almost nine billion persons. Given that today's population of 4.5 billion already has a substantial impact upon the environment, one can imagine the impact upon the resources of this globe if the population doubles and if we do not take certain precautions.

Therefore, the commissioners viewed the environment not only in the context of another public interest competing with existing interests, such as transport, finance, industry, agriculture, forestry, and the like, they stressed the importance of our capacity for a sustainable economy. In other words, they stressed the importance of careful management of the natural resources available on earth and the immense impact upon natural resources being implemented in a manner which would ensure the regenerative capacity of nature.

It was in this sense that the words "sustainable development" suddenly emerged. These two words imply and require a longer definition, which I have just attempted to give, namely, to ensure that the regenerative capacity of nature is assured in order to provide sustainment and a capacity to draw from our natural resources—from fish, forests, water, soil, and air—in a manner which accommodates a population that is expected to double. In a nutshell, that is what sustainable development is all about. Therefore, it becomes a concept or almost a precondition for our approach to the business of Governments and to the public interest in years ahead.

In this scenario, for instance, the Minister of Finance becomes an agent for the environment, as do his colleagues such as the Ministers of Transport, Energy, Mines and Resources, Industry, Agriculture, Forestry, and so on. It sees the totality of the public interest becoming a force intended to ensure sustainable development in Canada and abroad.

Therefore, the commissioners have conceptually incorporated the environment in a global survival theme which brings together, perhaps for the first time, the ambitions and aspirations of developed countries with those of developing countries. No longer will the dichotomy exist; the two hemispheres are brought together with the theme of sustainable development. That I submit to you, Mr. Speaker, is the genius of this report. For the first time this dichotomy of interests, north and south, has been put aside and the theme of sustainable development has provided the common denominator for the totality of mankind.

• (1300)

According to the commissioners, change must occur along three basic tracks; placing on our national Governments the onus of implementing at home and abroad the report's recommendations; confirming the present mandate of the United Nations Environment Program and giving it new technical responsibilities; and three, by calling on the U.N. Secretary General to act globally through existing United Nations agencies in their totality. In other words, not by reinventing another bureaucracy or mechanism but by using better, and reorganizing, existing United Nations agencies which, as we know, are many and important but have not yet adopted, in their own way of thinking, budgeting and setting their own goals, the importance of sustainable development. This is a first in the history of the United Nations.

As with many other things in life, a task like this requires political will. I am sure that if national Governments, and Canada in particular, will generate pressure in the United Nations, governments will manage to bring the change about. There is only until October in time, of course, for governments to prepare themselves at the General Assembly, but it can be done.

The report outlines how to proceed from now in anticipation of this doubling of our planet's population. In order to get from here to there, one of the essential prerequisites is to rekindle the flame of international co-operation, which has a special meaning to Canada if one considers the difficulties we are having with acid rain and with other trans-boundary pollution problems experienced in the last decade or so. We do not want this report to become just another report. We do not want it to collect dust. The commission calls for a high level centre of leadership at the U.N. which can only be brought about by the political will generated among the nations which are members of the United Nations.

While national Governments are asked to reinforce the system, they ask why is it the responsibility and authority of the United Nations Secretary General? The commission at the same time is calling upon the Secretary General to constitute under his chairmanship a special United Nations board for sustainable development. In that sense, they give a signal that if the United Nations Secretary General were to assume this responsibility and develop it, then he would become the pivotal force, so to speak, for environment and development in his office at the head of the United Nations. His office would become the centre of three global preoccupations; one being peace, as well all know, the second being the environment, and the third being development. These are the three themes which would be the cement and the bond because of the community of interest in all member nations of the UN. Not one member nation of the UN would disagree with the fact that the main preoccupations globally today are these three points; peace, development and environment. In this sense, time is of the essence.

In her forward to this report, Madam Brundtland who, as you know, Mr. Speaker, is the Prime Minister of Norway, makes a number of interesting observations which I will quickly put forward for your consideration.

First, in the present times we have seen a deterioration in global co-operation which must be replaced by a return to multilateralism. That means co-operation between neighbouring nations in one region, globally as well. Second, the environment does not exist as a sphere separate from human actions, the environment is where we all live, and development is what we all do in attempting to improve our own lot within that abode called the environment. The two are inseparable. Third, many of the development paths of the industrialized nations are clearly unsustainable. I repeat, they are unsustainable, one of Madam Brundtland's points. The development decision of these countries, because of their great economic and political power, could have a profound effect upon the ability of all people to sustain human progress for generations to come.

What is needed is a new approach to economic growth, a new era so to speak; growth that is forceful and at the same time socially and environmentally sustainable. You can see the importance of the word "sustainable" which pops up almost on every page of this report, the theme of finding ways to maintain sustainable growth that can accommodate larger and larger numbers of inhabitants on this planet.

The commissioners, as I mentioned to you, Mr. Speaker, came from widely differing backgrounds. After three years and starting with a variety of different approaches, they managed to produce a unanimous report. That is no minor feat considering the background, the education, the outlooks and the cultural values of the 22 commissioners from five different regions of the world.

In the report, the commissioners address governments, private enterprise, industry and labour. First and foremost are people, in particular, the young people of the world. Madam Brundtland stresses the fact that the world's teachers will have a crucial role to play in bringing this report to the attention of the young.

The report has an optimistic tone in contrast to other environmental documents. It expresses the belief that people can build a future more prosperous, more just and more secure. Rather than predicting ever increasing environmental decay, poverty and hardship, the commission seized the possibility for a new era of economic growth based on policies that sustain and expand the environmental resource base. Such growth is absolutely essential to relieve the great poverty in many parts of the world poverty which is deepening in much of the developing world.

The commissioners give the reader an urgent message based on the latest and best scientific evidence that the time has come to take the decisions needed to secure the resources to sustain this and coming generations. What is required is a spirit of international co-operation with the future of mankind in mind.

As you know, it is an historic fact that over time humanity has developed loyalties with greater and greater scope, Mr. Speaker. We started with the family, of course, and developed loyalties within the family. We then went to the clan to which we belong, then to the region, and eventually in the political history of mankind we developed the concept of nation and loyalty to the nation. In recent decades we have developed the new concept of loyalty to groups of nations and to the United Nations in general.

• (1310)

The authors of this report point to a new loyalty, a loyalty to the planet. The test of this report and of the political will in the parliaments of the world will be whether we will have the ability and foresight to make these loyalties ours, not only in theory but in practice. That will be the real test. The report refers to who the beneficiaries of the report will be.

I notice that my time is up, Mr. Speaker. I wonder whether, with the consent of the House, I could be permitted to carry on.

The Acting Speaker (Mr. Paproski): Is there consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The Hon. Member for Davenport (Mr. Caccia) has consent to continue for a few more minutes.

Mr. Caccia: Thank you, Mr. Speaker. I also wish to thank my colleagues. I will accelerate my pace.

My colleagues and others watching these proceedings may ask who benefits from this report. In the case of Canada I would say that over 25 million Canadians would benefit from this report.

Mr. Nunziata: And their children and grandchildren.

Mr. Caccia: As the Member for York South—Weston (Mr. Nunziata) is suggesting, their children and grandchildren would benefit as well.

In the implementation of the ideas of this report, which may take several generations of parliamentarians, in the time period leading up to the launching of the commission, during the life of the commission, and from then on, there are very good reasons for Canada to develop the same relationship with the World Commission on the Environment and Development as Switzerland has developed with the Red Cross over the last century.

We certainly have a stake in that which is in this report because our well-being depends so much on natural resources. If we can turn things around in a manner which will enable us to better develop our relationship with our natural resources, our economy will benefit as well as our well-being.

The process will not be as simple as I have outlined it so far. The process will require changes in thinking, in behaviour and in structures. If the changes in thought take place, structures can change, particularly governmental structures with regard to how we govern and organize ourselves. As Madam Brundtland emphasized very strongly in her report, there would be a return to multilateralism and an international spirit of co-operation.

I will move on to Chapter 12, the action chapter of the report, in which six priorities are outlined. The first priority deals with getting at the sources, in other words, to begin to focus on the source of the problem of how we affect the resources rather than on the effects, as we often do.

The second priority is to deal with the effects. The importance of that can, of course, be the subject of another intervention.

The third priority is the importance of assessing the global risks. In this respect Canada is playing a leadership role right now under the auspices of the present Minister of the Environment (Mr. McMillan) on the question of the depletion of the ozone. We congratulate the Minister on that very fine initiative because the depletion of the ozone is one of the global risks which we must face. In addition to that we must be concerned about the warming up of temperatures, better known as the greenhouse effect.

The fourth priority is the importance of making informed choices. There is a phenomenal range of informed choices which must be made through the actions of NGOs, teachers and governments in informing the public and so on.

The fifth priority is to provide legal means. This again is the subject of a speech by itself which the Hon. Member for York South—Weston will tackle later this afternoon. The sixth priority is investing in our future. There are a number of very important considerations with regard to this which time does not permit me to put on the record.

I would like to put the following paragraph from page 336 of the report forward for your consideration because I think it is so important. It reads:

> Nations, industrial and developing, that did not make these investments have paid much more in terms of damage costs to human health, property, natural resources and the environment.
>
> And these costs continue to rise at an accelerating pace. Indeed, countries that have not yet instituted strong programmes now face the need for very large investments. Not only do they need to roll back the first generation of environmental damage—

This is something which we are doing on the Niagara River and the St. Clair River and are trying to do with acid rain.

> —they also need to begin to catch up with the rising incidence of future damage. If they do not, their fundamental capital assets, their environmental resources, will continue to decline.

What are these environmental resources? Obviously they are water, soil, forests, and all the other natural resources on which humanity depends that are so essential in maintaining the growth and well-being of the human species.

What should the response be to this report? The Government could and should direct each Deputy Minister to review the content of *Our Common Future* and report to their respective Ministers which recommendations in this report their Department can adopt and incorporate by way of a change of internal policy, and which they cannot adopt, and to indicate the reasons why.

Further, the Government can, as it has already, form a task force on the environment and the economy which has the mandate to consider this report; the group presently consists of seven Ministers of the Environment, provincial and federal, representatives from industry, from NGOs and one academic. We deplore very much the absence of labour from that committee. The committee could be expanded to include other people as well, but time does not permit me to go into that.

The Government could also ensure that the basic recommendations which impinge upon Canada's performance in our common future become standing items on the agenda of the meetings of the committee of provincial and federal environment and resource Ministers from across the country. That is a must.

Further, sustainable development should be made a permanent item on the agenda of the regular meetings of the First Ministers when they meet at regular intervals. Parliament could launch a joint committee of the House and Senate to ensure that the basic concepts of this report are known to

the public, and to solicit and invite suggestions and input from Canadians at large. That in itself would be a very interesting and exciting parliamentary experience.

Looking beyond our boundaries, the report makes a recommendation which I commend to you very highly, and that is that Canada should develop an environmental foreign policy. As we develop a peace policy we should certainly start to think in terms of an environmental foreign policy.

• (1320)

What can be done outside government does not require much elucidation. I would only say that non-governmental organizations could perform a major role, as well as interested individuals and groups and native groups who will become increasingly interested in finding ways of supporting the transition that lies ahead to an economy based on sustainable development.

As well, a suggestion could be made to establish a "futures committee", comprised of leaders in business and labour, in environmental organizations, in the educational sector, in the arts and communications to look at the concepts of sustainable development as they apply to Canada and the globe, and to tap new ideas and resources. Public education will be the key in the adoption and implementation of what is in this report.

It is absolutely essential to provide a kit for teachers that will give them an understanding of *Our Common Future* so they will be able to pass the message on to the children and youth in our school systems across the nation.

The reason for this motion today is to provide for a constructive debate on the report of the World Commission on the Environment and Development only 19 days after it was released in London. We do this in order to bring to the attention of the House and Canadians at large the concepts involved in this very crucial and important document, and to register and reinforce the urgency of the situation and the overwhelming need to act now if we are to assure the survival of the human race in the long term.

In October of this year the Minister of the Environment (Mr. McMillan) will be addressing the General Assembly of the United Nations to deliver Canada's response to this report. Many of our colleagues who have attended international conferences will know that Canada is looked upon for leadership in global environmental, peace and security matters. To this end, we on this side of the House urge the Minister of the Environment, with the help of his Cabinet colleagues and Members of Parliament, provincial Governments, public groups and NGOs, to develop not just a message of process and policy but of specific projects and concrete examples on how to reach the goals of sustainable development within the systems of three levels of Government in our nation, as basically advanced by the Brundtland Report.

I will conclude by quoting the last paragraph of that report which states:

> We are unanimous in our conviction that the security, well being, and very survival of the planet depend on such changes, now.

The Acting Speaker (Mr. Paproski): Before I recognize the Hon. Parliamentary Secretary to the Minister of the Environment (Mrs. Browes), do I have consent to call it one-thirty o'clock? Questions and comments have terminated, therefore I will not recognize any questions and comments.

Mr. Prud'homme: Mr. Speaker, while we were listening attentively to our colleague, I had discussions with Members, and I think you will find agreement by all Parties to call it one-thirty so that the Member who speaks at two o'clock can make all of his comments at one time.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): It being 1.30 p.m., I do now leave the Chair until 2 p.m.

At 1.25 p.m. the House took recess.

AFTER RECESS

The House resumed at 2.07 p.m.

The Acting Speaker (Mr. Paproski): When the House adjourned at 1.30 p.m. I had recognized the Parliamentary Secretary to the Minister of the Environment.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, it is indeed a pleasure for me as Parliamentary Secretary, to speak today on behalf of the Minister of the Environment (Mr. McMillan) on this very important subject. We are discussing today the work of the World Commission on the Environment and Development, commonly known as the Brundtland report. That report is named, of course after the Prime Minister of Norway. I had the very great pleasure of welcoming some musicians from Norway just a few days before the report was tabled in London. I must say the Norwegian people are very proud of the report being named after their Prime Minister.

We are all in agreement with the World Commission Report on the Environment and Development. It is a major step towards tackling global environmental challenges. There are a number of serious challenges which affect us all, such as acid rain, air and water quality, pollution, toxic wastes, to name a few. However, the commission focuses on the most important challenge of all, and that is the challenge of encouraging economic growth while protecting our ecological environment.

Economic growth together with environmental protection is the theme of this report called *Our Common Future*. Today we have an opportunity to consider the environment on a global plane. By providing people in Canada and around the world with this report the commission has performed a most useful function. The presence of Dr. Maurice Strong and Jim MacNeill, Secretary General, both Canadians, ensured that the commission was made well aware of Canadian concerns.

In choosing Canada as one of only four countries in which to hold public hearings, the commission chose wisely. Canada is a unique resource for any environment related studies. There are several reasons for this. First, this is a very large country. It is the world's second largest land mass embracing, as it does, three oceans, the Atlantic Ocean, the Pacific Ocean and the Arctic Ocean. Since we are managers of such a large part of the globe's real estate, how we manage what we have has to be important to the rest of the world.

Much of Canada rests on the Precambrian Shield which sustains vast forests and pockets of mineral wealth, but we have a relatively small population. In the West, farmers are plagued by drought, falling water-tables and unstable soils. The mountains in the west, magnificent in their majesty, restrict two-thirds of the population of that area to the lower Fraser River valley. The north is dominated by cold, dry tundra. In fact, the north, because of the limitations of its ecosystems, has a very delicate environmental balance. Economic development must therefore be undertaken with care.

• (1410)

Let us look more closely at the reality behind the popular image of Canada as a country of hewers of wood and drawers of water, at the parts of the country—the Province of Ontario in which we are sitting today, the Province of Quebec which we can see across the river, the eastern provinces, including Prince Edward Island, where once there was a sea of white pine, wave after wave of trees that grew so tall that they seemed the very pillars holding up our skies. It was not uncommon to fell trees that were 15 metres high and perhaps three metres in diameter. We need to do more to replant what has been harvested. As a result lumbermen have been reduced to cutting black spruce 1,500 kilometres northeast of Ottawa in our less fertile forests.

Within our mammoth land is a diversity that parallels much of the rest of the world; geographically, climatically, economically and culturally. There are within Canada greater differences than exist between entire countries elsewhere in the world. Looking at Canada is like viewing conditions around the globe, as if we offered the commission a world visit for the cost of a single airfare; from virgin forests in South Moresby to the fragile high Arctic to the towering but delicate sand dunes of the Cavendish Beaches; from Quebec City, a UNESCO heritage site, to the Old Port of Montreal; and from Toronto, which is now praised as North America's most livable large city, to the Scarborough Bluffs which are on the edge of Lake Ontario just south of my riding, right to Vancouver.

Beyond what Canada is lies what Canada does. What Canada does best goes to the very heart of this debate. We were pioneers and have now become seasoned experts in the reality of environmental interdependence. Whether acid or toxic rain, nuclear radiation, or in any other form, pollution moves around our planet irrespective of the maps we have made and the national flags in which we wrap our pride. Pollution moves upward and outward as well, piercing the layers of the stratosphere nature gave us as a protective blanket and threatening the purity of space beyond our space.

Nowhere is this more obvious than in the shared Canadian-American environment where, on a less global scale, two countries are linked by waterways, mountain ranges and even by wind patterns. We in Canada have, with our American friends, pioneered international co-operation. We have resorted to every form of co-operative measure to keep each other's garbage off our own front lawns. We have reciprocal laws, bilateral mechanisms, agreements, treaties and regular summits between heads of state.

We are very pleased with the recent Niagara River memorandum of understanding signed by four levels of Government: Ontario, New York, United States and Canada. There is a Great Lakes Water Quality Agreement and, of course, the International Joint Commission which has been dealing with transboundary water boundaries and now soil, pollution, air, and, of course, the high water levels that are of particular importance today.

I recognize, of course, that these Canadian-U.S. initiatives are the result of interaction between two wealthy countries. By contrast, the commission faced environmental questions in countries where poverty is an economic reality. Countries are forced to sacrifice their precious natural resources for urgent short-term purposes at the expense of their immediate environment and future generations.

The consequences of encroaching on our environmental capital have been identified by the report of the commission. Some of them include the greenhouse effect, which threatens to overheat the world by wrapping it in a layer of carbon dioxide; the dangers of a nuclear winter imposed on us by war or by accident; arctic haze, which reminds us that airborne pollution travels thousands of miles, and even countries away from its industrial origins; lessened genetic diversity, which may eliminate potential sources of medications that alleviate human suffering; and the destruction of the natural heritage so essential to human survival. Humankind's life support systems—the air we breathe, the water we drink, the soil that provides our food—is under seige. A steadily growing population means that more and more people will be trying to live on less and less environmental capital, much of which is under environmental strain.

The commission report asks what can be done to stop this spiral. Despite the best intentions, foreign aid and favourable trade arrangements, the industrialized world has work to do in assisting developing countries and nations to solve their root problems. We live in a fortunate country blessed with a wealth of resources and opportunities. That wealth gives us a unique role to play in helping less developed countries reach their potential.

Part of that role includes providing development assistance that takes into account both economic development and environmental protection. Canada's development agency,

CIDA, now budgets 20 per cent to 25 per cent of all funds for bilateral aid projects to the environmental concerns associated with them. That is a significant part of the CIDA budget. In addition, all Canadian aid projects in the Third World are subject to an in-depth environmental assessment. The Government is also tackling our own domestic environmental issues.

One of Canada's most troubling environmental problems is that of toxic wastes. The Department of the Environment is now preparing legislation to help manage toxic chemicals through their entire life cycle, from formulation, manufacture, distribution, sale and use, to eventual disposal.

• (1420)

Even as that legislation is now being developed, there is growing concern, because of toxic rain, about the presence of lethal chemicals in the environment. If we are to take action, and we are, we will find solid ground on which to tackle this problem in concrete terms. The commission has already identified anticipation and prevention of economic environmental mismanagement as essential, and I certainly agree.

The Minister of the Environment established the National Task Force on the Environment and the Economy to improve the co-ordination of economic and environmental decision-making. Further, the Minister of the Environment is also ensuring that his cabinet colleagues take environmental considerations into account when federal economic decisions are made.

In Canada, studies show that in all of the policy questions that have dominated the public agenda since the end of World War II, attitudes have shifted on only one major issue, the environment. And even in respect of the environment there is a need to increase an understanding of the true state of the environment and of the importance of preventive measures.

We have to ensure that today's consumers of the environment, and tomorrow's, understand the consequences of the chemical society, of the overfished lake, of the carelessly set forest fire; and moreover, we have to make the consumer aware not just of the problem but of how we as individuals can help prevent it.

A better understanding by youth is especially important, for half of the present and all of the future belongs to our youth.

The *State of the Environment* report, released by the Department of the Environment in May of 1986 is an analysis of the Canadian environment, over time and on the total system, on a stress-response basis, not on the basis of individual problems in specific parts of the country. While there have been such surveys in other countries, the *State of the Environment* report in Canada remains the first of its kind anywhere in the world, both for its thoroughness and for its holistic approach.

With the release of this report, *Our Common Future*, we have a global *State of the Environment* report.

Canadians, for their part, participated in the events leading to the report during the visit of the commission to Canada last summer. We see throughout the report the importance placed on the Canadian input. Throughout the pages of the report, many Canadians are quoted, including the federal Minister of the Environment. I should like to quote some of the words of the Minister of the Environment, as set out in the report, as follows:

> The world's environmental problems are greater than the sum of those in each country. Certainly, they can no longer be dealt with purely on a nation-state basis.

The commission met with Canadians in Vancouver, Edmonton, Toronto, Quebec City, and Halifax. It also visited Fort McMurray, South Moresby, and James Bay, all very important parts of Canada from an environmental standpoint. In addition, the commission held two days of public hearings in Ottawa, for the purpose of hearing submissions from Canadians from across the country.

During the public hearings in Ottawa the commission received 124 written submissions. At the same time, there were discussions with 140 individuals, representing industry, labour, native and environmental groups, the voluntary sector, and the general public.

This Government welcomes the clear demonstration of interest and concern expressed by Canadians. We are going to be sure that the voice of Canada, and of Canadians, is heard in the follow-up to this report.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Davenport (Mr. Caccia).

Mr. Caccia: Mr. Speaker, the Parliamentary Secretary, in her most informative and interesting speech this afternoon, made reference to CIDA, a reference which I should like to pursue for a moment by way of one question.

If I understood her correctly, she indicated to the House that CIDA projects are now subject to an in-depth environmental assessment before a decision is taken. I should like to know the date on which that policy was put into place by CIDA, and the date from which such in-depth environmental assessments have been carried out in respect of CIDA projects.

Mrs. Browes: Mr. Speaker, in speaking to the Minister for External Relations (Mrs. Landry) and her officials, I learned of this policy. I think it is important that such impact studies be carried out in respect of CIDA projects. It is my understanding that during the time the public hearings were held in Ottawa there was a fair amount of discussion about this particular policy. As to the date on which impact studies began to be carried out on CIDA projects, I cannot say. I can tell Hon. Members that the discussions and hearings that were held in Ottawa and across the country played a major role in having CIDA projects analysed and reviewed in relation to the environmental impact that would flow from such projects. Because Canada puts the environment on such a high plane, it

is important that we show a good example in terms of the environmental impact of projects that we sponsor in developing countries.

The Acting Speaker (Mr. Paproski): The Hon. Member for Nepean—Carleton (Mr. Tupper) on a question or comment.

Mr. Tupper: Mr. Speaker, I want to offer some comments on the remarks of the Parliamentary Secretary. Before I do so, I wish to note my disappointment at not being able to engage in questions or comments in relation to the remarks of the opposition environment critic. In agreeing to provide him with extended time, I did not realize that I would be denied the questions or comments interface.

In relation to the Task Force on the Environment and the Economy, he made the point that there was no labour representation. It is my understanding that in fact the CLC was invited to participate in that task force and that they in fact turned the invitation down. I wanted to set the record straight in that regard.

While I think we need to compliment the opposition environment critic for bringing this subject forward at this time, I do wish to note my disappointment at the generalities of his suggestions. I really wanted to find out this afternoon the direction that the Liberal Party wishes to take in response to this report. That is the sort of thing I would have tried to draw from the Hon. Member in a questions or comments session.

But, Mr. Speaker, let me compliment the Hon. Parliamentary Secretary to the Minister of the Environment (Mrs. Browes) for her presentation this afternoon. I welcome very much the Government's endorsement of the report because I think its tone, thrust, and direction are important to all Canadians.

• (1430)

Recently I have taken a considerable interest in this topic, because the Standing Committee on Research, Science and Technology has been addressing the problem of global change. The report deals with those aspects of the earth support structure as they relate to the ability of man to survive on this globe.

I should like to share with my colleagues in the House of Commons the fact that one organization within the Canadian fabric which is delving deeply into the matter on behalf of all Canadians is the Royal Society of Canada. Over the last 18 months it has been discussing on an international level how we should approach matters of global change which affect all of us. In that process the Royal Society of Canada has come to the conclusion that the best way Canadians and Canada can contribute is through detailed studies in the Canadian Arctic, in the Canadian North. It is concerned about how little we know about that important part of the earth. In fact, we know far more about Antarctica than we do about the Canadian Arctic. The Canadian Arctic and the ice mass associated with the whole north polar region play a dramatic role in terms of the earth's climate. It is reflected in many ways relative to rainfall, aridity, soil erosion, and a whole host of other things.

The message I really want to leave with my colleagues is that the Royal Society feels, in that our best contribution can be through studies in the Canadian Arctic, that we should develop the high technology tool of satellite observation known as Radarsat.

We as a Government should ensure that this project goes forward, because it will be one of the most useful tools to study the environment, particularly the Canadian Arctic. It will provide information on ice thickness, ice temperatures, soil erosion, soil alkalinity, and many other areas which are important to all of us who have the privilege of laying the foundation for our next generation.

In closing I should like to repeat that the main theme of the report is that humanity has the ability to make development sustainable and to ensure that it meets the needs of the present without compromising the ability of future generations. I take that to mean that there is considerable hope for all of us if we apply our talents in the right direction.

Mrs. Browes: Mr. Speaker, I thank the Hon. Member for Ottawa—Carleton (Mr. Tupper) for his enlightened comments today and for his sustained interest in environmental issues. The issues about which he spoke, the Arctic and satellite observation, are important. However, I want to mention to the Hon. Member some specifics in terms of what will be taking place and will be of concern to the Canadian population.

The Canadian Government is hosting an international conference in Montreal in September of this year. It will concern an international agreement on the ozone layer.

In June, 1988 the Department of the Environment will be hosting in Toronto a conference on the impact of man's activities on climatic change.

In a few short days an international conference will be held in Regina, the Ramsar conference relating to the wetlands. We will also have a visit from royalty, from Prince Philip, at that particular conference.

Of course the federal Minister of the Environment will be making a very important address at the United Nations in culmination of the report and discussions flowing from the national task force.

Also, during the first week of June we will be celebrating environment week in Canada. Its theme is "It is up to all of us".

It is very important that 400 or 500 network organizations are being funded by the Minister of the Environment and that we also participate in our local communities in those very important projects.

Mr. Nunziata: Mr. Speaker, I regret very much that the Minister of the Environment (Mr. McMillan) is not here today to participate in this most important debate, but I appreciate

the fact that the Parliamentary Secretary made some remarks—

The Acting Speaker (Mr. Paproski): The Hon. Member, if I may interrupt him for a minute, knows very well that he should not comment upon the presence or absence of Members of the House. There are television cameras outside the Chamber which Hon. Members could be watching. They are in committees, and they are working in other places such as their constituencies. I do not think it is fair for the Hon. Member to keep saying this. He has done it a number of times, and that is the only reason I bring it to his attention.

Mr. Nunziata: In her comments—

[*Translation*]

Mr. Côté (Lac-Saint-Jean): On a point of order, Mr. Speaker. If they want to play that game, we waited for the Liberal Party until 2.07 p.m. and this is their motion—

[*English*]

The Acting Speaker (Mr. Paproski): That is a perfect example of what can happen when this type of thing occurs in the Chamber. Therefore I ask the Hon. Member for a short question and comment, please.

Mr. Nunziata: Mr. Speaker, in her comments the Parliamentary Secretary indicated that the Government of Canada puts the environment on a high plane. I believe I am quoting her correctly. If that is the case, could the Parliamentary Secretary explain why the Conservative Government of Canada cut $46 million from the environment portfolio two and a half years ago? Could she explain, as well, why the Conservative Government of Canada is participating in an ongoing program to cut nearly 750 jobs in that particular area over the next five years? If the Government is as committed as the Parliamentary Secretary is suggesting, why has almost every major environmental group in Canada criticized the pollution policies of the Government? Perhaps the Parliamentary Secretary could explain the obvious inconsistency between her words and the actions of her Government.

Mrs. Browes: Mr. Speaker, I reiterate what has been mentioned on numerous occasions in the House, that is, the commitment of the Government to environmental issues. Indeed, I outlined some major specifics relating to the environment which I believe deserve a great deal of credit.

Let me also say to the Hon. Member that the budget for Environment Canada this year is now higher than it has ever been in the history of the country, except for one fiscal year, and that is very excellent.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to participate in this very important debate. At the outset, let me say that the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) was unable to be here today. He very much wanted to participate in the debate, but a long-standing invitation to a speaking engagement in his riding prevented him from being here. He very much regrets it. However, I do not regret it, because it gives me the opportunity to speak on the motion.

I also wish to congratulate the Hon. Member for Davenport (Mr. Caccia) for introducing the motion and for encouraging the creation of the World Commission on Environment and Development and its report entitled *Our Common Future*. He has played a positive role in that regard, allowing for a very positive and important report to be issued by the international commission.

• (1440)

The commission warns us of the environmental disasters that are waiting to happen. It outlines for the public of the world some of the social, economic and environmental trends. In doing so, I think it functions in a very important way. It gives us a warning that we should heed. For example it says:

> In terms of absolute numbers there are more hungry people in the world than ever before, and their numbers are increasing. So are the numbers of those who cannot read or write, the numbers of those without safe water or safe and sound homes, and the numbers who are short of woodfuel with which to cook and warm themselves. The gap between the rich and the poor nations is widening—not shrinking—and there is little prospect, given present trends and institutional arrangements, that this process will be reversed.

It goes on to outline that:

> Each year another 6 million hectares of productive dryland turns into worthless desert. More than 11 million hectares of forests are destroyed yearly, and this, over 3 decades, would equal an area the size of India.

It talks about acid rain.

> The burning of fossil fuels puts into the atmosphere carbon dioxide which is causing gradual global warming.

This is the greenhouse effect. It maintains that in the early part of the next century the greenhouse effect will increase average global temperatures enough to shift agricultural production areas, raise sea levels to flood coastal cities, disrupt national economies and so forth. It also warns of the depletion of the ozone layer and the effect this will have on increasing human and animal cancers.

The commission did not deal with that area I would call social and psychological pollution. We are living in an age of tremendous social and economic change. You start out in life after some training, never being certain that the job you have trained for will be there. Most people realize now that they will have to change jobs two or three times in a lifetime. We have also seen that the social glue holding communities, societies and families together is now also disappearing. Individual human beings are somewhat in a free flow. A tremendous state of instability exists among our social institutions. There are increases in crime rates, depressions, mental breakdowns and suicides, particularly, and alarmingly, among the young. We have psychopaths who wander the streets and commit mindless murders. These are all symptoms of a society becoming unglued. They are examples of social and psychological pollution.

There is no doubt that we are living in an age of tremendous change, unparalleled in the history of the human race. I

remember a few years ago attending a conference in Vancouver listening to the eminent American futurologist, Buckminster Fuller. He was explaining to us that all of the important discoveries made in the history of the human race had been made in his lifetime—in his lifetime, Mr. Speaker.

So fast are the rates of change that nobody is unaffected. The industrialized developed world is also finding the effects of those rapid economic, social and cultural changes. It is obvious that present social institutions in many respects are not capable of dealing with these rapid changes. There are social institutions based on a mind-set in vogue as we entered this century, yet the events that have occurred in this century have made many of those mind-sets obsolete and dangerous.

The commission talks about—and I was very pleased to read this—viable, sustainable social and economic institutions. It talks about sustainable development and growth. In that word "sustainable" lies a whole world of different thoughts, a whole different civilization, a whole different way of doing things, living lives and doing economic and social activities that put a roof over our heads and bread on the table. In that word lies the real importance of this document. In many ways we live in two different worlds. We are all caught in it, particularly we as Members of Parliament.

Let me give two examples. The commission talks about energy, and the need to plan. Oil is a finite resource for which alternate energies must be developed. Conservation has to be dealt with. Last night when I was preparing for my remarks I came across an old copy of the December 1983 report put out by Canertech, a division of Petro-Canada, dealing with alternate energies. In its report it states that alternate energy and energy conservation will create more jobs, save so many billions of dollars to the consumer and so forth. In a recommendation it says that the days of burning fossil fuels have to be numbered. A greenhouse effect is forming that will totally change the climatic patterns and therefore the social and economic patterns of this globe. We cannot continue to put out garbage. Other ways have to be found to dispose of it.

The warnings are there. Yet we live in this other world. We live in this world of jobs in which the economy of your Province of Alberta, Mr. Speaker, and my Province of Saskatchewan are almost in ruins because of the oil price collapse. We stand here in the House of Commons asking for more assistance for the industry, yet we know that that industry over the long term is not sustainable. It is not a life forming sustainable industry because it is threatening the very atmosphere of this globe.

The other example, is the field of agriculture. The commission points out rightly that the heavy subsidization of agriculture in the developed world has meant more planting from fence line to fence line, putting land into production that should never be in production, with the use of chemicals and fertilizer—mining the soil, so to speak. We in western Canada know this. Commissions and studies have warned us that one cannot continue doing this forever and ever. We have a finite world. Our resources are finite. The soil is finite. We do not have an infinite world in which we can continue to exploit the soil as people have in the past. On the other hand, when wheat prices fall, my colleagues and I ask for further assistance from the Government. I raise this in all honesty because if we take a look we will recognize the contradictions that exist. We are living in two different worlds simultaneously. They are worlds in conflict and worlds apart.

The commission talks about a new type of world that we have to move into if we are to survive as a human species. We are still in this other world which assumes that our resources are infinite. We are in a world which demands short-term decision making, not long-term, meaning governments from poll to poll and election to election. We should be guided and motivated by that. With business it is the bottom line at the end of the month or at the end of the year. That is what shareholders are concerned about.

• (1450)

If we as a human species are to survive we have to expand our consciousness. We must begin to realize that what we do in one place has an effect on other places around the globe. We have to expand our collective consciousness to realize that what we do today will affect tomorrow and the days after. We have to expand our consciousness so that we begin to realize that things have effects and then act accordingly in the best interests of future generations. The institutions, of which we are a part, force us to act on a short-term basis and not in the best interests of the global village, and not necessarily in the best interests of tomorrow and the heritage of our children.

I do not know what the solutions to these problems are. If, for example, the oil industry is not a sustainable industry in the long term, we must be able to offer a social net so that those employed in that industry can find other meaningful employment. We must, for example, allow for the evolution of another form of agriculture that is on a smaller scale, is sustainable and would allow people to live economically viable lives in a rural setting without being forced into the cities. However, evolving those programs and policies requires a different mind-set, a different consciousness, a different civilization. I hope that this report is a step in that direction and I hope that this debate in the House is a step in that direction.

The human race has embarked on a journey into the unknown. The old patterns no longer fit. It is not a question of the old ideologies, public versus private ownership, because either can be as unconscious of the environment and its workers. It is not a matter of workers versus capital because they are both motivated by their own self interests. Workers want and need their jobs and incomes, and capital, of course, requires a rate of return. It is not a question of left versus right. New thinking is required.

This new thinking must be co-operative. People must work together in the common interest and for the common good. That surely is the first priority. If we are to evolve sustainable economic, social and political institutions, those institutions

must surely be built on a co-operative model and not on an adversarial one. That is true of labour and capital and of our justice and political systems.

It is the adversarial nature of our present civilization that in many ways creates the bottle-necks. Humanity must evolve more stable and life-sustaining forms of social institutions.

I am particularly happy that the commission addressed international arms expenditures. The commission states that out of a world economy of some $16 trillion, about $1 trillion gets funnelled into the development of arms, the machinery of death. Over all this hangs the danger of a nuclear war and the destruction of the human race as we know it. Surely of all the environmental dangers that face humanity, that is the most important one. The resolution of that danger again requires a different mind-set. It is not East versus West, the communists against the capitalists, the Russians against the Americans. It is a question of our mutual survival. It is a question of addressing the fears of nation states and political and cultural alliances, not through the production of more deadly means of destruction but through the development of sustaining forms of social, economic and political institutions.

The commission pointed out how ironic it is that because of decisions that were made, the deserts in the Sahara are increasing at such an alarming rate that more destruction is being done there than would have been done if an army had invaded and practised the worst kind of scorched-earth policy. Against such an army, we would invest hundreds of millions if not billions of dollars. Yet hardly a gesture has been made to block the desert. How strange our priorities for surviving in this day and age.

In creating those institutions which are meaningful in what I would call a post-industrial society, we must see that they are co-operative in nature. They must take a long-term view of decisions that are made. They must imply planning and care and the proper husbandry, not only of our soil but of our resources and our environment. This requires an intelligence in the decision-making process. It will be a long journey and the human race has embarked on that journey. There is no turning back. As we come to the end of the century, we will continue to meet increasing crises in food and starvation, environmental damage on a global or a regional scale and further economic, social and psychological upheavals. These are indeed very dangerous times.

The members of the commission and I have come to the same conclusion, that there is hope that the human race has the capability of developing those institutions that are sustainable. The human race can develop a higher level of consciousness and all men and women on the face of this planet can begin to benefit from the richness of human intelligence, the vastness of our resources and the beauty of our mother, this planet Earth.

Mr. Oostrom: Mr. Speaker, before I ask the Hon. Member for Regina East (Mr. de Jong) a question, I, like the Hon. Member for Nepean—Carleton (Mr. Tupper), would like to express my regret for not having had an opportunity to ask the former Minister of the Environment in the previous Government some questions. We know the Hon. Member for Davenport (Mr. Caccia) is sometimes long on words and short on action. Perhaps we will get another opportunity to question him in the future. At least the Hon. Member for Davenport thanked this Government extensively for working—

The Acting Speaker (Mr. Paproski): The Hon. Member for Davenport (Mr. Caccia) on a point of order.

• (1500)

Mr. Caccia: Mr. Speaker, I rise on a point of order. I did abide by your ruling that, because you were kind enough to extend the time for my speech, there ought not to be a period of questions and comments. I would be more than happy to respond to questions and comments if that is your wish and the wish of Members in the House. However, to be criticized in the manner that I have just been I do not think is fair.

The Acting Speaker (Mr. Paproski): I appreciate what the Hon. Member is saying. I did allow the Hon. Member more time because it was his motion. As he did take a few extra minutes which extended into the question and comment period I felt it only fair, so that other Members could have an opportunity to speak on this debate before five o'clock, that there not be a question and comment period. I appreciate the fact that the Hon. Member would like to respond to questions and comments.

After we have completed the period for questions and comments on the speech of the Hon. Member for Regina East (Mr. de Jong) we will consider the matter of a period for questions and comments on the speech of the Hon. Member for Davenport (Mr. Caccia). I will now recognize the Hon. Member for Willowdale (Mr. Oostrom) on questions and comments on the speech of the Hon. Member for Regina East.

Mr. Oostrom: Mr. Speaker, we certainly do not want to take away the rights of other Members who would like to speak on this important topic this afternoon. I would, however, like to thank the Member for Davenport (Mr. Caccia) for his laudatory comments, not only with regard to the Minister of the Environment (Mr. McMillan) but also with regard to the Government which is finally taking some action on the environment.

The report on the environment stresses that the fundamental links between economic growth and environmental protection is very important. Would the Member for Regina East (Mr. de Jong) not endorse some constructive policies as a means of helping Third World countries to a higher level of growth such as better trade relations around the world? I am sure he will agree that enhanced trade, for example, will help the poorer nations break out of the cycle of poverty and expand their economies. In that way they will have money and resources for environmental protection in their countries.

Mr. de Jong: Mr. Speaker, I thank the Hon. Member for his very valid question. I am not certain what the answer is to all of this. Of course if Third World countries are able to export more and earn more income they can increase their standards of living and have the resources to deal with the environmental problems which will arise as they develop.

Another voice inside of me says that that was the same argument used to get them into forms and patterns of development which now have them so badly in debt that there is more hunger now than there ever was before in those countries. They were lured into this pattern of development and got into cash crops. They now have surpluses of coffee and sugar but not enough basic substances to feed their people on a day-to-day basis. There is starvation in the midst of plenty.

Something has gone wrong with the pattern of development. We must make certain that whatever pattern of development we suggest to Third World countries will not put them deeper in the pit than they are now. So far we have not been very helpful to them.

We hear everyone saying that we need more international trade in order to balance our payments and create jobs and prosperity at home. That is what the Americans are saying and that is what they are saying in Brazil and all over Europe. If everyone is going to be exporting more, who is going to be importing? There is a myth that the more we export the more wealthy we will become. Who is going to import? I have not heard of one country saying that it will import more.

Something else is amiss, Mr. Speaker. I do not have all the answers but before we find answers we will have to explode some of the myths. There are a few around which deserve to be discredited and questioned.

Mr. Tupper: Mr. Speaker, I realize that there is very little time left for this discussion. I would very much like to hear from the Member for Regina East (Mr. de Jong) what his Party's position is on the specific areas in which Canada and Canadians could make a contribution to solving the problems of global change.

Mr. de Jong: That is a great question, Mr. Speaker. Could I have an hour? It is a very valid question. The New Democratic Party, and particularly its membership, is very committed to, conscious of and concerned about the environmental question. There are contradictions and difficulties within the Party. Sometimes the contradiction is between jobs, jobs, jobs and the environment. I will be perfectly truthful and honest in admitting that there are difficulties and contradictions as there are in all political Parties.

We believe that Canada can make a tremendous contribution. We do have the technical ability and human know-how to make a very strong contribution to global development. New Democrats believe that this can be one of Canada's missions, so to speak. We have a tremendous responsibility to the human family to make this contribution. My colleagues and members of the New Democratic Party are strongly committed to ensuring that human institutions on this globe remain a viable life form.

The Acting Speaker (Mr. Paproski): The period for questions on the speech of the Hon. Member for Regina East (Mr. de Jong) has expired. Is there unanimous consent to allow a short question and comment period on the speech of the Hon. Member for Davenport (Mr. Caccia)?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): As I heard a "no" I will recognize the Member for York South—Weston (Mr. Nunziata) for debate.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I find it somewhat strange that Conservative Members of Parliament would deny unanimous consent to allow questions to be asked of the Hon. Member for Davenport (Mr. Caccia) after several members of the Conservative Party complained that they did not have the opportunity to ask questions, and particularly after the Hon. Member for Davenport indicated a willingness to answer any questions which might be presented to him.

In any event, Mr. Speaker, I am very pleased to participate in this debate this afternoon. I am very proud and pleased that the Parliament of Canada is debating the report of the World Commission on Environment and Development entitled *Our Common Future* less than three weeks after it was tabled and made public in London. The credit, of course, must go to my colleague, the Hon. Member for Davenport, the critic for the Ministry of the Environment for the Official Opposition, for taking the initiative to bring this matter before Parliament to allow all parliamentarians the opportunity to discuss this document which will be discussed world-wide for the remainder of this century.

The report, *Our Common Future*, is probably one of the most important documents ever produced because it addresses the very future of the world. The Hon. Member for Davenport has moved what I consider to be an extremely important motion which, with your permission, I would like to read. The motion reads:

> That this House urge the Government to endorse, adopt and advocate, at home and abroad, the goals and recommendations of the Report of the World Commission on Environment and Development (Brundtland Report), entitled "Our Common Future";
>
> That this Report, dealing with global concerns, challenges and endeavours, be adopted as the central policy of the federal Government, its agencies and commissions; and
>
> That the Minister of the Environment advocate the spirit and the substance of this Report at the coming General Assembly of the United Nations on behalf of Canadians and of the global community, thus continuing Canada's tradition of giving leadership on environmental matters.

If this motion were to be put to a vote, I suspect that it would receive unanimous consent of the House.

• (1510)

I believe the report *Our Common Future* is probably one of the most important documents that will be discussed in Parliaments throughout the world, including the countries in the western world and behind the Iron Curtain.

When the report speaks of our common future, its authors are not speaking specifically with regard to the future of any particular country but are speaking of the future of humanity and the world as we know it.

The point has been made that the world is finite, that we can grow only so much before we run out of room and deplete the necessary resources to sustain growth.

By the year 2025, the population of the world will double. Presently, the population of the world is 4.5 billion. In a short 38 years, the population will be nine billion, and that fact alone would suggest very strongly that every Parliament, every parliamentarian, every politician and every person in the world must address the question of the future of the globe. It is not only timely that we in Canada should be discussing this report, it is timely for the world.

In 1983, the United Nations General Assembly took a timely decision and established the World Commission on Environment and Development, to study and recommend action on global trends which require urgent attention. Let us examine these trends. One trend is the doubling of the population in 38 years. The report made several other important observations. For example, there are more hungry people in the world today than ever before and more will be hungry with each passing day.

Canada is not immune to the problem of hunger. Members will know that there are food banks in Canada and some of our fellow Canadians suffer the indignity of standing in line for food. There is a problem with poverty and hunger here in Canada, and when we speak of these problems that exist in the world, we must recognize that while we, as Canadians, are fortunate, we are not immune from each of these problems.

The commission also recognized that the gap between the rich and the poor nations is widening rather than narrowing. Each year, another six million hectares of productive dry land turn into worthless desert. More than 11 million hectares of forest are destroyed yearly.

Acid rain kills forests and lakes, damages buildings, structures, monuments, and acidifies water and soil. We in Canada are blessed by the environment. We are indeed fortunate to have some of the most beautiful country anywhere in the world.

However, our environment is threatened. Our lakes and forests are being threatened because of the problem of acid rain. We in the Opposition, through our critic on the environment, have been working very hard to ensure that this issue is treated as a top priority.

The commission also observed the problem with the greenhouse effect, which is the burning of fossil fuels which puts carbon dioxide into the atmosphere causing gradual global warming. By early next century this phenomenon may increase average temperatures enough to shift agricultural production areas, raise sea levels to flood coastal cities, and disrupt national economies.

The commission also observed that industrial and agricultural activities release toxic substances into the human food chain and into underground water tables where removal is virtually impossible.

The commissioners found that the separation of economic development issues from environmental issues is a short-sighted policy. Many forms of development erode the environmental resource upon which they must be based. Environmental degradation can undermine economic development.

Poverty is a major cause and effect of global environmental problems. Attempts to deal with environmental problems without a broader perspective, encompassing the factors underlying world poverty and international inequality are becoming futile.

These main concerns led to the establishment of the commission some three or four years ago. Linked to, but outside the control of, governments and the UN system, the commission which was headed by Harlem Brundtland, pursued three objectives. They were: first, to re-examine the critical environment and development issues and to formulate realistic proposals for dealing with them; second, to propose new forums of international co-operation on these issues that will influence policies and events; and third, to raise the levels of understanding and commitment to action of individuals, volunteer organizations, businesses, institutes, and Governments.

The World Commission on Environment and Development consisted of 22 individuals drawn from five continents. I am pleased to say that the commission consisted of two very eminent Canadians, Mr. Maurice Strong and Mr. Jim MacNeill, who contributed tremendously to the report *Our Common Future*.

The commission held public hearings throughout the world. Observing that many development trends leave increasing numbers of people poor while at the same time degrading the environment, the commissioners pursued the question: "How can such development serve next century's world of twice as many people relying on the same environment?" As the hearings and meetings progressed, the commissioners came to view development not just in the restricted context of economic growth in developing countries. They concluded that a new development path was required, one which sustained human progress not just in a few places for a few years, but for the entire planet into the distant future. Thus the term "sustainable development" is a goal not just for the developing nations, but for industrialized nations as well.

The conclusions of this report are somewhat of a departure from previous thought in the area. Not long ago there was a general opinion that co-operation between the environment

and economic development was not possible. Many people cited gloomy statistics and were not at all optimistic about the future.

This report says that the environment can sustain economic growth and that the goals must be to ensure that economic growth occurs while considering the impact on the environment. In the Chairman's foreword to the report entitled *Our Common Future*, Mrs. Brundtland makes a number of interesting observations. She says in part, and I quote:

> After a decade and a half of a standstill or even deterioration in global co-operation, I believe the time has come for higher expectations, for common goals pursued together, for an increased political will to address our common future.

• (1520)

We are here for a short period of time in the scheme of things. The average life span today in this country is age 65 years to 70 years. When we speak of the environment, we are talking about the future, not only the future of our children, our grandchildren and the generations to follow but the future of the world. All too often we become preoccupied with things which affect our country and our well-being simply in the short run.

Of course it is important to talk about the unemployment rate and the inflation rate. However, all too often issues dealing with the environment are put on the back burner. What this report, and hopefully this debate, will do is to put the issue of the environment in the forefront to ensure that not only this Parliament but people throughout the world think about the future of the world so that as we continue to grow, as our population increases, and the population of the world doubles in the next 38 years, this planet will be able to survive. In effect, what we are talking about is the survival of the planet.

The two world powers, the United States and the Soviet Union, are spending billions and billions of dollars in the arms race. Other nations in the world are spending billions of dollars as well to build arms to defend themselves. But who is spending money and resources to protect themselves not from one another but from the ultimate destruction of the world? The ultimate destruction will not come by war but because our environment might become destroyed making it impossible for human life to continue. Would it not be a Utopia if all those resources used today for building nuclear weapons and arms, defence systems and star wars systems could be spent on the environment? Would it not be great if we could deal with the problems of acid rain which are articulated in the report?

As the report points out, there is a way of ensuring the continued existence of humanity in this world. All that is necessary is the political will. The World Commission on Environment and Development quite correctly points out that the political will is not there at present. There must be political will in order to pursue some of the recommendations and objectives of this particular report. I suppose one of the reasons the Hon. Member for Davenport (Mr. Caccia) presented his motion to the House is to try not only to raise the consciousness of this Parliament and the country on this particular issue but also to try to urge every parliamentarian to somehow acquire the political will in order to ensure that we can continue to grow while at the same time protecting and improving our environment.

The environment should not be a partisan issue. Unfortunately, at times it does become a partisan issue, but such is the nature of our adversarial system and our Parliament. However, I am sure all three political Parties can work together in pursuing some of the very important objectives which are outlined in this report.

The remarkable achievement of the report is that it lucidly advances the debate on the environment from a protection to a survival theme. People have to become aware that we are talking about survival. We are not simply talking about protecting our lakes, our forests and our soil. We are talking about the future of humanity. In effect, we are talking about the survival of the world. How do we ensure sustainable development on this planet while the global population will double between now and the year 2025? Some of us, God willing, may still be alive in the year 2025. Our children and grandchildren will be alive. Future generations will be born in the years which follow the year 2025. Looking at this prospect, the commissioners place the environment not in the context of just one public interest competing with others and at times even in conflict with the economy. The commissioners lead the reader to conclude that the only sensible answer to global problems is through the careful management of the natural resources available on earth and man's impact on them in a manner which ensures nature's generative capacity.

The environment is thus brought to the very centre of economic activity and becomes a pre-condition for development. The dichotomy which has plagued some policy makers so far, that there is a choice to be made between the economy and the environment, is put neatly to rest, hopefully once and for all.

In this scenario, the Minister of Finance (Mr. Wilson) becomes an agent for sustainable development, as do other political forces such as the Minister of Transport (Mr. Crosbie), the Minister of Energy, Mines and Resources (Mr. Masse), the Minister of Regional Industrial Expansion (Mr. Côté), the Minister of Agriculture (Mr. Wise), and so on.

In closing, let me say that it is not sufficient simply to have a Minister of the Environment and a Ministry of the Environment, and to say that this particular Ministry and this particular Minister are responsible for the environment and that somehow other Ministers of the Crown should not address that issue. What this report is saying is that each and every Minister of the Crown and, indeed, every policy maker in Canada, when deciding public policy, must ask: "What impact will my decision have on the environment? How can I ensure that we can sustain growth?" I simply ask Hon. Members opposite to support this very worthwhile motion which was presented by my colleague, the Hon. Member for Davenport. I

am grateful to have had the opportunity to participate in this important debate.

Mr. Warner: The previous speaker mentioned a few points, one of which was that this debate is non-partisan and probably should remain that way. It is a concern which all Members of the House share. The importance of the environment to all Canadians, and to the whole world, is certainly supreme in our minds.

The Hon. Member mentioned the tremendous growth rate expected in the next 38 years. Our world population will increase from five billion to double that, and the report suggests that it may stabilize sometime in the next century in the eight billion to 14 billion person range. The report does note that 90 per cent of this growth will take place in the world's poorest nations, quite obviously putting very severe stress and pressure on the economies of already very fragile countries. Would the Hon. Member have specific recommendations as to how to approach this oncoming and very real problem?

Mr. Nunziata: Mr. Speaker, obviously there is no quick and easy solution to the problem. I recognize that most of the growth will occur in the underdeveloped nations in terms of population. I suppose our immigration policy is a way in which we can assist to a large extent with regard to that particular problem. We have a population of some 25 million in Canada. We know, just in terms of land mass, that our country can accommodate millions and millions more individuals. Of course, our social programs may not.

• (1530)

The important conclusion from this report is that we can sustain growth, which is in opposition to a body of thought prevalent in the past which suggested that the world could not sustain the growth that will occur. Because of the fact that the population is about to double in 38 years there was a feeling of almost surrender, a feeling of despair that nothing could be done. What makes this report so important is that it concludes that we can sustain growth. It does not say that growth has to stop at some future point in time and that the environment will be adversely affected. This report says that we can continue to grow while at the same time protecting our environment.

If all the Governments of the world were to adopt some of the recommendations in the report, then we could have this sustainable growth and accommodate the population increase that is predicted over the next 20 or 30 years.

Mr. Warner: Mr. Speaker, the Hon. Member mentions that our immigration policy could relieve this problem somewhat. In reality what we are looking at is an increase of five billion once the world population doubles. Our economy and our resources cannot offer very much assistance to that type of problem. I suggest that more effort will have to go into areas in which the expected growth will take place and that perhaps the focus should be on poorer countries and how we can assist them in terms of their quality of growth. We also have to take into consideration the fragile nature of our world environment.

Does the Hon. Member care to offer specific suggestions for what we should be doing in the poorer countries of the world and how we can assist their quality of growth at a time when such assistance is very vital and much needed?

Mr. Nunziata: Mr. Speaker, unfortunately my time is limited. I refer the Hon. Member to Chapter 12 of the report, which is a lengthy chapter. I am sure it will address some of the questions raised by him.

In my previous reply I was not suggesting that we can solve the problem simply by opening up our doors here in Canada. I was simply suggesting that there are ways that we can participate in this global strategy. There are quite a number of things that can be done.

What is important is that the report speaks of a new loyalty that is emerging. Whereas in the past we had loyalties to a particular region, to our country, for example, there is a new emerging loyalty which is articulated in the report. That loyalty is to the planet on which we live. If each and every person who lives in the world increases that loyalty to the planet then that will go a long way to ensuring its survival.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments are over. Debate. The Parliamentary Secretary to the Minister of Finance (Mr. Vincent).

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to rise on this major issue of the environment which is vital to Quebec and Canada, and of course, as you can appreciate, Mr. Speaker, to the riding of Trois-Rivières and its residents.

As mentioned, last April 29 the Minister of the Environment (Mr. McMillan) received the report of the World Commission on the Environment and Development. It was a highlight in the history of the world ecological movement.

Last year Canada and the Conservative Government were delighted to play host to the World Commission on the Environment and Development, and we welcome their report entitled "Our Common Future". We will participate actively in the debate on the report which is on the agenda of the governing council of the United Nations environment program and that of the General Assembly of the United Nations.

Compared with other diagnoses made on the condition of the world, the World Commission on the Environment and Development report has a rather uncommon history. To begin with, the 21 commission members led by Mrs. Brundtland met with ordinary people, farmers, workers, students, tribesmen, shanty town residents as well as with heads of state, scientists, industry and financial leaders. Public hearings, free of official constraints, were also held in a number of cities, in 10 countries including, of course, Canada.

The Commission's mandate consisted of re-examining urgent problems for the environment and development; drafting proposals for innovative, concrete and realistic measures to try and resolve those problems; and also increasing public awareness of these problems.

Mr. Speaker, this mandate is unique in that it deals with the environment and development together instead of separately, as is customary at nearly all levels in international and governmental organizations.

Today, however, the connection between ecology and economy is becoming more and more apparent. The report is based on case histories, statistics, personal testimony by participants at the public hearings and scientific assessments, which give a clear picture of the close links that exist between matters as apparently diverse as debt payments and natural disasters, the arms race and the disappearance of tropical forests.

In additional to the Commission's public hearings and its meetings with political leaders and figures throughout the world, the Commission received 75 studies by experts on all aspects of environmental and development problems. It set up task forces with the best experts to be had, to draft recommendations on food security, industry, energy and law. These recommendations formed the basis for the report's 12 chapters, which cover new approaches to the environment and development, the concept of sustainable development, the role of the international economy, population and human resources, the common future of the world and the environment, and proposals for institutional and legal change.

Finally, a decision had to be made, and the Commission did in fact decide, to avoid pointing an accusing finger at certain Governments, leading some to predict that the report would be wishy-washy.

"Our goal was to create a debate on these questions at the highest level and to promote international co-operation on those questions that could rally the support of all parties", explained Jim MacNeill of Canada, the Secretary General of the Commission. "Putting governments on the defensive would do nothing to encourage co-operation. The major players would simply refuse to play."

"Wherever the Commission went in Canada, it heard people passionately express their concern at realizing that, in their own part of the world, something had gone wrong" continued Mr. MacNeill. "This gave the Commission members a particular motivation, a feeling of responsibility towards all these people."

This approach reflects the wishes of Mrs. Brundtland. A former Minister of the Environment in Norway and Leader of the Opposition when she was appointed to chair the Commission, Mrs. Brundtland became Prime Minister in May 1986. Two weeks later, she left for Canada with her Commission for eight days of public hearings.

The members are personally committed to this job, which they feel very strongly is of major importance, since the decisions to be made will determine mankind's future.

They do not see in this report the end of their assignment, but rather its beginning. They have been invited to submit their report next May to ministerial representatives of countries belonging to the European Community and the European Association for Free Trade.

Canada was one of the first countries to receive a copy of this report. Mr. Maurice Strong, a member of the Commission, presented the report to the Minister of the Environment on April 29, 1987, two days following its international release in London.

One of the purposes was to let the Governments peruse the report and be familiar with it when they take part next fall in the United Nations' debate. Another was to provoke public awareness and secure the support of the people for such important issues as the environment.

Canada shares the hopes of the World Commission on Environment and Development that the United Nations' debate will not mean the end of their efforts to build a more prosperous, fair and secure world. Canada supports the Commission's proposals to integrate the notion of sustainable development in current economic and assistance programs.

Mr. Speaker, I repeat that, during the United Nations' debate scheduled for next fall, Canada intends to participate fully and actively in the discussions on these and other issues raised in the Brundtland report.

• (1540)

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I should like to start with some broad points which clearly emerge from the report entitled *Our Common Future*, a report of the World Commission on Environment and Development.

To be serious, it is, I think, a very difficult report for Members of Parliament to relate to. Its complexities are considerable. The extent of the subject matter which it looks at is quite widespread. However, there are some aspects of the report that I should like to highlight in my remarks.

The Hon. Member for Davenport (Mr. Caccia), in his remarks, spoke of the optimistic tone through the report. And reading through the report itself, one can certainly see the optimism. We have such comments as the following: "We see instead the possibility for a new era of economic growth"—and this despite the problems of "environmental decay, poverty, and hardship in an ever more polluted world among ever decreasing resources".

The analysis goes on to say that the possibility for this new era has to be "based on policies that sustain and expand the environmental resource base". It goes on:

> And we believe such growth to be absolutely essential to relieve the great poverty that is deepening in much of the developing world.

> But the Commission's hope for the future is conditional on decisive political action now to begin managing environmental resources to ensure both sustainable human progress and human survival.
>
> We are not forecasting a future; we are serving a notice—an urgent notice based on the latest and best scientific evidence—that the time has come to take the decisions needed to secure the resources to sustain this and coming generations.

So, while it is a message of hope, it is very much, too, a message of urgency, a message which tells us, as societies, that we must start to review the policies that we now pursue, the structures of society that are now in place. We have to look at new directions and to put in place these new directions for the sake of future generations.

As someone who has worked in developing countries a great deal, I was particularly struck by those portions of the report dealing with the gross poverty which exists in many parts of the Third World. For instance, at one stage in the report, the commission speaks of the economic crisis which faces us all, a crisis which the commission says is based on the slow-down of economic expansion and the stagnation in world trade in the 1980s, something which has challenged the ability of all nations to react and adjust.

Here we have a diverse group of people from all parts of the world identifying, in powerful terms, problems in the world economy.

The developing countries have been particularly hard hit by this economic crunch. Between 1980 and 1984, according to the commission, developing countries lost about $55 billion in export earnings because of the fall in commodity prices.

As a consequence, there has been a period of slow growth in the world economy, a slow growth which has hit especially hard the poorer countries of the world, those countries which can least afford to experience economic stagnation.

Looking at the change in per capita Gross Domestic Product for the middle range developing countries, those countries that we are most concerned about, in many respects, and leaving the large countries aside, leaving the oil-producing countries aside, we see that since 1981, in every single solitary year up to 1985—and I suspect beyond, though we do not have the statistics before us to substantiate that—there has been an absolute decrease in the per capita Gross Domestic Product, a decrease which, in 1982, for instance, was as high as 3.1 per cent per capita.

In talking about our environmental concerns, Mr. Speaker, we have to do so against that backdrop of economic crisis. It is against that backdrop that we have to consider the economic solutions that will mesh with our environmental concerns.

As the report itself stresses, reforms at the international level are needed to enable us to deal simultaneously with economic and ecological aspects in ways that allow the world economy to stimulate the growth of the developing countries while giving greater weight to environmental concerns.

Such an agenda requires a deep commitment by all countries, from the satisfactory working of multilateral institutions such as the development banks to the making and observance of international rules in fields such as trade and investment, and a constructive dialogue on the many areas where national issues do not immediately coincide.

It is possible for us as Members of Parliament to have a debate on a Friday afternoon like this about what is a very heartfelt, well organized and important document; but I think it is absolutely crucial that we bring back to earth here in Canada some of the concerns which are being discussed in this report.

• (1550)

It is not simply a matter of work and improvement at the international level. The report and the motion, which we would support if it were a votable motion, concern the need for us to do something about the serious and urgent environmental problems facing us in Canada without putting at risk the economic concerns of many of us.

In order to bring the debate down to earth, I will talk about three or four specific environmental concerns which I think Canadian Governments have not recognized as being serious or have not dealt with urgently, as the report suggests is badly required.

For instance, I should like to refer to the report of the International Joint Commission on the Great Lakes in Ontario because it is so easy for us to forget, after dramatic incidents like the St. Clair River crisis, that the basic problem goes on. In respect of the Great Lakes area, the report indicates that the intrusion of toxic chemicals on our lives, including the incidence of specific toxic chemical disasters, is occurring with greater impact and frequency. These occurrences cannot be viewed as systemic aberrations or something we can forget about. Rather, they may be the inevitable, if unintended, consequences of our industrialized societies. More toxic chemical-related incidents are therefore bound to occur. The questions thus become: how many, where, how serious will be the consequences, and what can be done to mitigate the production and use of toxic chemicals?

The report also suggests that we do not have a comprehensive solution in Canada in respect of the Great Lakes, one part of the body of freshwater lakes in the country. This represents a source of shame for us as a country. It is important to accept the urgency suggested in the Brundtland report. It asks us to do something not only about world problems but about the problems in our own backyard which so far we have not been able to tackle successfully. As far as I am concerned, that is certainly at the top of the list of crucial issues which need to be tackled and require the urgency essential to come up with some sort of solution or plan toward a solution, at the very least.

We must also talk about the extent of air pollution which exists in many communities across Canada. We have a predilection for looking at the United States and saying that

that country and its acid rain delays are the crucial environmental issues facing us. I frankly say that in community after community across the country, as is the case in my constituency and I suspect in the constituencies of many Hon. Members sitting in the House today, there are air pollution problems which are damaging the environment and threatening the health of our constituents. We must apply to those problems the sense of urgency which the report asks us to emphasize.

For instance, we have been working in my constituency with BCM Technologies for over a year to try to reach a complete solution to its chlorine emissions. We have found, despite commitments on the part of the company and on the part of the provincial Ministry of the Environment, that a year later the commitments have not been honoured. The air pollution continues and my constituents continue to experience health hazards and the lack of satisfactory environmental conditions which I think they have the right to expect as Canadians.

I want to talk about even more exciting topics, aside from air pollution, and to take a step down to what often seems to be the level of discussion in this Chamber. I want to talk about sewage and about garbage. When we talk about environmental problems, we must remember that there are sewage problems across the nation which we are not treating with urgency. One example is contained in a letter which I wrote in July, 1985 to the then Minister of the Environment, that is, the sewer system in south Windsor.

One might say that sewage is not something which reaches the levels of the high power rhetoric we have heard in the debate today, but fundamentally that is what the issue is all about. It is about ensuring that sewage systems in our communities are able to meet the needs of the people. We found in our community that our constant efforts to try to push the Government to accept the responsibility to provide assistance in the area of sewage systems have simply been rejected. We have seen this in the southern part of the City of Windsor and in the Township of Sandwich West. Recently a public meeting focused on this question.

We will be taken seriously as a country which cares about environmental issues when we start doing something about such mundane but serious problems as the antiquated sewer systems of our cities. As it stands at the moment, we simply let sewers run into international waters, with the result that rivers get polluted, again a potential health hazard, again a lack of the environmental protection which Canadians should expect in this country.

• (1600)

I have to say that it is just not sewage we have to talk about but garbage as well. For instance, the City of Detroit is planning to erect the largest incinerator in the United States without the latest technology to prevent the escape of material which will damage the air and be injurious to people's health which, it has been demonstrated in laboratory tests, will cause increases in cancer rates. We have to recognize that that kind of problem is as crucial and urgent and is as serious as the concerns which have been indicated here.

I am impressed with this report. There are interesting and innovative ideas being suggested at the international level. I want to make the point that we in Canada, to prove our seriousness, have to start dealing with some of these mundane, down to earth problems of water pollution, air pollution, sewage and garbage. When we start doing that with the urgency and with the support of our people, then I think we will be taking the first steps to a safe environmental future for this country and for the world.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I wish to speak to the motion moved by my colleague, the Hon. Member for Davenport (Mr. Caccia):

> That this House urge the Government to endorse, adopt and advocate, at home and abroad, the goals and recommendations of the Report of the World Commission on Environment and Development (Brundtland Report), entitled "Our Common Future";
>
> This Report, dealing with global concerns, challenges and endeavours, be adopted as the central policy of the federal Government, its agencies and commissions; and
>
> That the Minister of the Environment advocate the spirit and the substance of this Report at the coming General Assembly of the United Nations on behalf of Canadians and of the global community, thus continuing Canada's tradition of giving leadership on environmental matters.

Canada's leadership on the evolving world stage is becoming more and more important as we mature and become a respected nation in our second decade of development. Although perhaps not particularly relevant to the subject matter, I think in an ancillary way it is. I had the opportunity, it was a glorious one, to meet with Mr. Yehudi Menuhin today. In a conversation with him, he brought to my attention how important Canada has become on the world scene. He said that he found it particularly interesting that we, as Canadians, have developed culturally very distinctively. We have developed an artistic community with talents found almost nowhere else in the world where he has taught as a master. He equates that with the fact that we have in Canada a specific attitude, one of accepting the world as part of our responsibility, and that people who come here are welcomed and are encouraged to maintain their identity, their roots and to go back to their roots. He said, "It is not like teaching students from the Julliard School because they would not do what the students here do. Here they go back to their roots and the original interpretations. They have a sense of participation and belonging to past history which they bring with them and do not want to remove in any way. They want to maintain the links with the old and the new and they have pride in their heritage".

This brings me to the report which the World Commission on Environment and Development put together when it established this UN commission in December, 1983. This was strongly supported by Canada. We do have a very special role as a mature nation and as a partnership for the diverse beauty of this country as it is reflected by the people who are in it.

I would suggest that we listen very carefully to what has been written in this report by Dr. Brundtland, Norway's Prime Minister, and the 22 commissioners, two of whom are highly respected Canadians, namely, Maurice Strong and Jim MacNeill, who was the Secretary General for the commission. The report was released in London on April 27, 1987. This report is exciting because it is a positive one. It is not a doomsday report. It does not make you feel that the world is going to blow itself away, or that we are in inherent danger of disappearing as a race. This report lucidly advances the debate on the environment from a protection to a survival theme. It looks at the world in which we live to the global society and puts us all in this great big envelope. We do live together in an envelope. It might be trite to say that it is a global village, but, truly, Mr. Speaker, it is. What happens in other countries of the world impacts on us right here. There is no greater lesson than the Chernobyl affair which impacted on our reindeer herds, the caribou, milk and everything else. It is a reflection of something that happened seemingly so far away, and not too long ago it would have seemed very far away.

Looking at the prospects outlined in this report, it is important that the commissioners have placed the environment not in the context of just one public interest competing with others, but in the context of all our interests collectively, whether trade, health, the growth of our wheat or the development and concerns around acid rain. All of these economic activities and the fall-out from them impact upon our environment, which bring us to the very centre of economic activity and the pre-conditions that we have for the development of our world.

Each one of us has to live in our own community and one tends not to think of the larger world. We can ill afford that isolated view of society. We can ill afford to ignore our neighbours in this larger world.

The message is that we have to find a sustainable development process. I think all the forces of all the Ministries together here in Canada and around the world must put their heads and efforts together to ensure that our children and grandchildren and their children's children will have a world in which to live.

It is true that the document—for those who care to pick it up, and I would encourage people to do so—would seem to be very dry. It contains 348 pages, and I must admit that leafing through it I had to sort of push myself to find some of the areas of particular interest to me. It is, however, a vital and important document. It will be front and centre in the discussions to be held in the capitals and in the Parliaments around the world, no matter what the political bent of the Government in question. It will affect each and every one of us.

• (1610)

What is exciting about this report is that it is not a doomsday report. It offers new approaches and scenarios. It links the environment with what we do and how we live on a daily basis. It indicates that there are unsolved problems and that there are no immediate answers, but it does offer some directions and ideas. It took three years, a lot of effort and a great deal of money to compile this report, and it has come up with some very positive facts which we would all do well to examine quite carefully.

The answer is not simple. It is not: "Stop the world, I want to get off". The message is that there is room to grow in the world. We can make the economic ball roll. We like to call for jobs, jobs, jobs, but there are other ways of living without degrading the life around us. We do have the capacity to solve environmental problems.

I thought it was interesting that the report indicated that mass poverty could be overcome. I know that all of us have contributed to world hunger campaigns and have been sensitized through the mass media to the plight of starving people in the world.

The report tells us that there are absolutely no limits to our growth. The report actually links the problems of poverty in sub-Sahara Africa to the Chernobyl nuclear disaster and it links the deforestation of South America with acid rain in West Germany and here. It is fascinating that we think of each one of those as being separate entities. In reality, these crises are not separate. Environmental crises, developmental crises and energy crises are all one crisis that must be faced by each and every one of us. We must try to find a healthy and sustainable balance so we can live in this world. The fundamental question to be asked is how we are to find that sustainable balance.

We should listen to the report's call on world Governments, particularly those of the developed world, to think more broadly and deeply about environmental and developmental problems. It calls on us to think not just in terms of me, myself and I, not just in terms of instant gratification, and not just in terms of how I can climb the ladder, have more goods and services and be a bigger and fatter consumer. We must ask if we can live in society tomorrow. Will we be able to breathe, will society be here? This report says yes, if. That "if" is important.

The report suggests that we must use the intelligence that created the problems to resolve them. I think that is a modest enough aim and we should all try to devote our political will to making this world a place where we can live together.

I would like to deal with the interlocking crises. Until very recently, the world was a place where human activities and efforts were neatly compartmentalized by nations, by sectors such as energy, agriculture or trade, and by broad areas of concern, environmental, economic and social. All these concerns were related to cultural patterns that had evolved throughout the world and reflected common communal values which resulted from the choices and options taken by particular cultural entities. I suggest that most of these compartments have been dissolved and the world has become a global village. I suggest as well that in these various global crises, there are

common public concerns. We began to recognize that just a short time ago.

I would suggest, and I do not think I am going beyond reality, that much of this recognition has to do with the feminine revolution. Women have become sensitive to the world and their environment. More particularly, the communications systems that now exist link us to the world within seconds. Women have been the nurturers of society and have begun to raise environmental concerns, nuclear concerns and survival concerns. I would salute the women's movement for having sensitized the world to this issue.

In Nairobi, a meeting of women was held at the end of the decade. Groups of women came from all corners of the world, from all socio-economic levels, and from every political Party imaginable. Some of the things that were said I found abominable and some of the things they did I found abhorrent. However, one common line ran through the entire debate and that was the volition on the part of women around the world to live in a better environment, a safe environment in which to bring up their children. That line transcended all ideologies and every sector, no matter what colour, race, creed, language or religion.

This report contains some very substantive facts and figures. It talks about the fact that the planet is going through a period of dramatic growth and fundamental change. It indicates that our world, which is presently made up of five billion people, must make room in a finite environment for another huge mass of humanity. The population will potentially level out at eight billion to 14 billion sometime within the next century. That is an awful lot of people.

It goes on to talk about the fact that economic activity has multiplied to create a world economy of $13 trillion. I cannot even imagine how many zeros there are in that figure. I am trying to indicate that these facts have to be translated into individual lives and individual survival. If we are to have economic activity that creates $13 trillion in the world economy and could grow five-fold to ten-fold in the coming half century, then I think we must develop the kind of survival policies that will allow us to consider the total environment, whether we are pulling raw materials from our forests, our soils, our seas or our waterways.

People are the ultimate resource. Improvements in education, health and nutrition allow people to better use the resources they command and to stretch them even further. The concern for the population problem is underlined in this report, and if one reads it carefully, one sees that there is a sense of hope that there could be human equality if we would simply sit down long enough to develop common policies to live together.

One additional person in an industrial country consumes far more and places far more pressure on natural resources than one additional person in the Third World. Consumption patterns and preferences are as important as numbers of consumers in the conservation of our resources.

What about environment and development? Population growth and development are linked in very complex ways. In the past, the intensification of agriculture and the production of higher yields helped nations cope with increasing populations and pressures on available land. However, that is not the case today. Today there is over-production, yet there are starving people. There must be something wrong with our international policies. It seems to me that if we could find a way to balance our agricultural policies so that the starving people had food and we, overstuffed people, did not waste food, we could find a solution to some of the problems to which I have been referring.

• (1620)

We are facing rapid technological change. It is important that the commission has made some positive recommendations. It has recommended alternatives to allow us to continue to live with a decent life-style throughout the world. The commission talks about sustainable economic development and growth. It directs us on how to think and act in order to make life sustainable. We must look at new ways of living if we wish to survive as a species. As you and I know, our resources are not infinite. Whatever we do, we must think on the larger world scale as we all impact on each other in this world.

The population increases to which I referred earlier bring a series of additional concerns for social and economic development. This has created the problem of unmanageable cities which we must be seriously concerned with. A concern for population growth is part of the broader concern for the rapid rate of economic and social development in developing countries. We cannot afford to be selfish. We must think about education, growth, and development for all the world's children. As we think of our brothers and sisters around the world we must think of what will make life liveable for them. A balance must be established between population size and available resources.

We must find ways to make sustainable human progress a reality. This report has been able to do this. We need policies which will enable us to control our enormous population growth and enable people to have choices. We need improved public health and child nutrition. Family planning services must be further developed and integrated with other health programs such as mother and child care programs, preschool education, and education in general.

We need a commitment to rural development. We cannot empty the countryside, make vast parklands, and put everyone into huge cosmopolitan centres. We must develop policies which will allow people to grow and develop in their own areas. Canada has a good model which has partially worked within our regional development projects. Perhaps we can share with others and learn so that we do not depopulate the countryside, so that we find a better pattern of development for the entire world.

We must find a way to spread employment opportunities throughout the nations. Not every nation can be a producer

with no nation being consumers of the products of others. That will not work. We must determine how to control and develop our cities and encourage people to stay in their natural environment without feeling that they do not have an adequate chance in life.

I talked about the need to improve health. This is absolutely fundamental in the developing world. The problems are critical. The concerns for ill health are closely related to environmental conditions and developmental problems. There is inadequacy of water supply and sanitation, which are direct causes of widespread and debilitating diseases such as diarrhea and various worm infestations.

Clean water is not accessible to 1.7 billion people, and 1.2 billion do not have adequate sanitation. If we could solve that problem alone many diseases would be controlled and life would be more liveable for many people. Canada is doing very good work throughout the world with some of our programs. Other nations must do the same.

I know that my time is running out. I would like to urge strongly that through the United Nations we find some way to answer the questions raised. There is a sunset clause of December 31 in this report. The United Nations Secretariat must find a way to implement this document by then. We do not want it to gather dust. There is an urgency for everyone in the world. We should support the call of the United Nations Secretary General to constitute, under his chairmanship, a special United Nations board extending to all the nations of the world.

If we really believe that we have a common future we should consider the words of the poet, Bliss Carmen, who said that we are moulded by the conditions and surroundings in which we live, but we often forget that the environment is largely what we make it. I hope that we will be considerate and make it liveable for all.

Mrs. Browes: Mr. Speaker, I would like to commend the Member on her speech on this very important subject. I would like to commend her on her commitment and the sincerity of her comments.

The mover of the motion spoke about responses. I would just like to mention that the Canadian Council of Resource and Environment Ministers is meeting in Quebec City in September, 1987. It was suggested that this report should be put on the agenda of that meeting, and I would like to inform the Member and the House that it is indeed on the agenda. We look forward to having those Ministers discuss this report. That is only one of many responses which the Government has made to this report.

Mrs. Finestone: Mr. Speaker, I am very encouraged by that. I hope, however, that we will go beyond that. There are so many aspects to this complex problem that it will require co-operation among and concerted action by all Ministers and Ministries. We need support for the projects which CIDA has been financing as well as those on which the International Research and Development Foundation is doing superb work. There is work being done in Chile with regard to diseases affecting children. Wells are being dug to provide water.

In response to my friend and colleague I say that we should not stop there. That is a good step, but there is a giant step between that and the moon.

Mr. David Daubney (Ottawa West): Mr. Speaker, I am pleased to participate in this debate on the motion of the Hon. Member for Davenport (Mr. Caccia) with regard to the report of the World Commission on Environment and Development, the Brundtland report entitled, *Our Common Future*. I would like to congratulate the Member for raising this issue today. I recognize his genuine interest in environmental concerns. We on this side of the House sometimes tend to heckle him in a partisan way a little bit unfairly. While he may not have been as effective as the present Minister of the Environment (Mr. McMillan) when he held that important job, it was not due to any lack of sincerity or genuine interest in the issues on his part.

As a member of the Standing Committee on Research, Science and Technology I would like to add a few comments to those which have already been made this afternoon. Canadian technology can play a significant role in achieving the objectives set out in *Our Common Future*. I hope I will have time to talk a little about that toward the end of my speech.

• (1630)

The report on the World Commission on Environment and Development recommends that new mechanisms be established to ensure that, as a matter of routine, environmental consequences be considered when economic decisions are made.

The report was presented at the beginning of the second meeting of the National Task Force on Environment and Economy. This task force, in itself, is an innovative response to the Brundtland Report in that it brings together the federal, provincial, public and private sector to improve co-ordination of economic decision-making in Canada.

The Minister of the Environment, upon receipt of the report, pointed out: "As the thinking which went into the establishment of this task force illustrates, better integration of environmental considerations into economic planning and decision-making is and has been a priority direction set by this Government".

I am pleased and encouraged that the importance which the Government attaches to the integration of environmental and economic decision-making has been taken up as a major thrust of the Brundtland report. The report is both timely and appropriate, and fully in keeping with the priorities of the Government.

The report dramatically underscores the need to make the leap from focusing our environmental efforts on dealing after the fact with the adverse impact of economic development, to starting, instead, to concern ourselves more with economic

strategies and developments which are environmentally sound and sustainable in the first instance.

The fact is that the environment and the economy are not two distinct entities. They are not two solitudes. They are interrelated and indivisible. In fact, they are the two sides of the same coin.

The commission was composed of 22 eminent people, most of them politicians from around the world. The Prime Minister of Norway, Gro Brundtland, formerly her country's Environment Minister, headed the group. I want to emphasize again that the majority of these investigators were, like us, politicians. They were not theoreticians, academics, or ecological ideologues, but people experienced in identifying practical responses to actual problems. What their report makes clear is that our planet's survival is at stake and that only concerted international action undertaken now can save it. In effect, either the buck stops here or the world does.

That message confirms what scientists have been saying for some time now, that the human race is progressively eliminating, through environmental mismanagement, its own chances of a future. Pollution has become so widespread, so varied, and so pervasive that no corner of the earth is free from it. Nations are threatened, not just by their own sources of contamination, but also by those of their neighbours and by those of countries half a world away. Sulphur dioxide rises from smokestacks in northeastern United States and falls as acid rain here in eastern Ontario, killing our trees and lakes. Nuclear fall-out drifts westward from Chernobyl over northern Europe and the Arctic, polluting crops and livestock. The indiscriminate use of chlorofluorocarbons, CFCs, in the developed world is thinning the stratospheric layer of ozone that blankets the earth from the sun's ultraviolet rays. In the process, millions of people around the globe are being exposed to an increased risk of cancer. The problem is contributing to a greenhouse effect that may eventually reduce Canada's rich prairie grain belt to a desert and cause floods in Atlantic Canada.

Pollution respects no state boundaries or political divisions. It carries no national passport or corporate key. That fact is inescapable as well as dismaying. It also, however, points us toward the approach we must take in the face of such an enemy. In our present situation, it makes no sense to argue unduly about jurisdictions and responsibilities. We are all part of the human family, the global village. We must, therefore, co-operate willingly, energetically and immediately if we are to preserve our world.

It is not a question of saving developed nations at the expense of the Third World, or of cleaning up North America without regard to Europe or the USSR. We are all in this together; and, as that old saying goes, if we do not hang together, we shall all hang separately. Those are our options, plain and simple.

The Brundtland Report makes the point clearly that: "These are not separate crises, an environmental crisis, a development crisis, an energy crisis. They are all one".

Economies depend, for their survival, on the resource bases supplied by a healthy environment. The environment depends, for its survival, on economic decision-making that takes full account of impacts on resources. Any society that ignores that equation does so at its peril.

The implications of the link between the environment and the economy are far-reaching and complex.

Canada is, after all, perhaps the pre-eminent candidate to take the lead in helping meet the needs that arise around the globe from environmental requirements. The solutions we find to soil erosion on the Prairies, the equipment we develop to curb pollution, the methods we devise to preserve our fragile northern tundra or our West Coast rain forests, all can be crucial not only to our nation's future but to the future of the world as well.

Solutions that work for industries in Canada can be applied with the necessary modifications, and with equal success, to industries in Indonesia, Brazil or Zambia, and to industries in Germany's Rhur Valley, in Rotterdam or Yokohama. Our nation—the nation that developed the first geo-stationary communications satellite and the space arm, that built the *Bluenose* and spanned a continent with rail lines—can meet the environmental challenge.

We would urge that the report of the Brundtland Commission be taken up by all United Nations member countries, and that the recommendations be considered as well at the national level.

Needless to say, Canada, as a long-term supporter of the United Nations, expects to play an active role in the debate of this report in the United Nations this fall. I look forward to that debate and to Canada's leadership role in it.

In the few minutes remaining, I would like to read a very short excerpt from *Our Common Future*, the report we are discussing this afternoon, just to emphasize the urgency of the issues that this report raises. It states:

> The World Commission on Environment and Development first met in October 1984, and published its report 900 days later, in April 1987. Over those few days:
>
> The drought-triggered, environment-development crisis in Africa peaked, putting 35 million people at risk, killing perhaps a million.
>
> A leak from a pesticides factory in Bhopal, India, killed more than 2,000 people and blinded and injured over 200,000 more.
>
> Liquid gas tanks exploded in Mexico City, killing 1,000 and leaving thousands more homeless.
>
> The Chernobyl nuclear reactor explosion sent nuclear fall-out across Europe, increasing the risks of future human cancers.
>
> Agricultural chemicals, solvents, and mercury flowed into the Rhine River during a warehouse fire in Switzerland, killing millions of fish and threatening drinking water in the Federal Republic of Germany and the Netherlands.
>
> An estimated 60 million died of diarrhoeal diseases related to unsafe drinking water and malnutrition; most of the victims were children.

At the outset of my remarks, I mentioned that I believe that Canadian technology can play a role. I also described some of the high technology that we have developed in Canada that can be applied throughout the world.

We should not think only in terms of high-tech. We can do so much simply by funding small clean water projects in the Third World. I refer to the 60 million deaths in a period of less than three years from diarrhoea caused by unsafe drinking water. It seems to me that clean water is the key to economic and social development in Africa and Asia. The Government is doing a lot. In particular, I congratulate CIDA and the private sector non-governmental organizations in this country which are doing so much to try to provide clean water in Africa and Asia. I urge the Government however, to do much more. If we were just to concentrate on this one way of helping our fellow citizens in the rest of the world, it would go a long way towards achieving the objectives of this report.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I am pleased to rise this afternoon on the motion introduced in accordance with Standing Order 82(12) of the House of Commons and sponsored today by my colleague the Hon. Member for Davenport (Mr. Caccia). In my view, this is an extremely important motion which gives us as parliamentarians an opportunity to consider environmental problems, and more especially the Brundtland Report which has just been made public.

I am very proud to see that my colleague, the former Minister of the Environment in the Liberal Cabinet, has brought to the attention of the House this report drafted under the auspices of the United Nations. I am very proud of his initiative because it shows to what extent an individual can, after being a Cabinet Minister, continue to be deeply interested in this issue.

In a number of cases the Environment was a first department for several Ministers and a stage in their career. I have no hesitation in saying that, of all the Ministers of the Environment I have known since the department was established, my colleague from Davenport is propably the Minister who has shown the most interest, the most conviction in his work, and the greatest desire to promote the environmental cause. This is why I hope that in the near future he will be given the opportunity to become Minister of the Environment again so as to continue the work which he began with such dedication in his department and which, unfortunately, has not been followed up as closely since he left.

There is no doubt that the ongoing discussions with the Americans are not producing the results which he would hope to see. With respect to environmental matters the American authorities should indeed act much more responsibly and take positive measures to reduce the pollution we are getting from the United States instead of being satisfied with yet more studies.

I spoke recently to Quebec farmers who described how much sugar bushes are threatened by acid rain, how much an industry that is truly close to home, truly of Quebec, truly Canadian—the maple sugar and maple syrup industry—is seriously threatened by acid rain and the inaction of numerous corporations that pollute our environment. Whether they are Canadian or American, this is a major problem to be addressed.

There is no doubt that as we receive that report prepared by the United Nations, we must view it as a very important document. It is my conviction that the Brundtland Report is no doubt the single most important environmental document of the decade. What one finds encouraging when making a quick study of the main recommendations of this report is that here is a practical report, a report that is filled with concrete proposals. It is essential that those proposals be accepted and implemented by the most industrialized nations in the world.

The efforts to protect our environment must come first and foremost from the richer countries of this planet. Clearly, we cannot expect developing nations, the poorer nations to assume the responsibility for depolluting our environment, depolluting the world, if the richer nations, first the United States and second Canada and the other industrialized nations, do not do their share.

I hope that the Government of Canada will review this document very closely and will respond to it. At any rate, the resolution put forward by our colleague for Davenport is very clear in that regard. It not only suggests but urges the Government to act upont it. I quote:

• (1640)

[*English*]

should

—this House urge the Government to endorse, adopt and advocate, at home and abroad, the goals and recommendations of the Report of the World Commission on Environment and Development (Brundtland Report), "Our Common Future"; That this Report, dealing with global concerns, challenges and endeavours, be adopted as the central policy of the federal Government, its agencies and commissions;

[*Translation*]

And finally, it is clear the Minister of Environment (Mr. McMillan) should ensure that at the next United Nations General Assembly, the promotion of the spirit and substance of that United Nations report, on behalf of Canadians and the world community, be in line with the Canadian tradition of leadership in the area of environment.

It is therefore clear that we expect concrete steps, not merely fine speeches but concrete steps from the Canadian Government when it makes decisions concerning the protection of our environment.

I represent a constituency that is located in Montreal, an island in the middle of the St. Lawrence River, one of the most beautiful rivers in the world, but also one of the most polluted unfortunately. Efforts have to be made by the federal as well as provincial authorities and by the private sector not only to control that pollution, but also to take radical steps to clean up that pollution. I do hope that in a near future, in the Montreal area, it will be possible as it used to be possible some years ago, a few decades ago, to swim in the St. Lawrence River without taking any risks and to fully enjoy this magnificent river which is one of the most majestic in the world, to enjoy the beaches

and the waters of that river which we have unfortunately ignored too much.

In conclusion, may I suggest that it is essential that government authorities throughout the world think about these words of hope which were spoken by the chairwoman of that committee, Mrs. Brundtland, and I quote:

• (1650)

[*English*]

"Our report—is not a prediction of ever-increasing environmental decay, poverty and hardship in an ever-more polluted world among ever-decreasing resources—

"We see instead the possibility for a new era of economic growth—absolutely essential to relieve the great poverty that is deepening in much of the developing world."

The panel which she chaired and on which sat an important and well known Canadian, Mr. Maurice Strong, considered population growth, energy strategies, global warming because of atmospheric changes, man-made disasters and economic conditions that cause the destruction of tropical forests. "Poverty itself pollutes the environment," the panel said. It stated further:

"Those who are poor and hungry will often destroy their immediate environment in order to survive: they will cut down forests; their livestock will overgraze grasslands; they will overuse marginal land and in growing numbers they will crowd into congested cities.

In order to live in a better world it is absolutely important that the leaders of the world get together not only to fight pollution but, in the process of fighting pollution, to establish new programs for this era of economic growth in order to spread the growth among all the nations of the world. The rich nations of the world must help the poor nations of the world to tackle the problems with which they are confronted.

[*Translation*]

It is on this note that I wish to end my remarks, by saying that I welcome wholeheartedly the motion introduced by my colleague, the Hon. Member for Davenport (Mr. Caccia). Through his initiative, we have been given a deeper awareness of that important document published by the United Nations, and I hope the Conservative Government will not abdicate its responsibilities and will take quick action on this matter.

[*English*]

Mr. Prud'homme: Mr. Speaker, because I know the Hon. Member for Nepean—Carleton (Mr. Tupper) wishes to say a few words, I want to be a fine gentleman. I wish to be on record as saying that I would have liked to speak in this important debate but I know that the Hon. Member has been waiting patiently all afternoon in order to participate. Thus I will not make the comments I wanted to make since there will not be time.

I wish to thank my colleague, the Hon. Member for Davenport (Mr. Caccia), for having brought this important matter to our attention so soon after the publication of this very important report by an organization of the United Nations. I would have liked to speak at length about the United Nations and to consider the important matters at which it looks. I would have liked to point out how important the United Nations is in the role it plays as the conscience of the world. I also wanted to make comments on the eloquent speeches made by my colleagues this afternoon.

It has been an interesting day, and a totally non-partisan one. In saying that I am looking at the Parliamentary Secretary, the Hon. Member for Scarborough Centre (Mrs. Browes), and all the others who participated in the debate today. I would have liked to have participated, but such is life. We will finish the debate in a few minutes. I wish to allow my colleague, the Hon. Member for Nepean—Carleton, to have the floor.

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I am delighted to rise in the closing moments of this debate to offer some comments. Today has been a great opportunity for all Hon. Members to address the problem at hand, and I note the commonality of the objective. I feel that Members from all Parties have expressed their deep concern with respect to the quality of the environment and what we must do as Canadians to put it into perspective.

The opening chapters of the Brundtland report suggest that a first step toward addressing common environmental concerns is the recognition that most of the problems of ecology and economy that, until now, have been dealt with separately, are in fact very closely linked together and require integrated action on a global scale. Our Government is particularly encouraged that the report stresses the need for more co-ordination between economic and environmental development. The report reaffirms that we must make the leap from preoccupation with undoing environmental damage to planning and managing our affairs so that economic development efforts are environmentally sound and sustainable in the first place.

The National Task Force on the Economy and the Environment which was set up last year is an excellent example of how we can do this. An encouraging aspect to me is the recognition that we have the technology, the know-how, the ability to address the global problems with which we are confronted. The challenge with which we are confronted is: Do we have the will to do it? That is our collective challenge as parliamentarians.

The report shows that Canadian concerns about acid rain, soil and water degradation, toxic waste, the holes in our ozone layer and ozone depletion, and sustainable use of our natural resources are environmental and economic issues of the highest order both in Canada and world-wide. We are involved with this in Canada, as much as the rest of the world is involved, in the sense that our children and our grandchildren will be dramatically affected by it as much as anyone. I recall hearing just a few days ago how a change in our mean temperature of only two degrees could precipitate another ice-age. Just think how catastrophic that would be in terms of our ability to produce food and to continue to exist on earth.

At the moment in China alone the citizens of that country are burning annually more than one cubic mile of coal. Let us think about what that is doing to our atmosphere and the possibility of the climatic change it can precipitate. Around the world annually we produce about one cubic mile of solid garbage of which we have to dispose. The problems we face are enormous.

The Minister of the Environment (Mr. McMillan) will be discussing the report which we have been talking about today with his colleagues and with all parliamentarians. Following these discussions, and after hearing from non-governmental organizations and others, a formal and detailed governmental response to the recommendations of the commission will be announced. Thereafter Canada has every intention to participate in the debate which will take place at the General Assembly of the United Nations this fall. When that happens I am confident that all Canadians will be proud.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): It being five o'clock, it is my duty to inform the House that pursuant to Standing Order 82(12), the proceedings on the motion have expired.

[*Translation*]

The House stands adjourned until Tuesday, May 19, 1987 at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Tuesday, May 19, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-1876, 332-1977, 332-1978, 332-1990 to 332-2005 inclusive, 332-2007, 332-2010 to 332-2016 inclusive and 332-2142 to 332-2146 inclusive.

* * *

[*English*]

FINANCE AND ECONOMIC AFFAIRS

PRESENTATION OF SEVENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I am pleased to submit to the House today the seventh report of the Standing Committee on Finance and Economic Affairs in relation to the Economic Council of Canada. Last year the committee was critical of the Economic Council. The committee is very pleased with the work of Judith Maxwell, the new chairperson of the council, and is pleased to say that the council is doing first class work.

* * *

PETITIONS

RIGHT TO LIFE OF THE UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. John Oostrom (Willowdale): Mr. Speaker, pursuant to Standing Order 106 I have the pleasure and honour to present to this House a duly certified petition signed by over 1,300 high school students in Ontario from Toronto, Willowdale, Richmond Hill, Markham, Gormley, Thornhill, Agincourt, Islington, Scarborough, North York, Woodbridge, Unionville, Stouffville, Weston and Pickering who support Motion M-37. The petition calls upon Parliament to amend Section 7 of the Charter of Rights to read: "everyone including a human foetus or unborn human being has the right to life, liberty and security of the person, and the right not to be deprived thereof except in accordance with the principles of fundamental justice".

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Rod Murphy (Churchill): Mr. Speaker, although the House has passed the changes to the Patent Act I am still receiving petitions from Canadians who are concerned about what the Government is doing. These people believe that the government measures will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They call upon Parliament to reject these proposals. They also express their opinion that this is just another example of the Canadian Government making concessions to the United States in the free trade negotiations at the expense of average Canadians.

AMENDMENTS RESPECTING UNCORROBORATED EVIDENCE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a petition signed by a number of people asking for amendments to the Canada Evidence Act, the Young Offenders Act, and all corresponding sections of provincial and territorial Acts. I will not read the rest of the petition but will present it to you, Sir.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have a petition signed by a number of Canadian citizens calling for amendments to a number of Acts to enable children to provide uncorroborated testimony in all cases involving sexual offences.

* * *

[*Translation*]

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM ACT

MEASURE TO ENACT

Hon. Pierre H. Cadieux (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-59, an Act

to provide for payments in respect of exploration for or development of lands for the production of hydrocarbons in Canada other than coal.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall this Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, question No. 110 will be answered today.

[*Text*]

PERSONS COMMITTED TO PENAL INSTITUTIONS FOR LIFE

Question No. 110—**Mr. Howie:**

1. From January 1, 1986 to January 1, 1987, how many persons were committed to our penal institutions for life?

2. What constitutes a life sentence?

Hon. James Kelleher (Solicitor General of Canada): 1. From January 1, 1986 to January 1, 1987, 184 offenders were committed to penal institutions for life. The total breaks down as follows:

3 are serving a life sentence for capital murder

20 are serving a life sentence for non-capital murder

48 are serving a life sentence for first degree murder

97 are serving a life sentence for second degree murder

9 are serving a life sentence for manslaughter

3 are serving a life sentence for attempted murder

1 is serving a life sentence for trafficking in narcotics and conspiracy to import narcotics

1 is serving a life sentence for kidnapping

1 is serving a life sentence for armed robbery

1 is serving a life sentence for numerous counts of breaking and entering and kidnapping

2. A sentence for life means that the offender will be incarcerated for the duration of his/her life unless he/she is granted parole by the National Parole Board.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

• (1110)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—UI REFORM—FULL EMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East) moved:

That this House condemn the Government for its failure to initiate meaningful reform in the unemployment insurance system and for its failure to commit itself to a full employment policy that seriously addresses high regional unemployment, youth unemployment, part-time work and labour market adjustment.

He said: Mr. Speaker, the resolution before the House today deals with two important issues which are intimately related to each other. First, it deals with the important issue of unemployment and the need for full employment policies which should be our first and highest priority. It then deals with unemployment insurance policies which are essential for those who are put out of work, contrary to their will. I will deal first with the question of unemployment insurance.

On Friday, the Minister of Employment and Immigration (Mr. Bouchard) told the House that because the Government could not make up its mind it would do nothing with respect to the reform of the Unemployment Insurance Act.

In November, 1984, when the Minister of Finance (Mr. Wilson) made his famous financial statement, he said that unemployment insurance reform was one of the priorities of the Government. In his booklet entitled *A New Direction for Canada: An Agenda for Economic Renewal*, he set out some of the problems that were being experienced with unemployment insurance and also listed some questions that he wanted answered. At that time in November, 1984, he said this was an urgent matter. However, it took the Government until 1985 to set up the Forget Commission which consisted of five persons and eventually cost approximately $7 million.

The House should also note that just prior to the appointment of the Forget Commission there was also the Macdonald Royal Commission on Economic Prospects which studied the issue of unemployment insurance as well as the problems of unemployment, and the Newfoundland Royal Commission on Unemployment. In that period from 1985 to 1987, three Royal Commissions looked at this important subject.

The Forget Commission reported in December, 1986, with 53 recommendations. The recommendations which received the most attention, because they were the most controversial, were those relating to its annualization proposal and its proposals to cut extended regional benefits and fishermen's benefits. The annualization proposal was one for a new method of calculating unemployment insurance benefits and, according to which, there would have been serious cuts in benefits for people who were plagued with seasonal unemployment, part-time work, and the like.

While recommending this new annualization scheme which would have cut benefits, and recommending the removal of the extended regional benefits and fishermen's benefits, Mr. Forget also made a vague recommendation that new programs be set up for a guaranteed income and for regional development. However, he did not give any detail.

The recommendations in his report would have amounted to $3 billion in cuts in a $12 billion program. Those cuts would have had a particular impact on Atlantic Canada, the east and north of Quebec, the north of Ontario, and in the north of our western provinces, including most of British Columbia and Alberta.

Workers in Canada might have been willing to consider a package of proposals whereby there would have been cuts in the unemployment insurance system due to some inconsistency with the principles of unemployment insurance if Mr. Forget had also tabled a detailed plan for regional economic expansion and development and for a new guaranteed income program. Without such details, however, no worker in this country who has been chronically hit by unemployment will give up a good program, which they know, even if imperfect, for vague, pie-in-the-sky proposals related to guaranteed income and regional development.

On Friday the Minister could have recognized that deficiency in the Forget Commission recommendations, rather than copping out entirely on unemployment insurance reform.

When the standing committee studied the Forget Report, even members of the Forget Commission told us that they understood why Canadians would not be willing to accept their proposal on annualization and the cutting of regional benefits and fishermen's benefits without seeing the details of a replacement program. They said they understood that.

• (1120)

The Minister could have come to the House on Friday and, instead of saying there would be no reform whatsoever in this field, said those proposals of Mr. Forget or similar ones would be put on the back burner while the Government was preparing, as suggested by Mr. Forget, new programs for regional economic expansion and for income support. But the whole subject is forgotten altogether.

Immediately after the tabling of the Forget Report the Standing Committee on Labour, Employment and Immigration took notice of the report and undertook a study of the same issues. It looked at the recommendations made by Forget and at the alternatives which had been discussed in the country, and heard witnesses. As a member of the standing committee I thought that in a short period of time we did a good job in studying the principal issues. We came out with a report in March, just a few months ago, in which we made 90 recommendations for reform. There was unanimous agreement in the committee on 89 of the recommendations. In other words, the Conservative, New Democrat and Liberal Members of the committee agreed that we could and should move ahead with reform of the unemployment insurance system, and we agreed unanimously on 89 recommendations.

If we compare the 90 recommendations with the 53 recommendations in the Forget Report, we find there is a lot of common ground. It is true, as I mentioned a few moments ago, there was a lot of controversy with respect to the Forget recommendations relating to annualization, regional benefits and fishermen's benefits. However, there were other recommendations in respect of which there was less controversy because they were well accepted throughout the country. The standing committee took those recommendations and I think improved on them.

I might just mention some of those recommendations relating to serious deficiencies in the unemployment insurance system, and where there was agreement between Forget and the standing committee, and where the Minister could have taken action.

To begin with, with respect to the whole area of training, it has been a bit of a scandal that in the past an individual was not able to go on a training program he or she had chosen if receiving unemployment insurance, because the basic rules of unemployment insurance require that one must always be ready and available for work.

A few years ago, under the previous Liberal Government, certain amendments were made so that a person collecting unemployment insurance could take certain specified training programs, and we had a certain experience with that, but it was not good enough.

Both the Forget Commission and the standing committee recommended that a person receiving unemployment insurance should be able to participate in a wide range of training programs precisely because if we want this person to go back into the labour market fully employed, and he is an untrained person, the only way he is going to get full-time employment or reasonable employment is by becoming trained. Although, as I said, when putting together the unemployment insurance program we had established a principle that one must be ready and available for work, how silly it is to use that principle to prevent someone from getting training which would give him or her a meaningful chance at employment.

The standing committee made recommendations about that, as did Forget, but those recommendations have been set aside. Both Forget and the standing committee made recommendations to extend unemployment insurance into the area of part-

time work. This would have meant that those who are in part-time work would pay contributions in proportion to their incomes and receive benefits in proportion to their incomes.

As you probably know, Mr. Speaker, there are many individuals doing part-time work. About 71 per cent of them are women. They are working part time in order to supplement the incomes of their spouse. That additional income is very important in supporting the family. Some of these women are in part-time jobs for two, three and four years and their earnings become extremely important as part of the family income. If that person is laid off, the family is in serious difficulty. There is no reason why people in part-time work should not receive unemployment insurance. That was recognized by Forget and it was recognized by the standing committee.

Another situation about which there is a lot of concern in Canada is when overpayments are made to individuals under the Unemployment Insurance Act and, after the overpayment is discovered, a claim is made against that person to reimburse the amount of overpayment. We can understand a demand for return of overpayment if the overpayment was the fault of the claimant. However, in many cases the fault for the overpayment rests with officials in the Unemployment Insurance Commission. Sometimes there are horrendous situations where people who are still unemployed, or who have gone beyond unemployment and are on social welfare, are asked to pay back sums of money they cannot afford. It is true the Unemployment Insurance Commission will make arrangements with these people, but there is the whole principle of harassing these people for overpayments for which they were not responsible.

Just recently there was an article in *The Globe and Mail* reporting on a problem in Quebec which was raised by a Conservative Member. Eighteen women in a Gaspé village were being asked to repay up to $13,000 each for overpayments that were made to them, not because of their fault but because of the fault of officials. The Hon. Member from Gaspé went to bat for them but, unfortunately, the matter has not been resolved satisfactorily. In any case, the standing committee made recommendations to deal with this problem. It is again unfortunate that we could not make reforms in those areas.

With respect to maternity and parental benefits, again there was common ground between the standing committee and the Forget Commission in taking action in this area, particularly to eliminate the two-week waiting period in the case of maternity benefits. A birth is something which happens in the natural course of events. It is not planned deliberately in the sense that one cannot pick the date. There was agreement there but again there was no action taken.

Another problem which has lingered on for the last few years which requires reform arises in the situation where workers in a plant who are not on strike are locked out when another union in the same plant goes on strike. We all agree that if one deliberately goes on strike one has no right to unemployment insurance benefits. However, there must be clarification with respect to those workers who have been locked out due to a strike in which they are not involved, or they cannot cross picket lines. Again, the Forget Commission and the standing committee made recommendations to correct that situation.

Finally, the standing committee and the Forget Commission made recommendations to restructure the Unemployment Insurance Commission so that it would have better representation from both workers and employers; it would be more independent and efficient. Again, this is an area where the Minister could have acted and he did not.

While these issues are all critical to many thousands of Canadians, they are not controversial in the way in which the issues of annualization and severe cuts were. I might say that the standing committee in hearing evidence on these matters heard from trade unions and others that workers would be willing to pay increases in their contributions if they were able to get improved benefits.

As I stated earlier, these reforms could have been implemented pending a more profound reform of the unemployment insurance system coupled with a new income support system and a new regional development program. But, no, the Government has decided to do nothing. It abdicated its responsibility. It took the path of least resistance. And all this after a $7 million study conducted by Forget, not to mention the work carried out by the Macdonald Royal Commission, the Newfoundland Royal Commission and the Standing Committee on Labour, Employment and Immigration.

• (1130)

Unemployment insurance was introduced in 1940 after the tragedies of the 1930s, the Great Depression of 1929 and the massive unemployment that followed. Unemployment Insurance was a great Liberal accomplishment. But we Liberals have always agreed that reform is necessary. As a matter of fact, over the years Bills have been brought in to reform and update the Unemployment Insurance Act. We still favour fine-tuning and reforming of the Act.

Unemployment insurance is not only good for those workers who are unemployed but it is good for the country. It is good for business. If we look at the phenomenon that took place in the Great Depression of the 1930s when there was no unemployment insurance, we see that as men and women were laid off they lost their purchasing power. The phenomenon hit businesses in the community sooner or later. It hit the corner stores. Mortgages were foreclosed. People could not pay their rents. There was a snowball effect that took place which went well beyond the original numbers of people who were laid off. So unemployment insurance, to the extent that it maintains purchasing power when times are bad, is good for the whole community and also good for business.

There are those people in the country, and their names are listed as witnesses who appeared before the standing committee and the Forget Commission, who complained that we must

make massive cuts in the unemployment insurance system because there are so many cheaters. Forget himself found that cheaters on unemployment insurance amount to less than 3 per cent of the total claimants in a program which amounts to approximately $12 billion. As a matter of fact, there are fewer cheaters on unemployment insurance than there are in terms of income tax.

In his statement on Friday, the Minister of Employment and Immigration also said that his first priority would be to create employment so that people would not have to make claims on unemployment insurance. We all applaud that statement of principle. Unfortunately, the Minister did not go on to give any evidence of new programs or a new commitment to deal with the unemployment problem. It appears that this is just more of the politics of rhetoric.

Since 1984, budgets for employment creation and training have been cut by 30 per cent. Budgets in this area totalled $2.2 billion in 1984. They have now been reduced to $1.6 billion. There have also been cuts in budgets for regional economic development. This morning we read that the entire Department may be done away with. The Government is going to get out of regional development altogether.

It is true that the rate of unemployment has been brought down from about 12.5 per cent in 1983 to 9.3 per cent in the most recent months.

Mr. Charest: Hear, hear!

Mr. Allmand: The Minister applauds. Three years after the recession he is applauding a 9.3 per cent unemployment rate.

In 1981, the year before the recession, the rate of unemployment was 7.5 per cent. It jumped up to over 11 per cent in one year due to world-wide economic conditions. The fact is that during the period of time under Liberal Governments from 1965 to 1980 the average rate of unemployment was 5.6 per cent. We were a Government that cared about the unemployed.

Some Hon. Members: Hear, hear!

Mr. Allmand: Here we are three years out of the recession and the rate of unemployment is still 9.3 per cent as a result of the Government's reliance on a *laissez-faire* approach to unemployment. The Government still takes great joy in the fact that we have a rate of unemployment of 9.3 per cent.

Members of the Government repeat over and over again the number of jobs that have been created. But in a report which came out in February of this year we were told that more than 95 per cent of the new jobs created last year were created in one province, that is, in the Province of Ontario. Some 95 per cent of the new jobs created last year were created in Ontario, and most of them were created in southern Ontario. It must be pointed out to the Government that in Ontario we have a Liberal Government which is at least trying to do something about the situation.

More than 40 per cent of the 11.6 million jobs in Canada are located in the economic heartland of Canada where 36 per cent of the total population lives. This morning there was a report from the Conference Board of Canada which states that while there may be improvement again next year in Ontario and Quebec, the unemployment rate will climb in all the other provinces.

If we take Ontario out of the picture—and Ontario is an important place and we are all pleased to see things going so well in southern Ontario—we note that Ontario is not Canada. If we rely simply on a market economy approach, a *laissez-faire* approach, we will end up with a situation in which one part of the country does enormously well while the other part does poorly. That is not acceptable in Canada. It has never been acceptable in Canada.

Despite the challenges, governments of the country, and I might say former Conservative Governments, have tried to do something about regional economic problems, but the present Government has abdicated its role in this area. It seems that it will abdicate it still more.

In addition to the unfair distribution of job creation and the unfair distribution of economic growth we also have a great increase in part-time jobs in terms of recovery in employment. People who were working formerly in highly paid industrial jobs have been cut out of those jobs and are now going back into the job market in lower paying service jobs. Part-time work in Canada increased 73 per cent from 1976 to 1986 while full-time work has increased by only 17 per cent. In 1976, only 11 per cent of those in part-time work did not want to work part-time. Today, 30 per cent are dissatisfied with employment in part-time work.

As I mentioned earlier, 75 per cent of those in part-time work are women. Their wage gap started to widen this year for the first time in 18 years. It is all part of the same picture, this increase in part-time work, more women into part-time work, and their wage gap beginning to widen.

Again, the Government speaks about its wish to do something about high unemployment and problems in the employment field, but it puts forward no new programs. The response of the Government to all of these problems—the high rates of regional unemployment, the high rates of part-time work, the growing gap between the rich and the poor and the growing gap between the wages of men and women—is rhetoric and political flimflam.

The Government has said over and over again that things are better than they were in 1983. That is no great accomplishment. The Government would have something to brag about if it could bring the rate of unemployment down to what it was in pre-recession times, to at least 7.5 per cent or the average of 5.6 per cent that it was in the 1960s and 1970s.

The reason we are left with this situation is that the Government has an extremely *laissez-faire* approach to it. Liberal Governments have always believed in the free enterprise system, but we also believe that there is a strong role to

be played by Government. Where there are problems in the regions and where there are problems with key groups of unemployed we should do something about them. The greatest levels of prosperity in this country have come when we have had the proper mix of public and private expenditure with respect to employment. When the two have worked together, that is when we have had prosperity. We are not having prosperity now, except perhaps in the greater Toronto region.

• (1140)

According to a Gallup poll taken in February of this year, only a couple of months ago, 41 per cent of Canadians consider unemployment to be the greatest problem in this country. Canadians want action. They know that things can be done to improve the unemployment situation.

Twice since World War II, Liberal governments made a commitment to full employment, and twice it was achieved. After World War II, the governments of Mackenzie King and St. Laurent, following the first White Paper on Full Employment, made a commitment to full employment, and for seven years we had average unemployment in this country of 3 per cent. After returning to power in 1963, the Pearson Government, following the establishment of the Canada Economic Council, again made a commitment to full employment, and we averaged around 3.7 per cent unemployment for four years. That is what can be done, Mr. Speaker, when a commitment to full employment is made; when decreasing the unemployment level becomes the highest priority.

Many things can be done in dealing with this situation, if the Government has the political will. One is to increase the commitment to regional economic development and not to cut it back. Another is to stimulate the slow-growth areas of the country. Another is to maintain or increase purchasing power during periods of economic slow-down and not cut it back, and another is to provide the essential economic infrastructure that is required in this country in order for private business to do its job properly.

The proper economic infrastructure, coupled with a serious commitment to education, training, retraining, upgrading, and research and development, can do a lot to maintain and attract employment.

In conclusion, let me say this. The Government on Friday abdicated its responsibility with respect to the reform of the unemployment insurance system. It said nothing. It just copped out completely on the subject. Some non-controversial measures could have been implemented measures that would have been helpful to many thousands of Canadians, but those measures were not taken. The Government made some brave statements with respect to dealing with the unemployed, but it announced no new programs, in fact it is cutting back while it is talking big.

[*Translation*]

Once again, Mr. Speaker, the Government has abandoned the Canadian people. Last Friday, the Minister decided to make no changes in the unemployment insurance system but promised some major programs or measures for the unemployed in this country. Unfortunately, nothing was put on the table, not a single program, and this at a time when we have had 30 per cent cuts in job creation and training programs.

An Hon. Member: Shame!

[*English*]

Mr. Allmand: The resolution before the House, Mr. Speaker, asks this House to condemn the Government for its lack of action. But better still, I would be willing to applaud the Minister were he to stand up in his place once I have finished my remarks and say that, despite what he said on Friday last, he does have in mind certain reforms for the unemployment insurance program, that he does have in mind some new programs to help the unemployed in this country—the unemployed in the Atlantic part of the country, the unemployed in Alberta, the unemployed in British Columbia, the unemployed in eastern Quebec and northern Ontario.

If he does that, Mr. Speaker, I would be pleased to withdraw my motion and applaud the Minister.

Some Hon. Members: Hear, hear!

Mr. Speaker: Questions or comments. The Hon. Member for Spadina (Mr. Heap).

Mr. Heap: Mr. Speaker, I wish to commend the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) for his motion, and also for his speech, a speech in which he covered a great many important subjects.

Without encroaching on his own time, I should like to put two questions to him. He referred to part-time work. I would ask him to expand on that, in terms of the conditions that lead to people being compelled to accept part-time work.

As well, I would ask him to expand on the conditions accounting for the high level of youth unemployment and what remedies he feels can be applied to youth unemployment.

Mr. Allmand: I thank the Hon. Member for his questions. With respect to part-time work, a sinister phenomenon has been taking place in Canada over the last number of years in that certain large firms are deliberately laying off their full-time staff and hiring back greater numbers of part-time workers. By doing that, these firms cut the cost of both their benefits package and the wage package. Those working fewer than 15 hours per week are not eligible for unemployment insurance, and are very often not eligible for training programs or pension programs. Often, they draw the minimum wage and are not subject to unionization. In any event, it is a more difficult matter to unionize part-time workers.

Having seen that phenomenon and its effects, the previous Government appointed the Wallace Royal Commission. That commission recommended that benefits be paid *pro rata* to part-time workers, thereby discouraging the movement by some firms from a full-time work-force to a part-time work-

force. Under the recommendations of the Wallace Commission, the firm would still have to pay the benefits on a *pro rata* basis.

While it suits the purposes of some to work part time, that is certainly not true of all. A good many people are forced to take part-time work simply because there is no full-time work available. The average part-time work week amounts to 14.5 hours, which is just under the 15 hours required to qualify for unemployment insurance eligibility.

Let me now turn to the youth unemployment problem. The major difficulty is that our young people do not have experience. Those seeking employment after high school, or even after acquiring a general arts degree or general sciences degree from university, are told by prospective employers that they do not have the experience required. The reaction of prospective employers is, I do need somebody, but I need somebody with experience.

Over and over again what we have been told by the commissions and experts is that what is needed in this country are better bridging programs, programs which will assist young people in bridging the shift from the school place to the workplace, programs which would combine training and education. It is for that reason that co-operative education programs are becoming more popular; it is for that reason that new apprenticeship programs are being promoted.

The Liberal Party, during the last election campaign, put forward the First Chance Program, a program that would have spent $1 billion putting 100,000 young people into a bridging program, thus providing them with work experience.

This Government does have some youth employment programs in place, and some bridging programs. They are not bad programs, but they deserve a bigger commitment of resources and money. They cover too few people. They are not that bad in themselves, but they do require a much greater commitment, a much greater show of political will on this Government's part.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps), on a question or comment.

Ms. Copps: Mr. Speaker, I would ask the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) to provide us with an update on the status of the almost 50,000 retired workers who are awaiting the reinstatement of benefits, benefits that were denied them as a result of the negative practices of this Government.

Mr. Allmand: Mr. Speaker, that is another area where there was common ground between the Forget Commission and the standing committee report. Forget recommended that those measures to cut unemployment insurance for those on pre-retirement pension be completely rescinded. But the Government did not do that. After a lot of starts and stops, finally the Government produced Bill C-50, which would rescind the cuts for those who applied for unemployment insurance benefits before January 5, 1986, but not for those who applied after January 5, 1986. The Bill suggests a system which is grossly unfair. The Minister wants us to accept a Bill, one part of which is good and one part of which is terrible. We are not ready to do that quickly.

Despite that, the Minister has not once called the Bill for debate since its tabling in the House. I hear that in certain parts of the country he is blaming the delay on the Liberal and NDP opposition. His House Leader has not once gone to the House Leader of the Liberal Party and asked that the Bill be given time for debate. The burden lies with the Government. If it wants to debate the Bill because it thinks it is so important, let the Government bring it forward for debate. Then we will table some amendments and see what happens.

• (1150)

However, the Government abdicated its responsibility again. It did not follow the recommendation of the Forget Commission or of the standing committee.

Ms. Copps: Mr. Speaker, the Hon. Member for Notre-Dame-de-Grâce—Lachine East made some comments in respect of the number of cheaters on the unemployment insurance system. He noted that the percentage of cheaters on UI is smaller than what it is for income tax. Could he explain why the Minister, in announcing his response to the Forget Commission last week, said that he would step up activities to weed out those who would abuse the system? Is he hiding behind a red herring?

Mr. Allmand: Mr. Speaker, as with the legislation on refugees presented by his colleague, the Minister is catering to what I would call a reactionary element in the country. Unfortunately some people think that those who cheat on unemployment insurance amount to an enormous, massive percentage. However, each time a study has been conducted it has been shown that the percentage of cheaters is relatively small.

The Forget Commission found that just less than 3 per cent of claimants cheated on their unemployment insurance. We cannot approve of that. We must do everything possible to ensure that the money is used for those people who are truly unemployed. On the other hand, some of those people who are recommending harsh crack-downs are not recommending the same harsh crack-downs for those people who cheat on income tax. They have a double standard.

While I think it is appropriate that we try to weed out those who cheat on any program, it must be fair minded and applied on both sides. We cannot just do it against the unemployed yet do nothing about those who are cheating in other areas of government programs.

Ms. Copps: Mr. Speaker, I wonder whether the Hon. Member could elaborate on the pretty startling figures which he gave to the House. They show a 30 per cent cut-back in the amount of funds available for job development within the federal Government. Could he give any possible explanation of

why the Government would cut back this fund by 30 per cent at a time when the unemployment rate is still unacceptably high?

Mr. Allmand: Mr. Speaker, as I said, the Conservative Government started cutting back on employment and training programs just after it took office in 1984. Since that time it has cut back those programs from $2.2 billion to $1.6 billion.

The Government did this because, according to its philosophy, things will get done if we leave it to the market economy. In other words it is a real Conservative Party over there; its members believe that the market economy will take care of everything. As I pointed out, in a country like Canada it will not take care of everything. We are a broad, vast country with 25 million people spread all over. If we leave everything to the market-place, we will have situations just like the ones I described where 85 per cent of the new jobs go to the greater Toronto region and growing unemployment takes place in the Atlantic region and in other remote regions of the country.

One must recall that Canada has regions which are based upon one or two industries, either lumber, fisheries, agriculture, or tourism. They are subject to severe seasonal fluctuations in employment.

Since the Second World War, Governments of all stripes in Canada have taken the position that Government must intervene to redress imbalances. That is why the Department of Regional Economic Expansion and the Department of Manpower and Immigration were set up under Prime Minister Trudeau. We believe that if we left things to work themselves out they would not be worked out. We believe in a free enterprise system, but we believe that there are times when the Government must intervene to correct imbalances and to help those who need help the most.

Ms. Copps: Mr. Speaker, could the Hon. Member also elaborate on the Government's decision to ignore the suggestion agreed upon by all Parties, that in fact maternity benefits *per se* are sexist benefits and that there should be available parental leave to allow couples to make the choice, given that there will be a certain period of leave granted to a woman because of the physical condition of pregnancy? Why has the Government chosen to ignore the very progressive notion of parental leave, which was agreed upon by all three Parties?

Mr. Allmand: Mr. Speaker, it is sometimes difficult for me to understand this Government. The Forget Commission was described as a rather conservative commission. In recommendation No. 11.1 it suggested that a two-tier system of maternity and parental benefits should be implemented immediately, comprised of maternity benefits available during the period surrounding childbirth and parental benefits available during the period following maternity leave or placement of an adoptive child. The standing committee also made that unanimous recommendation with some improvements. However, the Government did nothing.

In answer to the Hon. Member's question, I can only surmise, because the Minister himself is a very humane person, that he would like to do better but he is in a caucus which is severely divided.

Mr. Bouchard: Oh, oh!

Mr. Allmand: The chairman of the finance committee sent letters to the chairman of the Standing Committee on Labour, Employment and Immigration, criticizing his recommendations and so on. Despite the good intentions of the Minister, he is not able to act because he is in a caucus which is severely divided.

I put that on the record because he takes great joy in referring to divisions in other political Parties. He has them over there as well.

Mr. Nystrom: Mr. Speaker, I agree with the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) that the Minister comes from a severely divided caucus. I wonder whether he makes that assessment because he is a Liberal and Liberals are experts on internal division.

Mr. Allmand: Mr. Speaker, the Hon. Member should be familiar with that as well, because he is in the same caucus as the Hon. Member for Burnaby (Mr. Robinson), the justice critic who has on several occasions over the last few years divided with his Party. I guess it is something common to all political Parties.

What I do not like is when any one of these other political Parties pretends that it is without divisions. They have divisions as well. The reason for its "no policy" announced on Friday was the serious divisions in its caucus, and its members cannot say otherwise.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) on the last question.

Ms. Copps: Mr. Speaker, I wonder whether the Hon. Member has any comment on the local advisory councils which were established by the Government, in a different way, in an alleged effort to have local input? Could the Hon. Member comment upon how effectively they have been functioning and whether their recommendations have been accepted or ignored by the Government?

Mr. Allmand: Mr. Speaker, once again the idea of these local advisory councils was perhaps a good one. However, their implementation has been much less than perfect. As a matter of fact, the Province of Quebec does not have any local advisory councils. They are hit or miss operations throughout the country. Even where they are present, they have not been too effective in making changes or giving advice to the Government that the Government can agree to. It would seem that that part of the Canadian Jobs Strategy is more rhetoric than reality.

Mr. Speaker: I see the Hon. Member for Hamilton East. I think the time has expired for questions and comments, and I think it is the responsibility of the Chair to move on to the next speaker on debate.

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have the chance today to speak for the New Democratic Party in this debate on the Government's policies on unemployment insurance and full employment.

However, first I wish to let an unemployed worker from Spadina speak to the same question. In a letter I received just recently he says in part:

> The reason for this letter is simple. I am twenty-four years old and unemployed. I have a good education, I am willing to do most types of work, I am in good health, and I live in Toronto which has a relatively low rate of unemployment. Yet I simply cannot find a job.
>
> I wonder if the Conservative party members really know what it is like to have no future to look forward to? I question whether the Prime Minister really cares about the thousands of people like myself. I sometimes feel that the country as a whole does not really care about the country's youth, after all we are only its future.

• (1200)

Farther down he says he feels that politicians must be made aware that there are thousands of people in Canada who are young, eager, and obsolete. He is far from the only one who experiences that although he says it with perhaps more eloquence than some people are able to muster in a letter.

I commend the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) for moving this motion against the background of government failure. It demands reform of the unemployment insurance system, the meeting of direct needs, including reform of unemployment insurance, social legislation, upgrading of transportation and urban infrastructure. He also refers to youth unemployment and part-time workers.

I wish to respond to three main points. First, something on which the Hon. Member has spent a great deal of time not only in his speech but in previous years as chairman of that committee, reform of the unemployment insurance system. Second, I wish to deal with the meeting of direct needs of the people, including social legislation, upgrading of transportation and urban infrastructure, and democratization of defence. Third, local control, so far as possible of production of agriculture and manufacturing products, especially for the domestic market.

On the first point, the basic principle of full employment, we must begin by declaring that full employment is not only desirable, it is essential to our people's health and happiness, as well as being economically possible and socially workable. Today we have many voices, some academic, some popular writers, and some politicians telling us that full employment is a dream, a thing of the past. They say modern technology and population growth doom us to a larger and larger share of unemployment for the work-force or, as a last resort, a fawning on the rich for personal service jobs. I say that is nonsense. In this, one of the world's richest lands, the population has doubled since I was a youth and we are stronger and wealthier than we were then. Many here can recall, as I can, how in 1945 we returned from the Armed Forces bitterly remembering the misery and unemployment of the Dirty Thirties. We demanded full employment above all and we got it. For five years at least unemployment did not rise above 3 per cent. I firmly believe that what we did in the late 1940s we can do in the late 1980s.

However, there is one big difference. In 1945 North America had a near monopoly with the only industrial economy not wrecked by war, including the basis of industrialized agriculture. We seized the chance to dominate world markets for the export of manufactured and agricultural products and so, along with the U.S., we enjoyed three decades of easy growth. However, that is no more. Europe, the U.S.S.R. and Japan have renewed their industry and industrialized their agriculture. Brazil, India, China and other countries are rapidly industrializing. We are no longer like a man selling water in the desert. We can no longer expand our exports limitlessly. We must now rely more on our domestic market. That means we must not only ask the Canadian people what goods and services they need but also how Canadians are prepared to change our working relations and expectations and attitudes in production; how we will work together to produce these things so as to provide a market for goods and services we produce. That is the first point, the general principle of full employment, which is possible and necessary.

Second, as a foundation, we must recommit our country's resources to meeting the direct needs of the Canadian people individually and socially. The first example, of course, which we have just been considering is the unemployment insurance system which needs to be reformed. Reforms have been unanimously recommended by an all-Party committee of Parliament, predominantly a Conservative committee. They propose to include 50 weeks of benefits for 10 weeks of eligibility, coverage for part-time and short-time workers, pensions and vacations and severance pay not to be treated as earned income so as to reduce unemployment insurance benefits, maternity benefits available consecutively with regular benefits up to 50 weeks, unemployment insurance benefits funded out of general revenue available for training, to start a business, to move to another region, to share in community controlled job creation projects, and have fishermen's benefits continue.

They also propose that the Unemployment Insurance Commission be an autonomous organization accountable to Parliament through the Minister and to the proprietors of that program, that is the workers and employers who pay for it. Furthermore, in addition to reforming unemployment insurance we need much more vigorous job creation programs; not cut-backs but expansion. Disadvantaged groups such as women returning to the workforce, native people on or off the reserve and youth entering the work-force must be better funded than the token programs being offered now.

Third, one of the serious causes of our present high rate of unemployment is the cut-backs and freezes in public employment. For doctrinaire capitalist reasons the Government and most provincial Governments are withholding work opportunities in the provision of social housing, education, especially post-secondary education, in preventive and environmental health, in child care which the Government has put off and put off and put off and does not want to discuss seriously, and in culture and recreation which has been grossly underfunded compared to most other countries. This policy must be reversed and employment in these services must be increased. These services are in fact essential to a modern industrial and commercial country. Without them our society cannot survive let alone produce efficiently.

If you want to see what happens to a country that follows the road of cut-back and freeze you can find a gruesome example in Chile. Pinochet, using the Chicago Boys' philosophy, has brought about an absolute reduction in the number of children in elementary school although the population is one-sixth larger. There is nearly 50 per cent malnutrition among children under six. There has been a doubling of the rate of some infectious diseases, and massive poverty in what was once a prosperous democracy. The only industry thriving there is the military, people who are needed to repress the poor, the workers and the students.

That brings me to the question of Canada's national defence establishment and arms industry. The Government, by trying to follow President Reagan, is in danger of locking Canada into a defence and defence industry policy that would give us the least security and the least sovereignty at the greatest expense. Worship of high-tech schemes like immense radar systems, nuclear submarines, and star wars, lock us into the American war program, and the continued production in Canada of nuclear fuel with the excuse of nuclear power is wasting billions of tax dollars of which the Oerlikon scandal is only a very small part. As defence these programs are questionable and dangerous since they heat up the arms race and make World World III, an unwinnable war, more likely than ever before. As job creation projects they are a sick joke because dollar for dollar they give us less jobs than any other industry, public or private. By spreading the dictatorial role of the military and the rule of secrecy over more and more of the economy, they are undermining our democracy. By starving public projects of funding, they are impoverishing our people and even our industries. Subsidized arms production for export only compounds the problem.

• (1210)

We need those tax dollars for much better programs. There are many urgently needed public projects that private enterprise, the darling of the Government, will not or cannot do. It is well known that our cities are falling into disrepair. Roads, bridges, sewers, waterworks and other basic necessities are wearing out. The federal Government, which helped to build them in the first place through direct grants and generous tax breaks for real estate development, now looks the other way and tells the municipalities and provinces that they are on their own.

How extremely shortsighted. If this Government would add $1 billion per year to the $2 billion proposed by the cities and the provinces, nearly all of it would come back to the federal Government in unemployment insurance benefit savings and in new tax dollars. Our cities would be more efficient and this would generate a more efficient economy. Above all, 60,000 more self-respecting Canadians would be working at useful jobs for decent wages. Yet the Minister of Finance (Mr. Wilson) is so obsessed with his paper deficit that he would rather see those 60,000 Canadians unemployed.

In addition, Canada's transportation industries need to be renovated. The railways are worn out. The bus system needs to be expanded. Our air system which is in better shape needs the continuing security of a proper system of regulation, with public ownership, especially of airports. However, besides supplying the essential services and the infrastructure that private enterprise cannot supply satisfactorily, we need to democratize the production of primary and secondary products.

In *The Financial Post* of June, there appeared an article by Peter Cook entitled: "If We're So Smart, Where are the Jobs?" His subtitle note is as follows:

> Countries as diverse as Japan and Sweden have kept unemployment below 4 per cent. Ours is three times higher. What do they know that we don't?

He points out that in spite of 4 per cent growth for four and maybe five years, Canada still has an official national unemployment rate of 9.5 per cent, a combination he calls unprecedented. On the other hand, in Japan where many companies have a commitment to life-time employment, he finds that a laid-off assembly line worker can be switched into the marketing department, sent to a dealership to help reduce inventory or be given a repair job in the plant. Job security like that reduces unnecessary labour market conflict and assists efficient production.

In his other example, Sweden, Cook notes that after 49 years of Social Democratic rule during the last 55 years and a public sector that by 1982 absorbed 67 per cent of Gross Domestic Product, "Growth has averaged 3 per cent to 4 per cent, inflation is down at 3 per cent, the balance of payments is solidly in surplus and unemployment is a mere 2.7 per cent". He finds that while the Swedish Social Democrat Government has refused to prop up lame-duck industries, it has intervened chiefly in the labour market, "to facilitate the transfer of workers from old to new industries and, through high taxes, ensure as much labour mobility as possible". He also says that differences in wage levels in Sweden are small and that if they get large, they get taxed away. As a result of this egalitarianism, Cook says the workers can move to new jobs without facing, as they would in Canada, large differences in living costs and they are helped with retraining and moving costs.

Peter Cook provides a warning which I hope this Government will take to heart. He said:

When Sweden got into trouble, it was because, under a conservative coalition, it departed from its socialist model. In the late 1970s, the government decided to prop up ailing shipyards and steel works and to spend massively on subsidized industry—

As we all know, the Social Democrats are back in the driver's seat in Sweden and Cook reports contentedly that they have been retrenching and getting back to basics since. He says that the most flexible labour market among 18 industrial countries is that of Sweden.

In the time I have left, I hope to offer two different parts of Canada as examples of attempting to apply the principles of fair treatment of workers and wages, training, job security and local democratic control.

In Newfoundland, the unemployment rate is as high as 20.4 per cent, the highest, I believe, of any Canadian province. Newfoundland has been richly endowed with fisheries, game, forests, minerals and hydro potential. Unfortunately for the people of Newfoundland, others took control.

In centuries past, the cod fishery in Newfoundland generated its own surplus capital, but as much as two-thirds of that capital was taken away to England. It was not available to build up the economic, social and educational foundations needed by the Newfoundland people.

Likewise, splendid forests were cut down to build large wooden ships, most of which became the property of merchants in England. In second-growth forests, the pulp and paper industry drained off to Britain and the United States the capital resources created by Newfoundland labour, capital resources that ought to have been used to build up a modern Newfoundland.

Mines like the huge iron deposit at Belle Isle and the hydro such as that at Churchill Falls also enriched a few people, mainly in Montreal, New York and perhaps Toronto. This was done at the cost of starving Newfoundland's economic development. No wonder Newfoundland serves employers in central Canada and elsewhere by providing a handy reservoir of the reserve army of labour, the unemployed.

The present Government of Newfoundland is considering a path of job creation that does not rely chiefly on grandiose multimillion-dollar projects of ripping out natural resources and shipping them away as fast as possible along with the future means of living of Newfoundland's children. The Government proposes to concentrate on smaller local projects, viable agriculture for local markets with the help of modern technology and provision of repair, construction and even light industry such as would be proportionate to local financial means and local markets.

The other area to which I would like to refer is Spadina. A local advisory council on employment has been established in Spadina. Many observers find that Canada is becoming deindustrialized and that the bank towers and the fast-food outlets in Spadina cannot take up all the slack in unemployment. Therefore, we in Spadina have focused on the garment or fashion industry, on the very substantial hospitality industry and on the busy arts and drama industry.

I give credit to the present Government for having half of a good idea. It has promoted the formation of local advisory councils on unemployment. It was a good hunch to urge local workers' organizations, business organizations, social, cultural and ethnic groups and even politicians to meet together regularly in order to identify local employment needs and to devise workable solutions. Unfortunately, the Government failed to provide either the staff to give continuity to the work of volunteers in searching out necessary labour market information, or the adequate attention of the Minister himself. Vital information about cuts in federal training course allocations was withheld from the local advisory council for nine months. The Minister failed to answer serious questions.

Last May, on the motion of the local advisory council, I wrote the Minister asking that the designation of skills shortages be restored to the title "power sewing operator". Sewing machine operators are vital to the garment industry and that skill is taught at George Brown College which is located in Spadina. Ninety per cent of the graduates of that course had been employed in that trade immediately after graduation, yet the number of places in the course was cut although employers were being held back in production for lack of as many as 200 trained sewing machine operators.

• (1220)

The Minister wrote back in July saying that the course was reduced for lack of applicants. However, his letter pointedly ignored our specific question about the skills designation category. The problem was that potential applicants who did not fit into other programs would have fit under the skills shortage designation but were prevented from doing that. Having prevented them from entering the course, the Government could say it was cutting back on the number of seats in the course for lack of applicants.

The picture of the Minister's ignorance and neglect is much worse than that. In April of this year, after receiving the long-delayed information about the skills shortage designation list, I wrote to the Minister pointing out that he had totally wiped out seven of the eight courses needed for training workers in the fashion industry. He had also wiped out six of the eight courses needed in the hospitality industry, including cooks, in an area with an extremely high concentration of hotels and good restaurants.

Finally, he had wiped out 22 of the 23 courses in the arts, drama and culture industries leaving only "opera singer". In other words, a garment worker or hospitality worker who wants to find a job had better become an opera singer. I am awaiting the Minister's reply without much hope of hearing informed common sense.

I have offered a few thoughts on a practical approach to job creation. The main principle is that we must trust the people of whom the majority are workers. Let them take part in the

planning and decision-making. Assure them of a fair reward and job security and our economic ills can be overcome. We can have a healthy economy and a just society in which people can walk the streets without fearing either unemployment or increased crime as a result of poverty. It can be done. It has been done in other countries. We have done it in Canada before. I hope the Minister will change his policy and begin to follow a well-proven path.

Mr. Allmand: Mr. Speaker, in my remarks I referred to the report of the Conference Board that came out over the weekend. It says that Alberta will remain mired in recession this year while economic growth in Ontario, and to a lesser extent Quebec, will outpace growth in the other provinces. The report also says that only three provinces, Ontario, Manitoba and Saskatchewan, would have unemployment rates of less than 10 per cent this year and next. I also mentioned another report which says that of the 137,000 new jobs created in 1986, all but 5,000 were created in Ontario.

In view of those figures, Mr. Speaker, I was surprised when the Hon. Member, at the beginning of his remarks, read a letter from a young person in Toronto saying that despite good times generally in Toronto things were pretty tough on young people. Could the Member elaborate on that? One has the impression that in Toronto everything is just fine, that it is the hallowed land for workers of Canada, that if you go to Toronto you will be all right. I am now led to believe that despite the general picture it is still very tough for certain people.

Mr. Heap: Mr. Speaker, what the Member says is true. Toronto is regarded as the place to go. I was told that when I visited Vancouver and Halifax. I am reminded of a story about a march of unemployed people to Toronto City Hall 50 years ago. The people came from Manitoba, Nova Scotia, and British Columbia. The Mayor asked the Alderman who presented them why they had all come to Toronto. The Alderman said, "Mr. Mayor, I guess they are following the money". In fact, the money is concentrated in Toronto and that is one of the points I was making. The regions which produce the money should have more control over it.

With regard to the situation in downtown Toronto, I know that the figures of 4, 5, or 6 per cent are official, but they miss many. For example, they miss the homeless. Our best social scientists and social workers in Toronto estimate that there are 10,000 homeless people in Toronto. I know that many of them live downtown, including the Spadina area. There are at least two food banks in Spadina, one about four blocks from my office and the other about ten blocks from my office, and they are busy.

I know that many immigrant families are afraid to apply for unemployment insurance. They do everything they can to keep their unemployment troubles, as their other troubles, to themselves. There are many immigrant workers who either have no work or are very seriously underemployed with short hours and low pay.

Therefore, although I recognize that Toronto presently has an unfair advantage over many other parts of Canada, the fact is that there are thousands of people in downtown Toronto suffering the same problems as are suffered elsewhere.

Mr. Ravis: Mr. Speaker, I am interested in making a few comments and in asking a question. My comment relates to the debate this morning from the Liberal side of the House dealing with how well the Liberals did in their day and the fact that, as far as they are concerned—

Ms. Copps: Mr. Speaker, I rise on a point of order. I believe that the Standing Orders permit questions or comments on the comments of the previous speaker. If the Member was not here to ask questions or make comments about the speech of the Member of the Liberal Party, he is a little late. He is violating the Standing Orders.

Mr. Deputy Speaker: The Hon. Member for Hamilton East (Ms. Copps) is correct. The comments made by the Member for Saskatoon East (Mr. Ravis) should be on the speech made by the Member for Spadina (Mr. Heap).

Mr. Ravis: Mr. Speaker, I will then make some general comments. My general comments have to do with what the Government is doing today as compared with what was done by the previous administration. It seems to me that the previous administration spent millions if not billions of dollars, in many cases buying people off the streets. People were given short-term jobs and many of them have just reappeared on the unemployment rolls. Why are we in the predicament we are in today? The previous administration spent billions of dollars and there is really nothing to show for it.

That brings me to my next point with regard to the Canadian Jobs Strategy program. The Member for Spadina (Mr. Heap) indicated that it was rather hollow, that there was not much to it. I have taken the time to attend a couple of meetings of the advisory council, as has my staff in my Saskatoon office. The feedback from the Canada Employment Centre is that these programs are different and are in fact making an impact. They are a change from what we have seen in the past.

Last week I met with a group which deals with the severely unemployed in Saskatoon. It is called the Regional Employment Development Program. They deal with people who left school, with ex-convicts, with people from broken homes, and with people from a background of drugs and alcohol. These people are having a very difficult time. The Canadian Jobs Strategy is being used for them and it is producing results. They speak highly of the new approach.

Is the Member for Spadina not prepared to give some recognition to the new approach started by the Government which is already starting to show some positive results? I am sure the Government is prepared to consider some fine tuning of the Canadian Jobs Strategy and possibly there could be a further drop in unemployment from the 9.3 per cent which I believe is a record in these economic times.

• (1230)

Mr. Heap: Mr. Speaker, the Hon. Member does not show much evidence of having been consciously present during my remarks or he would have heard what I said about my experience with the LAC. I did not simply attend a couple of meetings or become an honourary member, I am the chairman. I have organized and chaired the nine meetings of the LAC since last spring. I have written and spoken to people in government in an attempt to get some answers to the questions that were raised during those meetings.

Perhaps there are no problems in Saskatoon, and I congratulate the people of Saskatoon in that case. However, neither the staff of the Canada Employment Commission, nor the Minister, provided us with appropriate answers to our questions.

For example, we asked about a vital trade course for training sewing machine operators for an industry that was complaining about a shortage of 200 operators. The employers told me that they could provide extra production if they could find sewing machine operators. They were advertising for them but could not find any. George Brown College was not allowed to train them in the numbers in which they were trained before, although its graduates had a remarkably high rate of employment success in that industry.

The Minister responded to everything except my question about how his Government decided there was no need for skill shortage designation for that trade. I never received an answer from the Minister, but some nine months later we received an answer from someone in the CEIC who said that although he is the economist, he was not aware of the problem before. We did not receive an explanation why sewing machine operators were cut, but a description of several other trades that are used in downtown Spadina in the three major industries there which had also been cut out with no explanation.

I said that the Government had half of a good idea, for which I commended it and still do. I have taken action on that myself in an attempt to make the idea work. However, I find that in attempting to use the democratic type of structure in a move toward democracy in industry which the Government has proposed, I am being blockaded by the Government itself through lack of answers and lack of information.

Ms. Copps: Mr. Speaker, I want to congratulate the Hon. Member for raising a number of important issues, including the question of regional disparity. He referred specifically to the very difficult situation in Newfoundland. What is his Party's position on the seal hunt, because he referred to game and fishing in his discussion?

Mr. Heap: Mr. Speaker, I want to respond on two points. With respect to the seal hunt, our Party, in consultation with the section of our Party in Newfoundland, believes that we should replace the seal hunt with better opportunities for those people to earn a living. Until then we will not act against the seal hunt anymore than we would act against the beef farmers of Ontario, the wheat farmers of Saskatchewan, or the hog farmers of Quebec.

There are questions about the methods used in the seal hunt, but that is not the issue. The issue is the existence of the seal hunt as the only source of revenue for many people in that region. Our position is that it should be replaced with a better way of earning a living, but, until it is, it should continue under the best conditions possible for human and beast.

Second, in questions such as these it is essential that we listen to the people who are doing the work, whether it is Newfoundland seal hunters, Newfoundland miners, Newfoundland pulpwood cutters, Newfoundland house builders, or Newfoundland farmers of which there are some in Newfoundland who are using modern technology. Those workers, as do others in Canada, know something about their work and should be heard before outsiders undertake to solve their problems for them.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Minister of Employment and Immigration (Mr. Bouchard).

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I welcome this opportunity to take part in the debate today, considering the fact that the decision we announced last week is basically attuned to the economic and social realities in Canada.

Mr. Speaker, the unemployment insurance system, and I think it would do no harm to recall this fact, is essentially based on a partnership that was established in an attempt to meet the needs of Canadians generally and, as far as possible, the specific needs of each individual Canadian. Workers, employers and the Government all contribute towards financing the unemployment insurance fund.

Over ten million Canadians are covered by unemployment insurance and have a vested interest in the administration and the future of the system. Basically, they are insured against job loss as a result of layoffs, termination of employment, sickness or maternity leave. Every day, the system helps hundreds of thousands of Canadians to maintain a minimum income.

To do so, Mr. Speaker, the plan's present structure must reflect the realities of this country's economy. In any discussion on unemployment insurance, we must never forget the diversity that is the strength of this country, but which also means that needs vary from region to region. The unemployment insurance system must and, in fact, does take these regional differences into account.

Mr. Speaker, the unemployed are not confined to one and the same region. The Hon. Member for Spadina (Mr. Heap) was referring to the fact that even Toronto had its unemployment problem. However, the problems of the unemployed in Fredericton are not the same as those of the unemployed in Toronto or Vancouver. I think that if we ignore these differences, we are not being realistic. The differences exist, and I think the system must take these into account.

Mr. Speaker, a system based on the concept that we are dealing with a uniform problem could well turn out to be a system that is basically rigid and totally lacking in flexibility. For instance—and I believe I share the concern that has arisen in the past few months in Canada with respect to annualization—if we were to lose $2 billion in unemployment insurance benefits, I think we all realize this would have a disproportionate and damaging impact on regions with a fragile economy.

Workers would not be alone in suffering the impact of such a measure, since the entire economy of the regions in question would be affected, and I think this is a fact the Government is certainly not denying, and a fact that was considered in assessing the system.

Mr. Speaker, as we said last Friday, our consultations have shown that there are in this country two very much polarized positions on unemployment insurance. I think we know them quite well. There are those, like the Hon. Member for the Liberal Party whose position, and his was certainly not clear, as usual, is that the program ought to be expanded, while many Canadians—and I don't think we can ignore this fact, which I found came to the fore this morning in a number of interviews—consider that the system should be made more restrictive. I think the findings of the Forget Commission, the Parliamentary Committee, the Newfoundland *House Report* and the Macdonald Commission, I think that all these groups finally advocated one position or another, but we must admit that most of the major commissions—Forget, Hawkes, the Macdonald Commission—did favour restrictive measures, among others the Forget Commission recommendation which would have reduced unemployment benefits by up to $3 billion, as we know. And so we came to the conclusion that, since each of the various positions is so radical and leaves no room for compromise, the best approach is to maintain the existing system because it best meets the needs of Canadians under present circumstances.

Some people claim that the Forget Commission was a waste of money, yet it is a lot better to have a study confirming that the system we have, although it has its weak points, is best suited to the situation than to change things just for the sake of changing, or to say that because we paid $6 million for a study we have to spend $1 billion if only because a commission cannot be asked to make a study without recommending changes. Why? Why can a study not reveal that the system we have is the best one available?

• (1240)

[*English*]

We looked at the recommendations to expand the program. We looked at the benefits and the costs. To spend $1 billion or more to enrich the program would not have been in the best interests of the partnership and could have a negative effect on our economic recovery. To increase the benefits, to make benefits easier to get, to pay benefits for a longer period of time, would undeniably change UI. However, a bigger program is not necessarily a better program. An increase in the scope and coverage of the program would result in a corresponding increase in the cost of the program.

Let us take an example. To lower the entrance requirements for all workers to 10 weeks and to provide an automatic 50 weeks of benefits would cost more than $500 million. This would not improve the over-all program. It would offer more benefits to some workers but would increase premiums for all workers and for all employers. It would increase disincentives to work and to make the program rigid to the detriment of the entire labour market.

I do not believe that workers would rather collect UI than have meaningful employment. The vast majority of Canadians want work first. Yes, there are those people for whom this is not true. There are those who abuse the system and in so doing cheat their fellow workers. However, the solution to this problem is not to wield an axe and cut benefits for all workers across the country. The approach must be specific and precise. As we announced on Friday, we intend to modestly increase our efforts to weed out the abusers by, for instance, seeing that claimants are interviewed more often by more officers to ensure that they are looking for work and are accepting suitable job opportunities.

We have looked at suggestions to cut the program by $2 billion or $3 billion or more, but this would seriously undermine the ability of UI to properly protect Canadian workers. We will not impose such hardship.

The study we have made of unemployment insurance shows that while UI is not perfect, it is a fundamentally sound program. Unemployment insurance not only provides a substantial response but a swift response to changing labour market conditions. It responds directly to individual needs and in so doing assists local economies and the national economy. Both dramatic cuts and dramatic increases carry with them undesirable consequences. Neither promises better than the current broad program. The uemployment insurance program is a balanced national program meeting the needs of individuals and communities across the country.

[*Translation*]

The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) who moved today's motion is usually a well-informed man. Although on this side of the House at the time, he was a Member when Canada's unemployment rates peaked, when interest rates were soaring and the economy was stagnant, but of course this was due to the crisis, it was somebody else's fault. Generally speaking the Liberal Party never did accept responsibility for the economic situation of 1983-84, yet it did create it. Mr. Speaker, suffice to say that Canadians passed judgment on the economic management of the previous administration.

Mr. Speaker, the Hon. Member for Notre-Dame-de-Grâce—Lachine East knows full well that unemployment insurance did Canadians a good service before the recession. He also knows that unemployment insurance plays a vital role on the labour market. However it is only one aspect of the

efforts made by the Government to help Canadians face the new economic conditions.

Last Friday I stated that the trade, tax and economic policies as well as the regional and human resources development policies were basically aimed at helping Canadians find stable employment. My colleague knows that all these measures have contributed to strengthen the economy, restore confidence and create jobs. A lot of things may appear doubtful, but 800,000 real jobs, 85 per cent of stable jobs are not dreams but facts. Not only have we made progress, but I think we are also building a solid foundation for years of growth, prosperity and employment for new Canadians, such as the co-operation offered in that respect by the Hon. Member for Hamilton East (Ms. Copps). I think we will have jobs for these future Canadians.

Mr. Speaker, the work done by my Department attests to the commitments we made and fits in nicely with initiatives taken in other sectors. Employment planning, to be specific, is based on the strength of the economic growth and makes it even more dynamic. Let us not forget that we are not talking about abstractions but about the needs of individuals, about concrete realities. In all regions of the country, and I suggest this is the big plus about employment planning, it is geared to the person, to the requirements and basic needs of individuals. Practically all programs of previous administrations had been based on labour market theories and presented in attractive manuals which were the latest fad several decades earlier. According to the theory applied by the previous Government, labour market problems fell into certain categories, depending on the factors that caused them. They were either cyclical, seasonal or structural. Cyclical factors were connected with the economic cycle, seasonal factors with the seasonal drop in employment and structural factors essentially reflected the imbalance between the skills in demand on the market, and the skills workers had to offer.

Mr. Speaker, the old programs focused on what were seen as the causes of employment problems, but unfortunately, the labour market does not work like that. It does not operate according to specific rules. In Canada, unemployment has remained high for some time. Although the general situation has improved over the last two years, long term unemployment remains a problem. In this kind of context, the creation of short term jobs is pretty useless as far as most of the country is concerned.

Today, it is impossible to pinpoint one specific cause for a worker's being unemployed. It is more important to give workers a chance to acquire the skills and experience actually in demand on the labour market. The jobs strategy is therefore aimed above all at those who are most in need of employment assistance, whatever the economic cause of the problem. The strategy provides for various combinations of courses, training on the job and practical experience, so as to provide the formula that is best suited to a particular region, community or individual.

Mr. Speaker, increasingly, people are realizing that the best way to help those who need employment assistance consists in offering them a combination of institutional training and practical experience, while avoiding any rigid distinction between these two types of training. We must remove the barriers between the world of labour and that of education. We want to bring on-the-job training and formal school education closer together, and bridge the gap which still exists between a great many of our labour market training institutions. Employment planning can provide the essential flexibility which Canada needs to adapt to the rapidly changing labour market.

Major changes are taking place in the work place because of technological and market transformations. In an ever-changing situation, programs must adapt and the decision-making process must be extended at the regional or local level, which is the reason behind the existence of local employment committees where such changes are immediately identified.

• (1250)

[*English*]

I am pleased to report that it is a challenge to which Canadians are responding in increasing numbers. Although it is only 18 months since this fundamental change was introduced, more than 400,000 Canadians have benefited from the skills and experience gained through the six options of Jobs Strategy.

Another fundamental change has been the Government's commitment to continually monitor, assess and re-evaluate the program. We cannot and will not assume that what worked yesterday is also the solution for tomorrow. We have established mechanisms to determine the performance of each program. Our aim is clear—we want to eliminate what does not work, to improve what does work and to anticipate continually future needs.

The preliminary results of our first surveys of our programs are really most encouraging. Results show that the entry and re-entry options report success rates of 73 per cent for young people who completed entry and 67 per cent for women completing re-entry. These are good figures. They show that we already have improvement over the 64 per cent success rate of old-style institutional training in the same period.

Results are equally positive with respect to employment equity. Participation of women, natives, the disabled and visible minorities are all higher than under the programs that preceded the Canadian Jobs Strategy. Most targets for women have already been met in the first year of operation.

We have also conducted follow-up studies which reveal an overwhelmingly positive response among participants. Fully 89 per cent said that their participation in the Jobs Strategy provided them with new or better employment or helped them to retain their present jobs.

The results are encouraging. They point to the essential value of the changes we have made. They will not serve as

laurels upon which we rest. Rather, they are spurs to our continuing efforts to assist individuals, communities and regions across the country.

The labour market is not static. Fully 2 million Canadians leave and enter the labour market each year. Such changes and adjustments occur every day. Every sector of Canada plays a part in this dynamic process.

[*Translation*]

Mr. Speaker, the Government is simply trying to facilitate and integrate the efforts of teaching institutions within the private sector to meet the needs of both the business world and labour organizations, as well as voluntary groups and individuals.

Thanks to the updating of resources, solutions are coming to light in every region, every community, every corporation, and from each and every individual.

In short, Mr. Speaker, our unemployment insurance scheme is providing good results. We have never claimed it to be perfect, and past studies have not striven for perfection either. However, in the consideration of various commissions, various studies that were made, it has been useful in my view to receive all those recommendations which enabled us to realize that the proposed change . . . Mr. Speaker, the Hon. Member for Notre-Dame-de-Grâce—Lachine East suggested earlier we should take a proposal here, another proposal there. They were very careful not to say they supported the Forget Report. Of course, they prefer to quote selectively from the Forget Report.

Mr. Speaker, when there is a report with an overall impact that one cannot implement, one cannot choose one bit from a report, another bit from another report, and try to make some sort of melting pot that does not meet today's reality. We have decided the current system in the circumstances was the best one because of that impossibility. And if there is one conclusion to be derived from the Canadian Jobs Strategy, it is that while it is important to provide solid protection to the unemployed, temporary protection under which they can look for a job, the Government first and foremost, and in this we are successful, the Government should first ensure it provides jobs. Such is the goal of the Jobs Strategy. The results are there. Results are now increasingly encouraging, and all we ask is an opportunity to carry on while again protecting workers who unfortunately lose their jobs.

[*English*]

Mr. Allmand: Mr. Speaker, in his remarks the Minister said that we should not implement a report simply because it cost $7 million. I agree with him on that point. Reports are not implemented simply because they cost a large amount of money. However, I do not think we should reject an entire report simply because there are opposing views on different recommendations.

I wish to ask the Minister this. Why would he not introduce those measures with respect to which there is common ground, such as a wider scope for training while on unemployment insurance, changes in maternity benefits to make them parental benefits in certain cases and some changes with respect to over-payments?

The Minister said that I have never declared myself for or against the Forget Report. There are 53 recommendations in the report. In all my years here I have never seen a report in which all recommendations were either accepted or rejected. Governments pick and choose those recommendations which they believe to be practical and possible and they reject others. Within a few weeks after the Forget Report came out the Minister himself made a decision with respect to cuts relating to pre-retired pensioners. We may have disagreed or agreed with his decision, but we did not condemn him for not dealing with the entire report at one time. So I ask him why he will not accept those recommendations on which there is common ground.

I wish to return to the recommendation with respect to a wider scope for training. It is a recommendation which would not even cost more money to implement. All that is required to implement it is a change in the law. In order to permit those who were on unemployment insurance to take a wider range of training programs we amended the law a few years ago. But we now find that it is not enough. Both the standing committee and Mr. Forget recommended that while one is on unemployment insurance there should be a wider scope for training. I will not get into the details in my question, but why can the Minister not move in those areas by bringing a Bill forward? I mentioned about eight areas in which there are common ground and where there is agreement, not on the details but in principle. I believe that we could do a great deal to improve unemployment insurance by acting on these recommendations.

Mr. Bouchard: Mr. Speaker, the Hon. Member has posed an interesting question. We believe that any kind of reform that deals with the scope, the costs of the program, does not have to be considered for the moment. The standing committee mentioned a cost of $1 billion. Of course, the Hon. Member has other figures. But we could talk about a cost of at least $500 million. The Member has referred to training services being provided under the unemployment insurance system. While that could be a logical move, we believe it could lead to too great a widening of the program itself.

• (1300)

For most Canadians the UI system has to be just that, an insurance plan. However, increasingly for some it has become a part of the social welfare system. That is not a trend that I necessarily condemn. That aspect of the unemployment insurance system is an important one in those regions of the country where the economy is so fragile. But, to broaden the scope of the UI system in order to achieve better results in those areas could lead to other problems.

Mr. Deputy Speaker: The period for questions or comments will continue following Question Period this afternoon, assuming the Minister is present at that time.

It being 1 p.m. I do now leave the chair until 2 p.m.

At 1.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—PROPOSAL TO RESOLVE ISSUE

Mr. Sergio Marchi (York West): Mr. Speaker, the inability of the Government to reach a fair and appropriate agreement on the issue of Japanese Canadian redress was most regrettable. The Government failed, during this heightened window of opportunity, to right a long-standing wrong.

Its failure, however, was inevitable and predictable, for the Conservative administration steadfastly refused to attach to this issue the political priority it deserved, and refused to establish a comprehensive process for dialogue.

Moreover, this stubborn and short-sighted attitude makes a mockery of the personal commitment of the Prime Minister (Mr. Mulroney) to the issue. He promised urgency. He promised compensation. He promised negotiations. Yet, through three different Conservative Ministers of Multiculturalism, the National Association of Japanese Canadians was resigned to individual meetings here and there, sessions which were not conducive to a spirit of compromise, to a spirit of give and take, or to a spirit of understanding.

Instead the Government entrenched an adversarial approach, pitting the Government against the Japanese Canadian community, while opposition Parties and parliamentarians were totally ignored and kept in the dark.

I call upon the Minister and the Government to give the process a chance. A sensitive process is needed to reach a resolution of what is a very sensitive and pressing national issue.

* * *

AGRICULTURE

TWO-PRICE WHEAT SYSTEM—INCREASE IN ONTARIO PRODUCTION FOR DOMESTIC CONSUMPTION

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, Canada's two-price wheat policy pays Canadian farmers $7 per bushel for the 10 per cent of Canadian wheat production which goes into domestic human consumption. The traditional split in the domestic wheat benefit has been

approximately 87 per cent to the Canadian Wheat Board area and 13 per cent to Ontario and the rest of Canada.

Ontario production of good quality red wheat can be sold straight to the miller at the domestic price, thus giving Ontario producers the potential to displace production from western Canada. This spring Ontario producers have increased their red spring wheat acreage by 400 per cent, a pattern which, if magnified, could seriously upset the historical regional balance in the two-price wheat benefit.

I urge the Minister of State for the Canadian Wheat Board (Mr. Mayer) to note the report of the 1986 special committee on the pricing of domestic wheat, which recommended that he explore mechanisms to ensure that the two-price wheat policy continues to reflect the historic regional market share of all wheat types used domestically for human consumption.

This benefit should be available to producers regardless of where they live or who sells their wheat.

* * *

SENATE REFORM

CALL FOR RESIGNATIONS TO FACILITATE ESTABLISHMENT OF ELECTED SENATE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) has come up with what he has called an ingenious way of moving toward an elected Senate, a proposal which has the support of Alberta, Saskatchewan, and Manitoba Liberal Parties.

The Hon. Member proposes that prairie Premiers hold elections to determine their nominees for any future vacancies in the Senate. This return to democratic principles by the Liberal Parties of western Canada is overdue.

Might I make a suggestion of how the Liberals could show that they are serious about it, not simply trying to exploit the movement toward an elected Senate, a movement which has its origins, in large part, in the failure of Liberal Senators from the West, and western Liberals in general, to understand and meet the needs of western Canada during their many years in government?

My suggestion would be equally ingenious. It would be that the 12 Liberals in the Senate from western Canada who are now clogging up that place, resign *en masse*, this dirty dozen, and make a significant advance toward an elected Senate immediately possible. Instead, what the Hon. Member for Winnipeg—Fort Garry suggested would simply be a vacancy by vacancy advance well into the 21st Century.

If the Liberal Members in the other place would do that, perhaps we could take the Liberals seriously.

S. O. 21

[*Translation*]

OFFICIAL LANGUAGES

DEMAND THAT NATIONAL ANTHEM BE SUNG IN BOTH OFFICIAL LANGUAGES AT EDMONTON OILERS' HOCKEY GAMES

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, last Sunday, that is on May 17, the final series of the Stanley Cup between the Edmonton Oilers and the Philadephia Flyers began. The Oilers organization which I am pleased to congratulate had chosen a francophone, Mr. Loriaux, to sing the Canadian and American anthems.

In view of the fact that hockey is recognized as our sport and the overwhelming majority of spectators of that game were French-speaking and English-speaking Canadians, it was entirely proper to expect that *O Canada* would be sung in both French and English. However, such was not the case and it was only sung in English.

I do not know why but I feel that this is unacceptable and I ask the Oilers organization in Edmonton to reconsider the matter and ensure that French is also used at the opening of Stanley Cup games.

* * *

DISASTERS

HELICOPTER ACCIDENT IN OUTAOUAIS—CONDOLENCES TO FAMILIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, a tragic accident occurred over the weekend when the helicopter chartered by Hull's station CHOT snagged a power cable as a crew was shooting sequences for a hunting and fishing program at Grand Lake, killing all five aboard.

On behalf of the Liberal Party and all my colleagues in the House I should like to offer my most sincere condolences to the families of Messrs. Jacques Bériault, Claude Girard, Clément Diotte and Guy Fréchette of CHOT station, and to the family of pilot Jean-Paul Parent. They made up an outstanding crew working to keep the National Capital Region public better informed and thus making it possible for station CHOT to maintain its rating of excellence and popularity among French regional stations.

Again I offer my most sincere condolences to the families and to their station CHOT TV colleagues.

• (1405)

[*English*]

CHARTER OF RIGHTS

PROPOSED MOTION INCORPORATING PROTECTION FOR UNBORN CHILDREN

Mr. Gordon Taylor (Bow River): Mr. Speaker, Motion M-37, sponsored by the Hon. Member for Grey—Simcoe (Mr. Mitges), asks that the Charter of Rights and Freedoms be amended so as to protect the unborn human foetus. I and millions of Canadians support this protection for the unborn child.

I believe life begins upon conception and I base this conviction on Scripture which is the word inspired by our omnipotent God. For example, from the Book of Jeremiah, Chapter 1, verse 5: "Before I formed you in the womb I knew you; and before you were were born I consecrated you."

Some 60,000 unborn babies are murdered every year in Canada. Cradled in the mother's womb should be the safest place in the world for a child, but not in Canada; certainly not for the 60,000 who were aborted during the last 12 months.

Not one Member of this House would be here today had our mothers chosen abortion. I urge every Member to give unborn babies in Canada a chance to live by passing Motion M-37.

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MARINE SAFETY

IMPORTANCE OF WORK OF LIGHTHOUSE KEEPERS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in 1984 a federal inquiry headed by Paul Leblond said that lightkeepers are the only source of information on local weather conditions available to mariners. Their contributions are invaluable. Three years later the Government has again enlisted Dr. Leblond to investigate the impact of the Tory plan to destaff a number of West Coast light stations.

While search and rescue activities are not part of their job description, lighthouse keepers have recorded numerous rescue incidents. How many of these incidents were serious enough to be called life threatening? How many lives is the Government willing to risk?

The assault on Canada's light stations started under the former Liberal Government. Between 1978 and 1985 the number of person-years allocated to light stations declined by approximately 200. In the name of restraint the present Government has taken this scheme further and now plans to replace workers with machines.

Last week one of the witnesses told the Leblond inquiry that automation is a hazard to navigation. We need real modernization of lighthouses and not automation which is unreliable at best.

[*Translation*]

ENGINEERING

CENTENNIAL OF ENGINEERING IN CANADA

Mr. Guy Ricard (Laval): Mr. Speaker, today is the centenary of engineering in Canada. For 100 years Canada has been relying on the brains of its residents to ensure its progress.

What would we be today without our Canadian engineers? Without them, where would we rank in research, science and technology?

Canadian engineers have become the driving force behind our development and earned a worldwide reputation. We often see a Canadian heading a major project in other countries of the world. Our engineers are the best and we are proud of them.

I want to thank Canada Post Corporation management for issuing today a commemorative stamp marking the one-hundredth year of engineering in Canada, and I urge all Canadian Members of Parliament who are engineers to join me on this historic event.

* * *

REGIONAL ECONOMIC DEVELOPMENT

ALLEGED INTENTION OF GOVERNMENT TO WITHDRAW FROM FIELD

Hon. Jean Lapierre (Shefford): Mr. Speaker, *Le Devoir* newspaper informed us this morning that the Government intends to withdraw from regional development. This announcement comes after a series of measures taken by this Government which show its lack of interest in fighting regional disparities. I suggest that one of the most important things for this Parliament and Canada as a whole is to make sure that citizens are given equal opportunities, wherever they may live in this country. We have come to realize that with its free enterprise philosophy, the Government is completely abdicating its responsibility of ensuring that people of far-away and disadvantaged areas have equal access to employment and dignity.

Mr. Speaker, I feel it will be a very sad day when the Government of Canada abdicates all its responsibilities and says to the less affluent regions: Take care of your own problems. Mr. Speaker, I think that after having promised the moon to the Canadian people and assuring all regions of equal access, the Conservative Government has again broken one of its promises, thereby jeopardizing the very survival of economic equality in Canada.

• (1410)

[*English*]

AUTOMOTIVE INDUSTRY

FOREIGN INVESTMENT—NEED FOR CANADIAN CONTENT REQUIREMENT

Mr. Joe Reid (St. Catharines): Mr. Speaker, North American car manufacturers are tied into a trade pact providing for a 60 per cent Canadian value added. Offshore car plants are expected to assemble about 430,000 new cars per year in Canada by the year 1990 and are not subject to the same limitations or to any requirement to source supply in Canada. The only possible result can be a loss of Canadian jobs in the Canadian auto parts supply sector and even more in the assembly plants when North American manufacturers turn to foreign-built cars which are sold in Canada under recognized trade names.

I call on the Government now to review its foreign investment policy to ensure the strengthening of the Canadian automobile industry and to ensure that foreign investment must be an investment in Canadian jobs.

* * *

MEDICAL CARE

COST OF CANADIAN WOMEN BECOMING SURROGATE PARENTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, Canada is experiencing a Baby M dilemma of its own with an added twist. Americans are now using Canadian women as surrogate mothers with medicare benefits thrown in for good measure.

Growing numbers of American couples find that by using Canadian women as surrogate mothers, the cost of surrogate parenting is lowered. The dollar amount has been estimated at around $5,000 per birth which is paid by the Canadian taxpayer.

Are we to allow people from foreign lands to exploit our medicare system for personal benefit and gain? Furthermore, this raises the whole question of the contracting of parental responsibility.

It is clear that the American Baby M case does not affect contract law in Canada but we must now ask the Minister of Justice (Mr. Hnatyshyn) to introduce into Parliament the Government's clear position on the issue of surrogate parenting.

As science moves quickly, so do expanded roles for surrogate parents. This raises a number of questions, paramount of which is the interest of the child. Are the interests of children being served? I daresay they may not be and I think the Minister of Justice should show some leadership in this area.

S. O. 21

[*Translation*]

MINES AND MINING

AID GIVEN TO INCO AND GOLDEN KNIGHT RESOURCES

Mr. Guy St. Julien (Abitibi): Mr. Speaker, the Abitibi area will experience a new mineral resources development through the opening of a new gold field. I am referring to the first stage in the development of the Golden Pond East gold deposit, situated in the Casa Berardi township in the federal riding of Abitibi, some 100 kilometers north of La Sarre, on the Villebois-Selbaie-Joutel highway.

Assistance amounting to $14.5 million has been granted to Inco Ltd. and its partner, the Golden Knight Resources Ltd, to be shared equally by the Governments of Canada and Quebec under the infrastructure program provided for by the Canada-Quebec Subsidiary Agreement on Mineral Developments. It will be used to build an access route and a high-voltage power line in this faraway region. This project will necessitate over $74 million in investments and create some 180 jobs when production starts in 1988.

As elected representative of that region, I am proud, together with the Hon. Minister of Energy, Mines and Resources (Mr. Masse) and the Hon. Minister of State (Forestry and Mines) (Mr. Merrithew), to share in this major development in a remote mining territory.

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TRADE

ACQUISITION OF AMERICAN ENTERPRISE—DOUBLE STANDARDS

Mr. Mike Cassidy (Ottawa-Centre): Mr. Speaker, last week we had another example of the double standards used by the United States in the matter of foreign investment when their country is involved rather than Canada. Recently, Dominion Textiles in Montreal announced it was ready to make a bid for the Burlington Industries in Greenberg, North Carolina. But that company was not interested in using State politicians from North Carolina and Members of the American Senate to fight against the Canadian take over. It is amusing, Mr. Speaker, that while the Americans are looking for free investment access in Canada, it appears the North Carolina Assembly put in place legislation to block the purchase of an American Corporation by a Canadian company. We may sympathize with American politicians, Mr. Speaker, since foreign ownership in the United States, including the textile industry, could lead to a loss of jobs and technology. But this is something we Canadians know. For that reason we want to protect our interests, our industries and we are asking the Americans not to apply double standards.

• (1415)

[*English*]

THE DISABLED AND THE HANDICAPPED

EXPENSES INCURRED BY THE BLIND

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, I would like to draw the attention of the House to the special needs of the 38,000 visually impaired people living in Canada today. While most of us jot down a phone message on a piece of paper, a blind person must often purchase and use a recording device. Special equipment is also needed for reading and writing.

Many blind people depend upon public transit, but in smaller centres that can be a problem when buses run infrequently and never on Sundays. Consequently, blind people must often take taxis and that is expensive. In short, Mr. Speaker, it costs money to be blind.

Meeting the special needs of the blind can also be costly in the workplace and many employers are unwilling or unable to buy the equipment necessary to hire a blind person. This results in lost work opportunities for people who are capable of doing a job but are denied the right to work because they are visually impaired.

The federal Government has already substantially improved the situation of handicapped Canadians but more needs to be done to remove the economic obstacles which blind people now have to deal with at home and in the workplace.

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[*Translation*]

OFFICIAL LANGUAGES

REQUEST FOR RESCISSION OF RESOLUTION DECLARING TOWNSHIP OF MATILDA OFFICIALLY UNILINGUAL

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am somewhat sorry to inform this House today that the township of Matilda, in eastern Ontario, last week on the request of the so-called Alliance for the Preservation of English in Canada passed a resolution declaring that municipality officially unilingual.

Mr. Speaker, I am sure I speak on behalf of a large number of Members in this House when I express my great disappointment with that resolution.

[*English*]

On behalf of all Members of this House I call upon the Township of Matilda to rescind immediately the motion it passed declaring the municipality officially unilingual. Let Canada, Ontario, and eastern Ontario be a land of tolerance and justice for all Canadians. There is no room for bigotry or intolerance. I urge all my colleagues to endorse my position

which is to ask the Township of Matilda to rescind immediately its resolution declaring itself officially unilingual.

* * *

[*Translation*]

EXTERNAL AFFAIRS

RELATIONS BETWEEN HUNGARIAN PEOPLE'S REPUBLIC AND CANADA—IMPACT ON BOTH COUNTRIES

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, this week, thanks to you, Canada has the privilege of hosting a parliamentary delegation from the People's Republic of Hungary, chaired by Mr. Istvan Sarlos, President of the National Assembly.

[*English*]

I would like to tell him and his delegation that our relationship with Hungary has great potential. We are both moderate countries with a constructive influence in East-West relations.

We in Canada are proud of our human bridge with Hungary as a result of immigration, and proud that our trade has a high element of finished goods and technology. We believe that broader relations between our countries can contribute to better East-West relations. We believe in increased dialogue, increased contact, and greater co-operation between East and West in order to create the confidence that is indispensable for better and more stable relations.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM HUNGARY

Mr. Speaker: I wish to bring to the attention of Members the presence in the gallery today of a parliamentary delegation from Hungary led by his Excellency Istvan Sarlos, President and Speaker of the National Assembly of the Hungarian People's Republic and Member of the Central Committee and of the Political Committee of the Hungarian Social Workers Party.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is no secret that the Government is about to announce some major changes at the Department of Regional Industrial Expansion, changes that will be applauded in Washington but not in Canada's regions.

The Prime Minister knows perfectly well that since his Government came to power in 1984, the regional development envelope has been cut by $3 billion. According to the personal estimate of the Minister of Finance, regional development financing has been reduced by 20 per cent.

Mr. Speaker, will the Prime Minister announce today and promise before this House that there will be no termination of the regional development component of the Department of Regional Industrial Expansion, despite pressure from Mr. Peter Murphy, chief U.S. negotiator in the free trade talks?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the subject of regional development and job creation in the regions remains a vital focus for the Government of Canada.

The 778,000 new jobs created since the new Government was sworn in have had a very positive impact across the country, but we still have regions that are less well off than others. We are working with the provinces and at the national level to create a better balance of opportunities across this country.

I may add that nothing is going to happen in the course of any negotiations that would diminish the Government's authority in this vital sector.

* * *

• (1420)

[*English*]

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA—ALLEGED AMERICAN PRESSURE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think the country has been observing that the Government has been caving in to American pressure on all fronts. The Prime Minister can twist a phrase as he will.

Let me give him another example. Since the Dome Petroleum affair became public, in its struggle to survive, the Government has adopted a hands-off attitude as a result of American pressure. Now that several major secured creditors have said no to Amoco, will the Government of Canada say no to Washington and adopt a more activist stance so that we obtain a Canadian solution for Dome Petroleum?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I think the Leader of the Opposition has either a poor knowledge or a poor appreciation of what is being done with respect to the Dome question.

[*English*]

The first responsibility of the Government was to make sure that Dome would receive proposals. This is exactly what happened. It received three proposals, contrary to a year ago when everyone thought that Dome was bankrupt. That is what the Government achieved first.

Presently, the board of directors, the shareholders and the creditors of Dome have a certain number of days, if not weeks, to study the proposal put to them by Amoco. That is the present situation.

In the future other proposals may be submitted to Dome. It is up to those interested in Dome to study the question and discuss the details with the lawyers. I think the Government has achieved its purpose, which is to show that Dome will survive for the good of the country, the people there, and our natural resource reserves in the West.

Mr. Turner (Vancouver Quadra): For that to happen, the Minister better start adopting a more activist stance because there are six weeks left before the waivers on those security guarantees lapse.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—AGENDA INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to direct another supplementary question to the Prime Minister. The regional development programs of the country have been destroyed in the two and one-half years since the Government took office. There have been over 2,200 foreign transactions approved by the Government, mostly involving take-overs, during the last two and one-half years. The Prime Minister has repeatedly allowed our resource industries to be sold out.

What do the Americans now want on the free trade bargaining table that they have not already obtained?

• (1425)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Right Hon. Leader just said the resource industries have been sold out. Perhaps he could tell us which ones he is referring to.

Mr. Turner (Vancouver Quadra): I'll be glad to.

Mr. Mulroney: He says he will be glad to. We will wait for that. While he is doing that, perhaps he would be happy to indicate—

Mr. Turner (Vancouver Quadra): Lumber, fish, potash, petroleum, oil and gas.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, the spirit of Louis St-Laurent may be dead in the Liberal Party, but the spirit of Lloyd Axworthy lives on.

Mr. Crosbie: Right on.

Mr. Rossi: That's a poor answer.

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REGIONAL DEVELOPMENT

UNEMPLOYMENT IN NEWFOUNDLAND—REQUEST FOR RESTORATION OF FEDERAL EXPENDITURES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, unfortunately the commitments of the Prime Minister continue to live on. Two and a half years ago the Prime Minister promised to inflict prosperity on Newfoundland. Unemployment in western Newfoundland now stands at 31 per cent. It is 24 per cent on average across the province. In the face of these staggering statistics, the Government's response has been the Atlantic Enterprise Program which has resulted in exactly 26 program approvals since that program's inception.

When will the Prime Minister realize that increased unemployment in Newfoundland and other regions is not an example of bad luck, it is an example of bad policy by this administration? Will he restore the 20 per cent or $3 billion cut in regional development programs in this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is a fact that since this Government was sworn in jobs in Atlantic Canada have been created at a rate twice as fast as those under the previous Governments.

Some Hon. Members: Oh, oh!

Mr. Mulroney: That is a fact.

Mr. Broadbent: That is two times zero.

Mr. Mulroney: I think our commitment, for example, to Newfoundland was indicated by resolving the matter in the offshore—

Mr. Foster: How many rigs are working?

Mr. Mulroney: —and by our co-operation in terms of the fishery and the solution which has just emerged in the fishery to the benefit of Newfoundlanders.

We have been discussing a number of regional development programs including the Atlantic Opportunities Agency which we think will be a major initiative which will bring help and the beginnings of equality of opportunity which has escaped Newfoundland now for 20 years while my hon. friend was a member of the Liberal Party.

I think it is time for him to stand up and salute the beginnings of prosperity that are coming to Atlantic Canada.

Mr. Tobin: Mr. Speaker, a prime example of the Prime Minister's tendency toward accuracy is the fact that, at age 32, I have been in Parliament since I was 12.

Some Hon. Members: Oh, oh!

FUNDING OF DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, last fall in St. John's, Newfoundland, the Prime Minister promised the regions a new deal for regional development. That's what he promised last fall in St. John's, Newfoundland. What we have had instead is the region's sacrifice on the altar of deficit reduction.

We learned today, and we know, that an announcement is coming soon that the Regional Development Branch of the Department of DRIE is about to be scrapped. That is on top of a $3 billion cut in that Department's funding for regional development.

Will the Prime Minister put aside the flimflammery? Will he quit twisting and turning and stand in his place and tell the people of Newfoundland, who are suffering under a burden of increased unemployment since his Party came to power, that funding will be restored to the department of regional development?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have readily acknowledged the imbalance which has come about over the years in terms of economic growth in Canada. One of the principal reasons we have managed, notwithstanding the fact of bringing down unemployment since we came in from 11.7 per cent to 9.3 per cent—

Mr. Tobin: It is up—up in the regions.

Mr. Mulroney: Notwithstanding that fact, there is this imbalance to which I referred as the development of two economies in Canada, which is unacceptable and unfair. One of the reasons this Government has committed itself to new trade relationships with the United States is that this gives Newfoundland and Labrador a chance now for economic equality.

Mr. Tobin: Don't make me laugh.

Mr. Mulroney: That is another indication of what this federal Government is trying to do in a constructive way.

My hon. friend says: "Don't make me laugh". I will tell you it was not funny when the Government of which he was a member lost in the previous three years a million jobs, and this Government has created 778,000 new jobs in less than three years. I think my hon. friend will agree that is the beginning, and you will see more with the Atlantic Canada Opportunities Agency. You will see more jobs created as Canada and the Parliament of Canada must commit themselves to a greater degree of fairness in building equality of opportunity in the regions and spreading equality more fairly across the country.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—FOREIGN INVESTMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. He will know that one of the defining characteristics of this sovereign nation is its right to establish for itself the criteria for investment within its own borders including, if it should so decide, the restriction or exclusion entirely of foreign investment from a certain sector. Simon Reisman, our principal negotiator in the free trade talks with the United States, said yesterday that he is still awaiting instructions from the Government of Canada on this important matter.

• (1430)

Will the Prime Minister assure the House, and in particular the people of Canada, that Canada's traditional sovereign authority in this area will remain and that Canada and the Government of Canada will retain the criteria, for example, to restrict or to exclude entirely, if it should so desire, foreign investment from certain sectors of the economy?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member has pointed out correctly that there has been limited discussion of this issue in the free trade talks. The negotiators are meeting today at Meech Lake. Over the last couple of days they have been discussing the issues of subsidies and dispute settlement mechanisms. They have been carrying out their mandate, which is to listen to the Americans to try to determine what areas of investment they would be interested in including in the free trade negotiations since investment is not on the table, except trade related investment.

I can assure the Hon. Member that the kind of sensitivities he has identified is of course the kind of sensitivities that the Government is committed to address.

[*Translation*]

INQUIRY WHETHER ABSOLUTE SOVEREIGNTY WILL BE RESPECTED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary is directed to the same Minister. He must clarify the situation for Canadians, for Americans and for our negotiator. Are we going to maintain our traditional position of full sovereignty in this area—yes or no? That is my question.

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think that the actions of the Government and the

statements made by the Prime Minister and members of his Cabinet have indicated clearly on a broad range of issues that the sovereignty of Canada will remain intact in terms of anything that we carry out.

STATEMENT ATTRIBUTED TO U.S. OFFICIAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the actions of the Government are precisely why we are asking the question. It has given away FIRA. It sold out Prentice Hall. It is about to sell out Dome Petroleum. Canadians want to know when the Government will stop selling out Canada. That is why we are asking the question.

Some Hon. Members: Hear, hear!

Mr. Broadbent: A senior U.S. official, Mr. Bruce Smart, U.S. Under-Secretary of Commerce, who was objecting to what the Government might do in stopping an Amoco takeover was quoted as having said this:

> —it would be one example to us of the kind of conduct that needed to be negotiated away . . . With barriers that could prevent that kind of takeover, you couldn't have a free trade agreement.

Will the Minister assure us now that the kind of power to which he is objecting will in fact remain in Canadian hands?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not know how long the Leader of the New Democratic Party—

An Hon. Member: The socialist Party.

Mr. Clark (Yellowhead): —the socialist Party thinks he can pedal around the country running exclusively on anti-Americanism. He may be interested in trading away the sovereignty of Canada. That may be the New Democratic Party policy. It is certainly not ours.

Some Hon. Members: Hear, hear!

MANDATE OF CANADIAN NEGOTIATOR

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I should like to direct my question to the Minister for International Trade. In an interview on March 15 the Minister said in reference to the question of foreign investment in Canada that the issue has been addressed by Cabinet but that the mandate has not yet been completed by Cabinet. She said: "If they want something more dramatic, we will have another look at it".

Considering the pressures which are now being applied by the American negotiator and, indeed, by the Canadian negotiator, does Cabinet intend to reconsider the mandate it has given to Mr. Reisman to broaden the terms by which the issue of investment will be considered as part of the free trade negotiations? Is there an intention on behalf of the Government and Cabinet to broaden the interpretation of investment as it will be applied in the free trade deal?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I should point out to the Hon. Member that since the Government has taken office we have made a great many moves in the field of investment, to make it much more attractive for foreign investment. We have dismantled the NEP. We got rid of the offensive measures of expropriation introduced by the former Government.

Mr. Broadbent: Why not give the rest away? You can see what Canadians will think of it.

Miss Carney: I am sorry that Members opposite do not wish to listen to my answer.

As a result we have had record foreign investment in Canada which has created jobs, the job record to which the Prime Minister referred.

I have made it clear on many occasions in the House that the Americans have indicated on a number of occasions that they are interested in broadening the mandate in the free trade talks to include more than trade related investment. I have also told the House repeatedly that the negotiators have a mandate to find out what the Americans are looking at, if anything, in terms of what we already have. At such time as they have been able to indicate what their interest is we will see what is being put forward. We have an open investment climate. We have Investment Canada. We have had record investment.

POSITION OF CABINET

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Minister talks about the record of the Government. I simply want to point out to the Minister that in the annual report of Investment Canada it is stated that 95 per cent of all foreign investment has been in takeovers and in acquisition. Only 5 per cent has gone to the creation of new business development. If that is the record upon which the Minister is standing, then it is a very poor basis upon which she will be negotiating a new investment package as far as the free trade talks are concerned.

That is the question to which we want to find an answer. Somewhere in her long description can the Minister direct her mind to this question? Does Cabinet intend to give a further mandate to Mr. Reisman to broaden the terms by which investment will be considered in the free trade talks? Will that mandate be made clear publicly so that Canadians will know exactly what it is the Government is prepared to give away?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, it is interesting that the Hon. Member would talk about our record since the record of the Government of which he was a member led to the out-flow of millions and millions of dollars of capital and the loss of thousands and thousands of jobs. So if the Hon. Member wants to stand on his record, he can stand on it. We will stand on ours.

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

POSSIBLE ABOLITION OF DEPARTMENT—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. According to Michel Vastel, as reported in *Le Devoir* this morning, the Federal Government wants to discontinue any direct involvement in the various regions of Canada and abolish the Department of Regional Industrial Expansion. Mr. Speaker, my question is this:

Could the Minister advise the House now whether this information provided this morning by the daily *Le Devoir* reflects the intention of the Federal Government?

Is it really the intention to abolish the Department of Regional Industrial Expansion?

Hon. Michel Côté (Minister of Regional Industrial Expansion): No, Mr. Speaker.

[*English*]

POSSIBLE REORGANIZATION OF DEPARTMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, if that is not true can the Minister tell us whether or not he is denying that Cabinet is now discussing or will be discussing soon a plan to reorganize governmental programs for regional industrial expansion? Can he get up in the House and categorically deny that there have been no discussions of reorganization of his Ministry's work and also the work of other Ministries that are relevant to regional economic expansion?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, as the Prime Minister said earlier, we remain committed to regional development. We have the responsibility to promote economic prosperity in each region of the country, which is why we have created close to 800,000 jobs. We intend to continue in our efforts.

• (1440)

Under the Atlantic Enterprise Program, as has already been mentioned, we have examined a lot of cases, leading to the creation in the order of 1,000 new jobs.

That is what regional development is all about, Mr. Speaker.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MAHAMANE SANI BAKO, MINISTER OF FOREIGN AFFAIRS AND CO-OPERATION, OF NIGER

Mr. Speaker: Order! May I call the attention of Hon. Members to the presence in the gallery of Mr. Mahamane Sani Bako, Minister of Foreign Affairs and Co-operation, of Niger.

Some Hon. Members: Hear, hear!

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FOOTWEAR INDUSTRY

ASSISTANCE TO WORKERS AND REGIONS—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, notwithstanding the remarks of the Minister of Regional Industrial Expansion, ever since the Conservative Government took office the budgetary envelope for regional economic expansion has been reduced by $3 billion and certain industrial sectors have practically been abandoned.

I would like to ask the Minister of Regional Industrial Expansion what is happening to the footwear industry. For example, in a letter from the manufacturers' association we learned that, as a result of this Government's import policy, during the first two months of 1987 alone, our Canadian manufacturers saw their production drop by one million pairs as compared with last year's figures.

I would ask the Government or the Minister of Regional Industrial Expansion, what he proposes to do to help the workers first, but also the regions which have been hit by lost jobs, a drop of 11 per cent in employment over the past few months.

Hon. Michel Côté (Minister of Regional Industrial Expansion): First, Mr. Speaker, contrary to the argument of my colleague, in July 1986, after consulting the industry, we set up a footwear industry policy to meet the needs which had been pointed out and suggested by the industry. This initiative made it possible indeed to open up new opportunities for the footwear industry.

ASSISTANCE FOR AFFECTED REGIONS—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, if the policy was established with industry representatives I simply have to wonder why they keep sending us documents seeking interviews to tell us that their industry is going to pot!

So, I would ask the Minister of Regional Industrial Expansion, whose Department is being dismantled, how he will help these regions which have been hard hit by job losses in the footwear industry, how he will be able to help a region like

Matane build a paper mill which the region so badly needs to create jobs.

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, a correction first. There is absolutely no question of dismantling the Department of Regional Industrial Expansion. On the contrary, our main concern is to make sure that we work in consultation with the people of the regions and with the provinces precisely to be in a position to meet the needs of the regions, something the previous Governments have never done.

* * *

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—FOREIGN INVESTMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister for International Trade, who has been twisting and turning, trying desperately to avoid answering a straight question.

She has tried to say that it is what Americans want that matters.

An Hon. Member: Try asking a straight question.

Mr. Langdon: My question for the Minister is: What is it that the Canadian Government wants? Does it want to have the full range of investment discussed with the United States, or not?

Answer the question clearly, please.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, obviously the Hon. Member has not been listening either to myself or my colleagues who have answered this very question.

I have made it very clear that the negotiating mandate that our negotiators have deals with trade related investment. I have said that very clearly. I have also made it very clear that they have a mandate to listen to any overtures by the Americans in terms of investment—

Some Hon. Members: Oh, oh!

Miss Carney: —to define what it is that they want to talk about, since they have made it very clear in a number of bilateral meetings with myself and the Minister of Finance and the Secretary of State for External Affairs that they want to talk further on investment.

I have said that our negotiators have a mandate to listen to what they have in mind. I have pointed out that, unlike the previous Government, we have an open investment climate; we have Investment Canada; we have attracted record-breaking levels of foreign investment—

Mr. Axworthy: In takeovers.

Miss Carney: —that have created jobs in this country; and we are interested in any job-creating plans that are brought forward in the free trade talks.

Mr. Broadbent: Canada is for sale.

Miss Carney: But I have made it very clear that there is no mandate being given to the negotiators beyond that which I have outlined. I am surprised that the Hon. Member keeps trying to drag this issue forward, at a time when I have said there is no mandate to negotiate it.

Mr. Langdon: I agree with the Minister that it is a shame that one should be anxious to get the truth from this Government with respect to its intentions. Such a shame!

TRADE RELATED INVESTMENT

Mr. Steven W. Langdon (Essex—Windsor): Let me try once more, with this question of the Minister. Will she be clear on whether she is prepared to take the mandate for trade related investment, to take the so-called open investment policy which she supports, and make that the clear mandate of the negotiator?

Otherwise, the negotiator is left in a completely empty-handed position, himself twisting in the wind as badly as is the Minister.

Hon. Pat Carney (Minister for International Trade): I am not clear, Mr. Speaker just what point the Hon. Member has raised.

Is he asking us to give a mandate on investment to the negotiator? Is he asking us—

Mr. Broadbent: He is asking what your answer is. We want your answer.

Miss Carney: Is he asking us to do that; and if so, I would be interested in his views on the matter.

Some Hon. Members: No.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

POSSIBLE ABOLITION OF DEPARTMENT—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The Minister just denied the comments reported this morning in *Le Devoir*. I would now like to ask the Minister, if everything goes as well as he suggests, how he can explain that his budget is being reduced year after year, employee morale in his department is at its lowest, all top-notch people in his department are

looking for jobs elsewhere and everyone is convinced that the end of the department is in the offing? I want to ask the Minister, if what he is saying is true, whether he can now assure this House there is no question of disbanding the Department, programs are here to stay and the Department's mandate is to be strenghtened rather than reduced, as they have been doing for two years?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I will simply respond by stating once more that in October, 1986, the Government in the Throne Speech decided to put the emphasis on regional disparities and to work at getting nearer to regions, because regional needs are known by people living in the regions. Such is the direction the Government wants to take. And it is with that kind of initiative we are now implementing that we will keep on ensuring this country's economic prosperity and creating additional jobs.

REQUEST FOR ASSURANCES

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary. The Minister did not answer my first question. This is what I am asking: Currently, in view of the Department's commitment that the mandate to reduce regional disparities across Canada with programs like the RIDP will remain, because even if he does not realize it, all his officials at this point are wondering whether tomorrow they will have a job and the Department will still be there. Let him call any of his regional offices—all are saying: Côté does not know where he is going. Mr. Speaker, here is what I am asking the Minister: Do we have the assurance, on behalf of regions for which he just spoke, do the regions have the assurance the Canadian Government will continue looking after their needs rather than abdicate its role as suggested in *Le Devoir's* report?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, again the Hon. Member's comments are based on purely hypothetical questions raised in a report in *Le Devoir*, which in no way reflects nor in any was near the truth. Mr. Speaker, the Government's and the Department's responsibility indeed is to meet the needs of regions, and from time to time it is essential that the Department review those programs, to ensure that they work as efficiently as they possibly can. Such is the responsibility we are assuming, and we will keep on improving in this way Canada's economic prosperity and creating additional jobs.

[*English*]

AUTOMOTIVE INDUSTRY

ASSEMBLY PLANTS—CANADIAN CONTENT

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister for Regional Industrial Expansion, who, I am told, met with the mayors of the automotive-based communities of Canada just last week.

My question for the Minister asks whether he was able to alleviate the concerns of those mayors and assure them that the assemblers of automobiles in Canada will be subject to a "Canadian content" provision.

Mr. Broadbent: Good luck!

Mr. Axworthy: Let's hear the answer to this one.

• (1450)

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, perhaps I could answer that question by saying that it is the responsibility of the Department to look into the automotive industry. We have been doing it on a consultative basis with the industry. As my colleague knows, last week we met with the mayors involved in this sector. We made sure that they would be part of the consultative process.

We should be ready very shortly to submit some recommendations in that regard to the Government.

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VIA RAIL

DECISION TO REFURBISH RAILWAY CARS

Mr. Les Benjamin (Regina West): Mr. Speaker, I should like to direct some questions to the Minister of Transport who is also responsible for the line of the flat wheel special, namely, VIA Rail.

We have now spent over $1 billion refurbishing old railway cars since 1977. There have been no orders for new rail passenger cars, and the promise of the Government to create a viable passenger service has been broken. We now have cuts in everything from redcaps to summer schedules.

Could the Minister tell us whether or not he comprehends the devastating effect upon not only employees at Can Car in Thunder Bay and at Bombardier in Quebec but on the future of VIA Rail itself?

Why is he opting for short-term savings ahead of long-term earnings? Why does he not buy the new equipment and quit throwing good money after bad?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, we can easily tell that 1984 has come and gone, because we are hearing Newspeak today.

I am pleased to announce today that we have agreed to spend $361 million more, not less, than was provided in our five-year plan to assist VIA Rail in acquiring equipment, to refurbish up to 200 long-haul cars, in acquiring new high power locomotives, and in continuing station upgrading.

The total over the next five years was to be $2,150 million. It is now going up to $2,511 million.

Some Hon. Members: Hear, hear!

Mr. Crosbie: If the hon. gentleman does his homework and consults the Leader of the NDP, he will discover that more is more and less is less, and that this happens to be more.

Mr. Benjamin: I am glad the Minister answered my question indirectly by admitting that he still throws good money after bad. Now we are up to $2.5 billion to be spent on old equipment.

GOVERNMENT POLICY

Mr. Les Benjamin (Regina West): Mr. Speaker, do the Minister and his cabinet colleagues on the Priority and Planning Committee not understand that by buying new equipment they could recover the costs in savings on maintenance and operating costs within five to seven years? Why are they throwing away another $200 million this year on refurbishing old cars? Why do they keep perpetuating what the Liberals did, starting in 1977? Why are they doing exactly the same thing?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, we are certainly not doing what the NDP has done, because the NDP "has never done nothing".

We will be asking Members of the House to vote $588 million to help meet VIA Rail's capital requirements and operating losses this year; $588 million, and that ain't hay. It might be hay to the hon. gentleman because he does not seem to know the difference.

[*Translation*]

PROMISES CONCERNING PURCHASE OF NEW EQUIPMENT—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is for the Minister of Transport who seems to be forgetting the election promises of his Party. His announcement today does not deal with new train equipment. Does he not realize that, on two occasions, the former Minister of Transport announced, with much fanfare, the purchase of 130 new cars? Why is the Minister unwilling to fulfil his campaign promises?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, my hon. predecessor kept our election promises. He restored a number of routes which had been cancelled by the hon. gentleman's Party without any notice to the public and during the summertime when the House of Commons was closed. These have been restored, and we are making a mighty effort to support VIA Rail.

Mr. Tobin: What about Terra Transport?

Mr. Crosbie: In respect of Terra Transport, we are carrying on with the brilliant concept of the hon. gentlemen opposite in containerizing the Newfoundland railway, Terra Transport, about which they are now complaining.

Now I am forgetting what was the Hon. Member's question.

Mr. Axworthy: It is no wonder VIA Rail has a problem. You have a short attention span, John.

Mr. Crosbie: Mr. Speaker, their questions come all the way from Rhodesia.

Some Hon. Members: Oh, oh!

Mr. Crosbie: As a matter of fact, the former Minister of Transport announced the purchase of 20 locomotives on June 20, 1985, and they were purchased. With the announcement which I am making today, further locomotives will be purchased by VIA Rail.

[*Translation*]

PROMISE NOT TO REDUCE PASSENGER SERVICE—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, this answer is totally unacceptable, because not only is the Government breaking its promise that VIA Rail would get new equipment and new passenger cars, but also because, since VIA Rail will have to repair and modernize some 200 cars, the company will have to operate with a reduced capacity. What will happen to the Government promise to keep the same services on transcontinental and regional lines? Since there will be less equipment available, how does the Minister propose to keep his promise not to reduce VIA Rail passenger service?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, because there is a limit to the amount of money we can make available to VIA Rail—and I have outlined the plan to spend $2.5 billion over the next five years—unfortunately we are not able to go forward with the purchase of new bilevel cars such as was originally envisaged.

The cost of those cars is considerably in excess of what had been anticipated or contemplated when it was planned to go in that direction. However, we will be revising and refurbishing up to 200 long-haul cars. We will acquire new high power locomotives. We will continue station upgrading. We will continue with new maintenance facilities, including facilities in Winnipeg, Vancouver, and Halifax.

We are doing the best we can, and we are devoting considerable assets to this task.

THE ECONOMY

SITUATION IN ALBERTA

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have a question for the Prime Minister. The Conference Board of Canada indicated today that the Alberta economy was one of the worst in the country. It predicted a drop in Real Domestic Product of 1.1 per cent for 1987.

We in the NDP have tried to speak up for the ordinary Albertan—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Waddell: —and the response of his Conservative caucus in Alberta, the silent 20, as I call them, has been to raise the Red scare.

I ask the Prime Minister to name one positive measure he is prepared to take today to help the sick economy in Alberta.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that will come as a surprise to the ordinary Albertan.

Mr. Broadbent: Oh, oh!

Mr. Mulroney: The Leader of the NDP says: "Oh, oh". What truly crippled the economy of Alberta was the National Energy Program. That was damage inflicted by the NDP and the Liberals, and that will never be forgotten by the ordinary Albertan.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, the Hon. Member is being coached by the Leader of the NDP. I don't want to interrupt anything. Is it okay to go on?

We put an extra $350 million into the economy a few months ago. That was designed to create thousands of new jobs and generate hundreds of millions of dollars in new investment. I met with the leaders of the energy industry in Alberta last week. They confirmed the value of this kind of program in conjunction with initiatives taken by the provincial Government. They also confirmed their appreciation for the rapid action by the Government of Canada in providing $1 billion to western agriculture. That was also of great assistance to the economy of Alberta.

• (1500)

I think the larger answer lies in an economic diversification package which is being put together by the Deputy Prime Minister. That, along with other initiatives, will bring genuine solace and assistance to the ordinary Albertan.

Mr. Waddell: Mr. Speaker, David Kilgour came as a surprise to the ordinary Albertan and they liked that surprise. As well, the NDP voted against the NEP as much as the Conservatives, and he knows that.

Mr. Beatty: It did not go far enough for you.

Ms. Copps: Tell the truth.

Mr. Speaker: We are reaching the end of Question Period and that will be the end of questions. I am sure all Hon. Members would want to hear the last few questions.

ECONOMIC DIVERSIFICATION—TIMING OF ANNOUNCEMENT

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, concerning the positive aspects of the Prime Minister's answer, is he in a position to tell the House when these proposed measures for economic diversification, which we all want regardless of Party, will be announced?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Deputy Prime Minister will be making an announcement at the earliest possible moment.

If my hon. friend wants to place things in reasonable perspective, and if it is still accepted that unemployment levels remain a fair barometer of economic growth and activity, it should be noted that Ontario retains the lowest level of unemployment in Canada, followed by Saskatchewan, Manitoba, and Alberta. Western Canada has three of the top four provinces in economic growth and low unemployment. That indicates a tremendous commitment by the people of Alberta and the people of western Canada generally to their own growth in co-operation with the Parliament of Canada. We are determined that we shall do more to be of assistance to western Canada in order to reach new heights of economic growth and prosperity.

Mr. Speaker: The Hon. Member for York West, two short questions.

* * *

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—PROPOSAL TO RESOLVE ISSUE

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Secretary of State. The Government's failure to reach a fair and adequate settlement on the issue of redress for Japanese Canadians is most regrettable but not surprising when you consider its refusal to honour its commitment to an ongoing and comprehensive process of discussion was instrumental in that failure.

This sensitive issue requires a sensitive process of dialogue. Therefore, will the Minister agree it is time to establish, as promised, a comprehensive and continuing process of discussion which would be conducive to a spirit of understanding and compromise, rather than engendering an adversarial role through individual and irregular meetings which pit community against government?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, during the last seven months I suppose I engaged in the order of 20 to 30 meetings on this issue. That is pretty sensitive dialogue. All Members of this House should know the net result was that for the first time a Government of Canada said it would acknowledge the injustice of the treatment of the Japanese Canadian community in the 1940s. We stand ready to do that today.

Second, in my letter of March 27 I indicated we would repeal the War Measures Act and make sure those injustices would not occur again under its replacement.

Where we do not yet have common ground is on the question of money—not on the moral principle but on the question of money. We offered a $12 million fund which would produce $1 million to $1.5 million each year for that community. The executive of the National Association of Japanese Canadians is still demanding over $400 million. We have no common ground on the question of money.

REQUEST FOR COMMITTEE REFERRAL

Mr. Sergio Marchi (York West): Mr. Speaker, I appreciate the Minister's response. With respect to the issue of common ground, throughout the process the two opposition Parties and interested parliamentarians were ignored and kept completely in the dark.

In an attempt to try to reach common ground so that Parliament can collectively obtain an agreement we can be proud of, would the Minister be in favour of involving any and all Members of Parliament in the process by giving a mandate on this question to the Standing Committee on Multiculturalism? In that way, together with the Japanese Canadian community, all three Parties can harness their efforts to try to reach a settlement of this issue which would do honour to Parliament and all Canadians. Every Member of Parliament would like to resolve this issue during the life of this Parliament.

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, first, if the committee wants to participate all it need do is so indicate. It has not done that. More importantly, when I first took on this task I met with my critic and two other Members in the NDP who asked me to consider certain facets of this issue. There is nothing in the process in which I have been involved on behalf of the Government which excluded anyone. Indeed, we are meeting again on June 1.

If the Hon. Member, and indeed any member of his caucus, want to participate in this process all they have to do is get in touch with me or the National Association of Japanese Canadians. It seems to me that was open to the Member and his caucus all along.

Finally, what is important here is that there has been an historic offer to the Japanese Canadian community in this Government's acknowledgement of those injustices. The Government stands ready to do that today. As to making sure there is no recurrence of those injustices, the Government has already indicated it will repeal the War Measures Act and make sure this does not happen again.

With respect to the community fund, I ask the Hon. Member to consider seriously that throughout the country we have many needs. When you consider that, along with the $400 million requested as opposed to a $12 million fund, it seems to me this Government's offer if fair and just. I stand by it 100 per cent.

Mr. Speaker: I very much regret that we have time for only one more question.

* * *

ROYAL CANADIAN MOUNTED POLICE

EMPLOYMENT OF VISIBLE MINORITIES

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Solicitor General. According to a recent study prepared for the Canadian Association of Chiefs of Police dealing with the number of visible minorities in large Canadian police departments, the RCMP refused to provide the study with any information on the grounds that it does not keep records of that sort of thing. Will the Minister advise the House whether or not the employment equity policy concerning visible minorities put in place by this Government for the first time in Canada some two years ago applies to the RCMP? If it does, why do RCMP officials not keep records which government Departments are now keeping, and when will they start to comply with government policy?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I am aware of the study but I have not as yet received a copy. I would like to assure the Hon. Member, however, that there is no discrimination within the RCMP with respect to the hiring of visible minorities. The reason we do not keep statistics of that nature is in keeping with the spirit of the Human Rights Act.

• (1510)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—UI REFORM—FULL EMPLOYMENT

The House resumed consideration of the motion of Mr. Allmand:

That this House condemn the Government for its failure to initiate meaningful reform in the unemployment insurance system and for its failure to commit itself to a full employment policy that seriously addresses high regional unemployment, youth unemployment, part-time work and labour market adjustment.

Mr. Deputy Speaker: When the House rose at one o'clock, there was still time left in the question and comment period of the Hon. Minister of Employment and Immigration (Mr. Bouchard), so we will proceed with that question and comment period.

[*Translation*]

Ms. Copps: Mr. Speaker, the Minister of Employment and Immigration is supposed to have a reputation for being fair and equitable. That is why I would like to ask him, not during question period but in the course of this debate, why he is not willing, as of today, to offer all retirees affected by the decision to reinstate unemployment insurance benefits for those who retired in 1985-86, why he is not willing to give them their benefits as of today instead of letting them wait and holding them hostage, pending the passage of a Bill he intends to table which considers more universal aspects of unemployment insurance? Why doesn't he, in a spirit of co-operation, give these retirees who number nearly 50,000 across Canada the benefits owed them?

Mr. Bouchard: Mr. Speaker, I hope the Hon. Member erred because she was unaware of the fact we cannot reimburse retirees for the year 1985-86 because these are retroactive payments and, as such, must be approved by Parliament, otherwise the Minister has no authority to make these payments. Since we will soon be considering the second reading stage of Bill C-50 in the House, I hope to be able to count on the co-operation of the Liberal Party and the New Democratic Party to proceed quickly with second and third reading, and we will be able to reimburse the retirees.

I repeat, as far as making the payments now, we have no authority to do so since these payments have not been approved by the House.

[*English*]

Mr. Rodriguez: Mr. Speaker, the Minister pointed out that the Forget Commission report was highly controversial and that the recommendations of the standing committee report were highly controversial. However, 22 of the recommendations were supported by both the Forget minority and majority reports and the standing committee.

For example, there were recommendations for the coverage of part-time workers, the paying of benefits to those workers who were illegally locked out in a dispute and the extension of maternity benefits by two weeks, just to name three. Why would the Minister not have used this opportunity to move in those areas where there was common agreement in both reports?

Mr. Bouchard: Mr. Speaker, I would like to point out to my colleague from Nickel Belt that the question of unanimity on 22 recommendations does not mean that the Government took the decision it did because there was not unanimity. There were many other reasons for deciding not to move forward on giving more benefits or on giving a wider scope to the application of the UI review.

As well, we took into consideration that the UI system cannot afford more expenses in terms of benefits. I must point out to my friend that, contrary to what the commission said, this means about $1 billion more, not $175 million. Maternity benefits alone would be $475 million.

Mr. Rodriguez: Two weeks, two weeks.

Mr. Bouchard: No, I am talking about maternity benefits.

Mr. Rodriguez: We are talking about two weeks.

Mr. Bouchard: I was not talking about a waiting time of two weeks, I was talking about maternity benefits.

My friend knows very well that 70 per cent of part-time workers already receive UI. He knows as well that many part-time workers do not want to work on a full-time basis. Considering all those components, the decision we took last Friday and in the weeks before is certainly the best decision we could have taken under those circumstances.

Mr. Foster: Mr. Speaker, the Minister knows that northern Ontario has been going through a very difficult time since the severe cut-backs in forestry, mining and the steel industry which have occurred in the last couple of years. As well, the federal civil service has been cut back by several hundred jobs.

I wonder if the Minister could explain the value of cutting down on the number of counsellors at the immigration offices in Sault Ste Marie, Sudbury and Thunder Bay. When these positions are cut back as dramatically as they have been in the last couple of months, immigration counsellors are effectively removed from the offices but these counsellors are the ones who assisted and encouraged entrepreneur immigrants to come to northern Ontario.

In northern Ontario, we need new industries and new small businesses. We need new entrepreneurs coming from Hong Kong, Europe and even the United States. Now there are effectively no people available in those offices to assist in those entrepreneurial inquiries.

I wonder if the Minister would review that decision with a view to reinstating those positions. Surely a time when a whole region of Canada like northern Ontario with 700,000 or 800,000 people is facing economic downturns is not the time to remove unemployment insurance assistance, immigration counselling positions and people in direct job-creation programs. These people are really needed now. We should not be facing cut-backs in direct job creation or in immigration counsellors who really assist in bringing in foreign investment and new entrepreneurs.

Mr. Bouchard: Mr. Speaker, what we have done in northern Ontario is to follow a national operation according to the policy of the Treasury Board about person-years available for any Department. It is the same operation we have undertaken elsewhere. I do not agree with my colleague that it necessarily means fewer services for entrepreneurs or anyone else. We agree that it will be a little tougher than it was before in terms

of job development but, at the same time, northern Ontario is one of the regions where the Canadian Jobs Strategy has been applied and I think that has been quite efficient in its application.

On the specific question about Sault Ste Marie, at the request of the Solicitor General (Mr. Kelleher), who is the Member of Parliament for Sault Ste Marie, I agreed to look at the possibility of maintaining the same number of people in that office. I promise to give a very quick answer, hopefully this week.

• (1520)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, before the Minister leaves I would like to put some facts on the record. In response to the question I asked him about unemployment insurance, I think he inadvertently misled the House and the almost 50,000 Canadians who are waiting to receive assistance through unemployment insurance, which assistance was duly announced by the Minister in the House.

I asked the Minister today why he was not prepared to move immediately to allow those pensioners who qualified for pension benefits up to 1986 to receive benefits while we are awaiting further discussion on Bill C-50. He said only a few minutes ago that he is unable to do so because it was passed by legislation and new legislation has not been put in place to reverse that decision.

The Minister will know that his Government introduced the move to cut off almost 50,000 Canadian workers who applied for unemployment insurance after they were laid off, through no fault of their own. The changes were invoked by regulation rather than legislation. What the one hand giveth by regulation, the other hand is now taking away.

I cannot believe the Minister when he stands in the House and claims that he cannot, in a show of good faith today in the House, insist that at least those 50,000 Canadians who made the decision to retire in 1985 and 1986 be enabled to receive that benefit. The Minister has agreed with that logic. He said that false information was given out and the Government is therefore prepared to reverse its position. In the meantime he is holding those 50,000 Canadians hostage by refusing to return any of those moneys until Bill C-50 is passed.

The Government's policy was so bad that even Progressive Conservative Members of Parliament were standing in the House to dissociate themselves from it. Now that the Minister has come forward with a positive initiative, why does he not state that he is prepared to move immediately without holding those 50,000 workers hostage?

I am not even the critic and I have in my possession letters from people across the country, some of whom have lost their homes. You will be aware, Mr. Speaker, of one very sad and difficult case which actually resulted in a suicide. That case was raised by myself in the House. The Minister is turning his back on these thousands of Canadians who have written to him, exhorted him, and contacted their Members of Parliament. Why does he not move away from his very rigid position of refusing to grant cheques to those pensioners while waiting for the full development of Bill C-50?

Unfortunately the Government is once again playing politics on the backs of the unemployed and the workers. Anyone who had the opportunity to hear the very articulate argument put forward by the Member for Notre-Dame-de-Grace—Lachine-East (Mr. Allmand) this morning will realize that the Government has no employment policy. That is why we are introducing a motion to condemn the Government.

We are three years out of the recession and the unemployment rate across the country is still hovering at almost 10 per cent. That is completely unacceptable, particularly when you consider that during the last 20 years while Liberal Governments were in power the average level of unemployment was around 5 per cent. This morning the Minister and members of the Government were laughing in glee over an unemployment rate of around 9.3 per cent. The Liberal Party does not think a full employment policy is a joke. We think it is an objective toward which we should be working.

I would like to spend a few minutes outlining the lack of a full employment policy of the Government in relation to older workers.

[*Translation*]

And I know for a fact that there are a number of Hon. Members, Conservative Members, who have indicated an interest for the issue of older workers, and I believe that the Hon. Member for Jonquière (Mr. Blackburn) has indicated a deep interest for older workers. What I would like to do, Mr. Speaker, if I could, would be to attend Cabinet meetings or even caucus meetings of the Conservative Government to find out why the Hon. Member for Jonquière and other Conservative back-benchers did not have the courage to stand up to the Finance Minister (Mr. Wilson), who had committed himself a year ago to introducing in the House a specific policy for older workers.

[*English*]

We hear government Members making pronouncements on all these issues in committee, yet when the telling moment comes in the House to vote on a resolution, such as the one before the House today, or to confront the Minister of Finance (Mr. Wilson), they are afraid to do so and disappear. We do not hear them speaking out.

In February of 1986 the Minister promised that he would be introducing a package for older workers. Several months before February of 1986 the Government unilaterally and with one fell swoop did away with the Labour Adjustment Benefits Program which was the only program targeted for older workers. The Government slashed it and bashed it and did away with it. Nothing was put in its place and it was not until repeated questions were asked by the Opposition that the Minister made his promise in February of 1986.

He said: "The position of older workers deserves special consideration. I am announcing federal funding of up to $125 million over a four-year period, "—peanuts, Mr. Speaker, my words, not his—"to finance a new Program for Older Worker Adjustment". It even has an acronym, Mr. Speaker—POWA. Unfortunately, the only people who have been "pow—ed" and planted in the face are the older workers who have been waiting for more than a year for this program to materialize. This $125 million over four years is a pittance. The Government comes up with $1 billion in 48 hours to bail out the banks and then tells the older workers of the country that they will be given $125 million over four years.

Even that paltry, pathetic sum has not been handed out by the Government more than a year after the promise was made by the Minister of Finance. That is because the Minister fobbed it off to the Minister of Labour (Mr. Cadieux) who fobbed it off to the provinces, who fobbed it off to the provincial labour ministers. The Government is blaming the provinces, passing the buck and the responsibility in the same way it did with the national housing program.

[*Translation*]

Mr. Speaker, according to the most recent statistics on unemployment among older workers, as presented in a March 1987 article entitled *Les pertes d'emplois, et adaptation au marché du travail dans l'économie canadienne*, it is already an established fact that once they lose their job, these workers, older workers that is, are more likely to leave the labour force. First of all, in January 1986, no less than 42 per cent left the labour force. And second . . .

• (1530)

[*English*]

Second, for those who did remain in the labour force, the job search was longer for older workers than any other age group. When they finally found jobs, those jobs tended to pay much less than the previous employment and much less than the national average.

The job search for the 45 per cent who did locate new full-time employment was the longest. It took them 33 weeks to find a new job, and the average wage loss between the lost and new full-time job was 12 per cent, also the largest of any age group. Furthermore, the one-half of those workers who took pay cuts lost an average of one-third of their wages in the job change. These pay cuts are likely related to the fact that many of these older workers lack levels of education and had already undergone longer than average job searches.

The job loss and labour market adjustment in the Canadian economy will show that those people who are suffering are not only located in the regions of the country that have been ignored by the Government. We learned in Question Period the startling statistics which show the cut in regional development moneys spent to assist the underprivileged regions of this country. At the same time, the Government is washing its hands of the plight of older workers and turning its back on those people who, through no fault of their own, find themselves out of work and, in some cases, taking an average of 33 weeks to find another job that will pay less.

What response has been made to the plight of older workers? Did the Minister of Employment and Immigration (Mr. Bouchard) talk about older workers in his statement on May 15 which deals with the Forget Commission and unemployment insurance? Did he talk about the lack of worker adjustment programs or the Government's decision to turn its back on older workers? Instead, he talked about the abusers. He said: "We will step up our activities to weed out those who would abuse the system".

Unfortunately, the Minister is reinforcing the notion expressed to Forget and to the committee on employment that those people who are receiving unemployment insurance are attempting to rip off the system. However, Forget and the committee studying unemployment insurance changes were able to discover that the number of abusers of the unemployment insurance system is less than 3 per cent and that the record of the abuse inflicted upon the income tax system is far greater than that in unemployment insurance.

In spite of these statistics, the Minister talked about the abusers of the system and the kind of "fraud squad" that was launched by his predecessor, the Member for Kingston and The Islands (Miss MacDonald), when she promised to hire an extra 700 people to investigate job claims. This is only pandering to the notion expressed by some Canadians that people who are seeking unemployment insurance are out to rip off the system.

My experience as a Member of Parliament as well as a Member of the Ontario Legislature convinces me and, I believe, members of our Party that people who apply for unemployment insurance do so because they are in real need. These include the people who have written me about the issue of changes to the definition of pension as income. They include firefighters of Hamilton who have written to the Government and me on this issue. I think of the workers at Firestone. I also think of the workers at Miracle Mart who were thrown out of their jobs. These workers were primarily women, many of whom had literally 20 to 25 years of service. They were told they would no longer have a job at Miracle Mart and, to add insult to injury, were told they would not be entitled to collect unemployment insurance.

The Minister has partially revoked that Draconian measure of his predecessor who attempted to take money from the mouths of the families of Miracle Mart workers. He has decided to change that unjust law partially, but he could make regulations or at least introduce a separate legislative package upon which Members could vote in one day, as we are prepared to do, in order to turn that money back to the workers. Why is he using this issue as a club with which to force us to accept other unjust changes to the regulations he is suggesting?

The motion of the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) simply states:

> That this House condemn the Government for its failure to initiate meaningful reform in the unemployment insurance system and for its failure to commit itself to a full employment policy that seriously addresses high regional unemployment, youth unemployment, part-time work and labour market adjustment.

The Government literally laughs in the House at our proposal for a full employment policy. I believe the purpose of the motion of the Member for Notre-Dame-de-Grace—Lachine East is to make a full employment policy a goal for us all to attempt to achieve.

During his remarks he mentioned how two previous Liberal Governments have been able to keep the level of unemployment below 3 per cent because we set a full employment policy as our first national priority. Yet the Government will not even make a commitment to set 7 per cent, 6 per cent or 5 per cent as a national target for a reduction in unemployment.

We do not expect the Minister or the Prime Minister (Mr. Mulroney) to achieve this goal tomorrow, although the Prime Minister stated during the election campaign that tens of thousands of jobs would be created overnight. It has been over two years since the mandate of the Conservative Government, and the average unemployment rate is higher than it ever was during the tenure of Liberal Governments in the past century.

It is difficult to understand why the Government is not prepared to set the objective of achieving a full employment policy by the end of its mandate. I believe that the Government is so committed to non-intervention and is so free market driven that it believes it has no place in the area of job-creation. This has been illustrated quite clearly in the cut-backs and slashes to the Canadian Jobs Strategy. The Hon. Member for Notre-Dame-de-Grâce—Lachine East outlined the cruel reality of a 30 per cent cut in funds that the Government should make available for job strategy programs.

[*Translation*]

And today, the Conference Board of Canada provided data which suggest that the situation in all provinces except Ontario and a few parts of Quebec will be worse.

[*English*]

We have heard the dire predictions of the Conference Board with respect to employment. The unemployment situation in certain sections of the Province of Newfoundland is worse than it ever was under the previous Liberal Government. Yet the Government will not make a commitment to a full employment policy.

While I certainly respect the work of government Members on the all-Party committee that came forth with unanimous recommendations dealing with part-time work and the question of unemployment insurance, I believe those Members on the government side who truly believe that there should be some drastic changes in the Government's approach to the unemployed in this country have no choice but to support this motion whole-heartedly. I invite them to do so.

The Minister and the Prime Minister have stated that they want to involve the regions and localities in the decentralization process. Therefore, the Government must begin to give some credence to the recommendations coming from the local advisory councils. The local advisory council in Hamilton is becoming quite frustrated by a Government that consistently ignores the advice of an advisory body that it established. I ask government Members to support this motion which will at least encourage the Government, if it does nothing else in this Parliament, to make a full employment policy its first priority in the goals we attempt to achieve. That will mean that those older workers who so far have been ignored by the Government, and those people who are not working, can have some hope.

• (1540)

[*Translation*]

If you wish to share our dream, then obviously you must agree with a motion which aims at eliminating unemployment in Canada.

Mr. Deputy Speaker: Questions or comments. The Hon. Minister of State for Youth (Mr. Charest).

Mr. Charest: Yes, just one question, Mr. Speaker. The Hon. Member for Hamilton East (Ms. Copps) suggests that the Government did not set clear-cut objectives. I suppose that, as the spokesperson for the Official Opposition, she will be in a position to tell us what the exact position of the federal Liberal Party is, and if so, whether the federal Liberal Party of Canada is indeed promising today every Canadian man and woman that if they were to win the elections some day, they will restore full employment in Canada and if not, what exactly do you have in mind as your objective?

Ms. Copps: Well, Mr. Speaker, of course full employment is indeed the goal of the Liberal Party. That is what was agreed upon at the National Convention of the Liberal Party, and if this Government is not at least committed to the objective of full employment, I wonder what they are doing here! Now, we are not saying that as early as 1988 or 1989, as soon as we are back in power, we will be able to achieve that goal immediately, but at least we can have full employment as an objective.

In answering this question, Mr. Speaker, I think that the federal Liberal Party is at least willing to support the changes suggested by the committee of all parties, including Conservative Members, Liberal Members and Members of the NDP with respect to the unemployment insurance program, that is the changes in family benefits, not only maternity benefits, but also changes for part-time workers, changes which would make the system more efficient and would streamline its bureaucracy. And I really wonder why the Government is not even willing to endorse those objectives as suggested by its own Members!

[*English*]

Mr. Allmand: Mr. Speaker, I am pleased the Hon. Member for Hamilton East (Ms. Copps) mentioned that at its national convention in November the Liberal Party passed two resolutions favouring full employment. As she pointed out in her speech, twice since the Second World War, Liberal Governments have made full employment their highest priority and twice it was achieved, once under the Mackenzie King—St. Laurent Governments of the late 1940s and early 1950s and again under Mr. Pearson in 1963.

In a report dated February 28, 1987, it was pointed out that more than 95 per cent of the new jobs created last year were created in the Province of Ontario. In fact, out of 137,000 new jobs created, only 5,000 of those jobs were created outside of Ontario. I know the Hon. Member is from what is considered the Golden Horseshoe of Ontario, which includes Hamilton, Toronto, Oshawa and so on. It is more than likely her area is one of the better off areas with respect to employment. No doubt that has happened under a free market economy and a Liberal Government in Ontario.

As a Liberal, does the Hon. Member believe that it is just that employment gains are so unevenly balanced in one area of the country, even within her own province? We know northern Ontario has suffered more with respect to unemployment than southern Ontario. Is the Hon. Member willing to leave it to the market economy to decide whether one region of the country should get all the jobs and others none at all or very little, or would she take a more pro-active approach?

Ms. Copps: Mr. Speaker, I think it is pretty clear, even from statements made by the Premier of Ontario, that Ontario is prepared to share in the benefits and good times and to share in some of the difficulties and bad times. When I look, for example, at the level of unemployment in Newfoundland, traced since the time of the Conservative Government coming into power, we see from the figures that both in Newfoundland and in British Columbia there is only a marginal drop in unemployment. In the case of Newfoundland, it was 23.8 per cent in September of 1984 to an unacceptably high level of 19.2 per cent in January of 1987. In British Columbia, there is a drop of about 1.6 per cent, which is completely unacceptable considering that we have gone from a period of recession into a period of world-wide resuscitation, as it were.

What I cannot understand is that the Minister of State for Youth (Mr. Charest) actually questions even the objective of a full employment policy. No one is suggesting that any Government, whether the Liberal Government of Ontario or the federal Conservative Government, has all the answers to all the problems of the unemployed. For a worker in Toronto or in Hamilton who does not have a pay cheque coming in, who has lost a job and who has no money to put food on the table, it is just as painful as it is in other areas of the country. The very least we can do is to support this motion which calls on the Government to endorse a full employment policy.

If we are not prepared to set national objectives, if we are not prepared to hope, how can we expect that from these thousands of workers—in fact over a million workers—and the number of children we know are living in poverty along with their parents who are not earning wages? How can we expect them to have hope, to hold up their heads and go out and fight for a job, having faith in the Canadian economy, if the leaders of our country and Conservative Members of Parliament will not even endorse the objective that at some future point we might have full employment again in this country?

Mr. Caldwell: Mr. Speaker, in listening to the last speaker, I could not help but think about the full employment program of the Liberal Party. I would like to bring to the attention of the House some figures on unemployment. The Hon. Member who proposed this motion indicated that we are not creating jobs outside of the Province of Ontario. The Government is creating jobs in Quebec at a rate of 7,258 jobs per month. That is 10 times faster than the Liberal rate of only 727 jobs per month. More jobs have been created in Quebec in the last three months than were created by the former Government in four and a half years. I think that is coming closer to a full employment program than the program proposed by the Liberal Party.

In the Prairies, 79,000 jobs have been created since September of 1984, including 31,000 jobs in Manitoba. In British Columbia, 87,000 jobs have been created since the election in comparison to only 26,000 jobs in British Columbia during the entire mandate of the previous Government. So who is creating new jobs?

Jobs are being created at a monthly rate of 25,097, compared to 7,700 under the Liberals. We have created 778,000 in 31 months, as compared to 424,000 jobs in 55 months created by the previous regime. The Liberals created only 87,000 full-time jobs in 55 months; we have created 667,000 full time jobs in just 31 months. I think that indicates that this Government is working toward a full employment situation in this country.

Ms. Copps: Mr. Speaker, the unemployment rate in the Province of Quebec—

[*Translation*]

—the unemployment rate in the Province of Quebec is still close to 10 per cent. If that is acceptable to the Progressive Conservative Party, I doubt very much that they will keep all their seats when the next election comes, because 10 per cent, in any province, is considered too much by the Liberal Party. If the members of Conservative Party of the Hon. Member for Essex—Kent (Mr. Caldwell) are satisfied with an unemployment rate just under 10 percent, I hope they will be running in Quebec for the next federal election.

I would just like to draw the attention of the House on the rates of unemployment as they stood for almost 20 years when the Liberal Party was in power.

[*English*]

Between 1965 and 1980, before we were plunged into a recession which was accepted as a world-wide recession by any economist who examined the situation, the average unemployment rate under Liberal Governments in that period was 5.6 per cent. For 15 years we had consistent unemployment rates of less than 6 per cent.

• (1550)

As the Hon. Member for Notre-Dame-de-Grâce—Lachine East pointed out, during two periods of time when the Liberal Government made it a national priority we had unemployment rates which were actually less than 3 per cent. Now, during the course of this Government's time in office, a Government which campaigned on the promise made by the Prime Minister that tens of thousands of jobs would be created overnight immediately upon the election of a Conservative Government, we see that the Government is still sitting on its fat fanny satisfied with having unemployment rates of more than 9 per cent.

In certain areas of the country there exists the unacceptable situation of 20 per cent to 30 per cent plus unemployment. That is not acceptable. The Liberal record in the last years of our Government was not acceptable to the Liberal Party either. We were fighting to try to change it. However, it is obvious that the record of complacency on the part of this Government is acceptable. If it were not acceptable then Members of the Government would have no other choice but to support the motion put forward by the Hon. Member for Notre-Dame-de-Grâce—Lachine East.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE RAISED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Parkdale—High Park (Mr. Witer)—External Affairs—Request for listing of honorary Baltic consuls; the Hon. Member for Hamilton East (Ms. Copps)—Canadian Human Rights Commission—Appointment of Antonio Arcangel to Human Rights Commission. (b) Request for investigation of appointee; and the Hon. Member for York East (Mr. Redway)—Canada Mortgage and Housing Corporation—Compliance with rent control regulations.

[*Translation*]

Resuming debate. The Hon. Minister of State (Youth) (Mr. Charest).

• (1600)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—UI REFORM—FULL EMPLOYMENT

The House resumed consideration of the motion of Mr. Allmand:

> That this House condemn the Government for its failure to initiate meaningful reform in the unemployment insurance system and for its failure to commit itself to a full employment policy that seriously addresses high regional unemployment, youth unemployment, part-time work and labour market adjustment.

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, I welcome this opportunity to take part in the debate today, especially since quite frankly, I have been listening with some fascination to my opposition colleagues and to everything they had to say. I have heard some of the most incredible statements I have ever come across in such a short time. I must admit I was surprised at the kind of statements being made in the House, without any real relevance, about a number of subjects to which I will be referring to shortly.

First of all, perhaps we should stop and reflect for a moment on what lead up to today's debate, and I am referring to the fact that last Friday, the Government, through the Minister of Employment and Immigration (Mr. Bouchard), announced that following a number of studies that had been ordered, not just Mr. Forget's study but a number of other studies published in this country, the Government had decided to make no substantial changes in the unemployment insurance program.

Mr. Speaker, we had a situation where the Government was literally confronted on one side by part of the population that wanted important changes, and on the other side by people who were not as keep on these changes.

Several people, Mr. Speaker, suggested making some entirely extraordinary changes in a system which for many Canadians, especially in the regions, has become vitally important.

Considering the lack of consensus across this country, it would probably have been very difficult to implement any effective changes in the system. The Government has preferred to make a number of administrative changes within the unemployment insurance system while attempting to improve the system, but in the short term, it will make no important changes.

Our Opposition colleagues are surprised. We are not surprised at their reaction. They are surprised, and that is why today, they have introduced a motion that refers to reform and at the same time condemns the Government for not having developed a full employment policy for Canada. I think that part of the motion also refers to the situation of youth in Canada, Mr. Speaker. And that is why, whether I like it or not, I feel I must intervene today to try and contribute a small

measure of serenity and common sense to a debate which if we left it completely to the Opposition, would merely be a repetition of the entirely incredible statements we have been hearing since this morning.

Interestingly enough, Mr. Speaker, ever since the Liberal Party of Canada, among others, has had an opportunity to speak up this morning I have yet to hear a suggestion as to what we could have done. It is an absolutely extraordinary intrigue, they have been sitting on the opposition benches in this House for two years, so I have to presume that they may be experiencing difficulties such as those prevailing now about the Constitution where accusations are flying right and left, with racist overtones in some cases. Besides, when the cruise missile or the free trade negotiations come up for discussion, we simply have to conclude that we are facing a divided Opposition which is suffering from a flagrant lack of leadership, of inspiration, of research, of I do not know what, but in any event the result is that Canadians are being deprived, because in the end that is what it amounts to. Let us forget our situation for a moment, under our political system we have a Government which proposes solutions and tries to establish policies, and an Official Opposition which is expected to offer alternatives. In this case, after nearly three years of opposition, three years in this Parliament, the Official Opposition still has nothing to offer or to say to Canadian men and women.

What is surprising, Mr. Speaker, and I suggest this may explain today's motion, is this kind of utterly incredible statement on the part of our colleagues of the Official Opposition who are bragging about the fact that when the federal Liberal Party was in office between 1965 and 1980 the unemployment rate was about 6 per cent or lower—

Mr. Allmand: 5.6!

Mr. Charest: —5.6. Well. The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) says 5.6 per cent, with a proud smile. My God! What a great thing for this country! It is absolutely unbelievable. It is unbelievable that we should come to the House today, on May 19, 1987, to be told something as ridiculous as this. Is the Hon. Member for Notre-Dame-de-Grâce—Lachine East going to tell us that the world has not changed since 1965? Can he and the Hon. Member for Hamilton East (Ms. Copps) have overlooked the fact that from 1965 to 1987, the world, the environment, the labour force and industry have changed in Canada? Did they fail to note, for instance, the changes in the natural resources industry? They would have us believe that the situation in this country in 1987 is exactly the same as in 1965. Come on, I just cannot believe such a thing! My friend the Hon. Member for Notre-Dame-de-Grâce—Lachine East would be the first to say that one would have to be something of a moron to try and convince the House and the Canadian public that the economic situation in Canada and the rest of the world in 1987 is comparable to what it was in 1965. One would have to be a complete imbecile to imply indirectly that which we are living in exactly the same world. As soon as I have completed my remarks, I am sure, because I know him well, that my friend, the Hon. Member for Notre-Dame-de-Grâce—Lachine East will want to stand in the House and say: Mr. Speaker, hon. colleagues, I did not mean to say that the world in 1987 is exactly the same as it was in 1965. I am sure he will want to say that. Knowing him to be an honest man, I am sure that he will want to correct this, at least in the minds of Canadians.

Mr. Speaker, they have shown courage by speaking about the unemployment rate among young Canadians, which we recognize as much too high. As a matter of fact, we had already recognized that fact in the Throne Speech delivered on October 1st of last year. I do not think anybody could blame me for mentioning today that the unemployment rate among young Canadians in April was about 13.9 per cent. Since we came to power in 1984—let us be frank and direct about this, Mr. Speaker—our Government has managed to reduce the unemployment rate among young Canadians by about 6 per cent.

Well, I suppose it would be just too much to ask the federal Liberal Party of Canada, and even the Socialists, to stand up in the House and recognize that the situation has improved.

And, Mr. Speaker, to get away somewhat from the partisan nature of the debate to which Hon. Members are challenging us, let me tell you this: One rule is clear in the case of young Canadians, as far as their performance or their level of activity within the economy are concerned: When the economy is in a slump, either in Canada or elsewhere, the young are the first to be laid off. When the economy recovers, the young are the last ones to be recalled. In conclusion, the golden rule for the young more than for any other group in our society is this: It is important that the economy be healthy, that government expenditures be well managed, otherwise they will suffer the most. Although this is not romantic, it is one of the basic realities, and today at any rate, statistics are ample proof of it.

Even, my God, I listened with interest to our colleague from Hamilton East, a Member of the federal Liberal Party of Canada, when she referred to the fact that the unemployment rate since the turn of this century was always low under a Liberal Government. Well, my God, a hundred years ago there was no unemployment in Canada, Mr. Speaker. Nobody was working either, according to current definitions. But it is unbelievably gross for someone to suggest such things to Members of the House of Commons in the hope Canadians will swallow everything without uttering a word, as if citizens in this country were vases one could fill as one pleased. The times are over, Mr. Speaker, when one could tell people anything at all and have them believe it.

What puzzles me most on the other hand is this. The federal Liberal Party of Canada—perhaps and certainly our colleagues for the socialist party also advocate the same thing—are telling us: What we are promising Canadians is full employment. This is what we should have in Canada. Everyone should be rich. How are we going to be rich? Oh well, I do not

know. That is no problem for them, but everyone should be a millionaire.

Well, we must remember this, Mr. Speaker. First, countries that have employment policies made a number of choices. First, they made choices as to their trade policy, in the first place. Are those exporting, importing countries? Is their market small enough? Will they try to specialize in a certain number of products, and so on? They made choices as regards their trade policy, on one hand.

Second, after making that choice, they subsequently developed an industrial development policy, or in some cases an industrial and regional development policy, in line with their initial choice. That is what was done in those countries.

Third, they developed an employment policy compatible with all their choices. Mr. Speaker, that is really the way to develop an employment policy. It has not always been clear in Canada for the following reasons, Mr. Speaker, and if my colleague from Notre-Dame-de-Grâce—Lachine East wants to be honest, he will admit it. Since World War II up to the 70's, in Canada, economic growth was almost continuous in a country with an economy largely based on natural resources. That was really the economic fabric of Canada. But there was a radical change in the last few years, and my Hon. colleague knows it. We are moving from an economy largely based on natural resources to a quite different one, an economy that requires substantial adjustments in the labour market which will not take place overnight.

As regards youth, for instance, we note the following: first, my colleague made a speech this morning without even mentioning youth once, and somebody had to ask him a question before he said something about our youth, but beyond all that, there was a debate on an Opposition day on youth, about two weeks ago in this House. At that time, everybody was surprised to hear that neither the federal Liberal Party of Canada nor the socialist party had developed a policy on youth. Neither one of them had taken the time to identify what could be the most important problem for young Canadians.

One must admit, Mr. Speaker, that it is quite ridiculous to ask others to spend more money, to develop other programs, to do this and that, when you do not even take the time to sit down and try to identify the most important problems of young Canadians. Neither one of those parties did that.

And today, I have never sensed and I have never had any indication of what they see as the main problems of young Canadians.

The federal Liberal Party of Canada, believe it or not, made a commitment today to achieve full employment when they are totally unable to come to an agreement on a trade policy for Canada. Mr. Speaker, the Liberals cannot really claim they can develop an employment policy separately from a trade policy. That is impossible. You cannot even agree among yourselves about the trade policy Canada must adopt but that does not stop you from rising in the House to tell Canadian men and women: "We will bring in full employment." My goodness, you could not be more ridiculous. That is unbelievable, Mr. Speaker. How could anyone suppose Canadian men and women could be so gullible as to listen and trust the Liberals.

The choices on the socialist side are at least clearer. Their contradictions are apparent. They tell us: "We promise full employment to Canadian men and women, but do not deal with the Americans, do not sign any free or freer trade agreement with them", when Canada is the second most export dependent country in the world, in terms of Gross National Product; about 30 per cent of our GNP depends on exports. We follow West Germany as the second most export dependent country in the world, at least within the OECD. In fact, more than one job out of three depends on our exports.

So, how can they separate a full employment policy, that is the ultimate job development, throughout the economy, from a trade policy? How can you claim that this objective can be met in the absence of a policy on freer trade within your party? Mr. Speaker, the Hon. Member for Notre-Dame-de-Grâce—Lachine East will have to provide us with further explanations, because such a contradiction is unreconcilable, at least in my own mind.

As for the Socialists, that obvious contradiction is in their heart and in their mind and they will have to live with it and be accountable for it. We accept that. At least their position has the merit of being clear.

Mr. Speaker, over and above this whole debate about reforming the system or the Unemplyment Insurance Act is best summarized by the Employment and Immigration minister who is interested in creating as many jobs as possible in Canada. My Opposition colleagues keep repeating since this morning that all the new jobs are being created in Ontario, which is wrong. Mr. Speaker, I say with no hesitation that in fact, about 46 per cent of the jobs created since we came to power are located in Ontario. I dare hope, Mr. Speaker, that anyone who disagrees with me, any of my colleagues who do not believe what I have just said in this House will immediately stand up and contradict me. As I said, the rate is around 46 per cent.

We recognize the regional inequities of economic development in Canada.

Fundamentally, Mr. Speaker, the question day after day confronting us is that of economic development and job creation. As far as this issue is concerned, I will not hesitate one moment to say that the present Government does better than any previous administration, including the Liberal Government that was in power in 1965, at the beginning of this century, or at any time one might choose.

• (1610)

[*English*]

Mr. Allmand: Mr. Speaker, perhaps it is because the Conservative Party and the Minister are doing such a wonderful job on employment that they have dropped down to 25 per

cent in the polls and even lower among our young people; perhaps it is because of their fantastic record in employment creation!

Perhaps it is also because of their fantastic record that when Gallup asked Canadians in February what was the most important and serious problem in the country, 41 per cent said unemployment! A country mile ahead of any other problem was unemployment at 41 per cent.

In his remarks the Minister of State for Youth (Mr. Charest) inferred that because the industrial world has changed, because 1987 is not 1977, full employment is not possible. He suggested that it was ridiculous on our part to say that we should have the same rates of unemployment in 1987 that we had in 1981 or from 1965 to 1980.

Is the Minister aware of the fact that with a changed industrial economy Japan is averaging less than 3 per cent unemployment? Sweden has just over 3 per cent unemployment. Austria has just under 4 per cent unemployment. Switzerland has a similar rate. These countries have experienced very definite industrial change. As a matter of fact, Japan is in the third generation of computer technology. Despite that, and because it put a high priority upon full employment, Japan had less than 3 per cent unemployment last year and just over 3 per cent this year. Is the Minister aware of that?

Is the Minister saying to the House and to the people of Canada that because we are in a modern technological age we cannot have full employment? Is that what he is saying?

Mr. Charest: Mr. Speaker, it is interesting that my colleague would choose Sweden as an example. He should know that a certain number of years ago clear choices were made in Sweden on what would be the commercial, industrial, and labour policies of that country. Even today, in 1987, the Liberal Party of Canada is incapable of coming to grips with that.

The Hon. Member raised the resolutions of the Liberal Convention in November when they had to reconfirm the leadership of their Leader one more time. There were three different resolutions on trade.

I presume the Hon. Member should know—and if we put the question to him, I presume he will admit it—that any employment policy or full employment goal must first arise from clear choices being made on commercial policy. Does the Hon. Member agree with that?

There is no answer, Mr. Speaker. It is even worse than the other Liberals who offered three different answers. Now we have no answer. It is like multiple choice—a, b, c, or all of the above are right, and that is what was chosen today.

I hope the Hon. Member does not want to compare the economic situation of Japan with that of Canada and the way it has evolved from a one resource-based country. I hope not, especially in that its culture is not the same.

I am far from saying that full employment is not an objective in Canada. However, if we want to develop policies which have full employment as an ultimate objective—and I presume every righteous Government must have it as an objective—we must make choices on the commercial policy side, which the Liberal Party is totally incapable of doing.

We have made the choice. We have stated that Canada is a trading nation, the second most important country in the world which depends so heavily upon trade. We wish to pursue that objective through trade negotiations with the Americans, our most important trading partner, and through the GATT. We have made that choice. It remains to be seen whether the Liberal Party of Canada can come to grips with such a fundamental issue, to start with.

Mr. Allmand: Mr. Speaker, the Hon. Minister indicated to the House this afternoon that not only is he incapable of projecting proper policy decisions, he cannot read. If he read the resolutions of the Liberal Convention and thinks he read three different ones in respect of trade, perhaps he should take a corrective reading course.

If he wants to compare trade policies—and I challenge him to do so at the end of his four-year or five-year mandate, if he hangs in to the very end—with any five-year period in the forties, fifties, or sixties in respect of trade, he will see that we will beat them by a country mile.

The Minister said that the Liberal Party—and I think he even said the NDP as well—had no policies in respect of youth. When the Conservative Government came into power in 1984, there was the First Chance Program to help 100,000 young people at a cost of $1 billion. That was cancelled. There was the Katimavik program. That was cancelled. We had dedicated $2.2 billion for job training and job creation. That was reduced to $1.6 billion. There were moneys for recreation and sport. That was cut back. There were more moneys for post-secondary education. That was cut back.

If First Chance, Katimavik, support to post-secondary education, training, job creation, recreation and sport were not a policy, I should like to ask the Minister what is his policy. It seems to be cut, cut, cut. That is great for youth!

Mr. Charest: Mr. Speaker, had my hon. colleague been in the House when we had a full Opposition Day on youth two weeks ago, he would have had the opportunity of listening to his own colleagues and to members of the socialist Party debate in a very non-partisan way what is the youth policy of the country.

First, we proceeded to identify what is the most important problem facing young Canadian men and women in 1987. That is what I explained to the House on that day. I am not sure whether the Hon. Member could tell us at this point in time what is that problem. I do not think he knows. That is their problem, and that is the problem of the NDP also.

However, for his benefit and for the benefit of all Hon. Members in the House, we identified as being the most

important problem the transition from school to work. He can read *Hansard* of that day, because I presume he has not read it. We proceeded to enter into discussions with the provinces in respect of their jurisdictions on how we can develop policies to deal with the transition from school to work. That is the direction in which we are going. It goes way beyond the usual, typical, partisan, paternalistic speeches we have been hearing from the other side.

I find it intriguing that the First Chance Program, which I think was supposed to encompass all youth programs of the federal Government, would help 100,000 people. For the last fiscal year, we helped over 250,000 with our programs. Perhaps that is why our performance is so good and unemployment for young people has gone down approximately 6 percentage points.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I listened to the Hon. Member for Hamilton East (Ms. Copps), and then I listened to one of the most pompous and arrogant speeches from the Minister of State for Youth (Mr. Charest) that I have ever heard in the House.

I should first like to deal with the Liberals. We heard the Hon. Member for Hamilton East and other Liberals talk about the new discovery of a full employment policy. Have we forgotten that their Leader in the previous Government, Pierre Elliott Trudeau, when unemployment was at 6 per cent and rising and when inflation was rising, turned around and said to workers who were demonstrating on the Hill: "If you think 6 per cent is high, you just watch me"? We watched as unemployment sky-rocketed into the teens. Can we believe that is the same Party whose Leader, Pierre Elliott Trudeau, went out to Salmon Arm and, when all the unemployed lined up at the side of the railway tracks, gave them the finger? Did I hear the Hon. Member for Hamilton East bellowing from Hamilton against the policy of high unemployment in order to bring inflation down? Is that their version of employment? They are the same group who allowed interest rates to sky-rocket and caused the recession of 1982. That, in turn, put the unemployment insurance fund into hock for about $3 billion.

• (1620)

Then we listened to the pomposity of the Minister of State for Youth. Was it not his Government who, three short summers ago, in August of 1984, during the election said there are three main issues in this campaign: jobs, jobs, jobs?

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Here we are in 1987, three years later, and what does the Minister stand up and say? We are changing the base of the economy from resources to technology, and that takes time. Yet today we have over a million people unemployed, and that is only the official figure. The youth in this country are experiencing the highest unemployment rate of any group at more than 20 per cent.

If we look at the regions of this country, leaving Ontario out of it for the moment, unemployment is as high as it was under the previous Liberal Government. Then we look at Ontario. The vast majority of all jobs the Government claims have been created, over 75 per cent, are within a 60 mile radius of Toronto. We in northern Ontario do not experience any of the fall-out from the economic resurgence in Ontario.

It is also very disturbing to note that most of the new jobs are being created in the service sector. That sector is the soft underbelly of the economy in general. For example, in communities that depend on the exploitation of resources, any rumour of a lay-off or actual lay-off immediately results in the shutting down, closing up and laying off of workers in the service sector. Furthermore, the service sector is fragile and pays the lowest wages.

When we hear the Liberals talk about how many resolutions on full employment they passed at their convention, we know what that currency is worth. No sooner had the delegates left for the airport after the convention than their Leader said he is not bound by policies passed by the convention. Over on the other side they do not talk about policies. It is the backroom boys, the Dalton Camps and Lowell Murrays, who sit down and decide what they think Canadians would like to hear. If the Minister thinks they have done such a great job over there, he should know that the public does not have the same myopic vision.

What I have said has a direct bearing on the unemployment insurance program. I want to thank the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) for putting this motion before the House today. I also want to congratulate the Conservative Members who sat on the Standing Committee on Employment and Immigration. They are the Hon. Member for Willowdale (Mr. Oostrom), the Hon. Member for La Prairie (Mr. Jourdenais), the Hon. Member for York—Sunbury (Mr. Howie), the Hon. Member for Jonquière (Mr. Blackburn), the Hon. Member for Calgary West (Mr. Hawkes) and the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers). There were six Conservatives, one NDP and one Liberal on that committee.

What was the committee's task? To examine the Forget Commission report and table a response in Parliament in the hope it would guide the Minister in his response on May 15 to that report. There is absolutely no doubt in my mind that when the committee sat down, many Conservative Members were infected by myths concerning unemployment insurance. They were and are myths propagated by the National Citizen's Coalition, a right-wing organization in Canada, the Federation of Independent Business led by John Bulloch, various Chambers of Commerce, the Canadian Manufacturers' Association, and the Construction Association of Canada. These myths were expressed, at first, by Conservative Members on that committee, and I want to discuss them.

Myth number one is that unemployment insurance is generous and abused. In fact, the average benefit in 1987 was $180.69 per week. Extrapolated over a year, that amounts to

about $9,000. That is way below the poverty line for a single person and far, far below the poverty line for a married individual with dependent children. I hear that the program is abused. All the evidence which came before the committee indicated that abuse made up 3 per cent, and that includes claimants receiving benefits in error. In other words, when the UIC makes a mistake and people collect money in error that is included in the 3 per cent. Yet that 3 per cent compares very well with medicare and legal aid. In addition, some 15 per cent of clients quit their jobs voluntarily. The vast majority have been laid off. That 15 per cent includes those who quit for what is called just cause. If it is not just cause it is good cause.

Then we have the story that there are 10 and 40 wonders out there, that is, people who work for 10 weeks and then quit and collect 40 weeks of benefits. That is a myth. We found out that those people constitute less than 3 per cent of claimants.

The second myth is that people in seasonal industries ought not to be able to collect unemployment insurance. For example, fishermen know they are going to be unemployed for four months in the winter and therefore that is predictable and they ought not to be covered by the program. The same would apply to all seasonal workers. Well, is it or is it not important that the fishing resource of this country be exploited by Canadians? I have not spoken to a fisherman on the East Coast of this country who would not like to fish 12 months of the year. Yet the Government tells them when they are going to fish, where and how much they are going to take. If the Government establishes these limitations on seasonal workers and the Government believes this is a resource that should be exploited for the benefit of Canada, then in fact the Government and society as a whole have a responsibility to ensure that when seasonal fishermen are not fishing, they are not starving and dependent on the community as a whole, and that goes for all seasonal workers.

• (1630)

Mr. MacKay: Don't forget Mother Nature.

Mr. Rodriguez: The Hon. Minister of National Revenue (Mr. MacKay) has reminded us not to forget Mother Nature. Of course we cannot forget the boss upstairs. He has a say in this. It seems to me that the myth that seasonal workers rip off the unemployment insurance system is simply that, a myth.

Another myth is that we should return to running the Unemployment Insurance Program on true insurance principles. There is the argument that the Unemployment Insurance Program should not be a social insurance program. To do that, we would have to take benefits away from fishermen and seasonal workers and we would have to take away maternity and sick benefits. Any aspect of the program that speaks to the social needs of the working class would be taken out of the Unemployment Insurance Program. If we were to do that, where would we put them? What would we do with a person who is sick but works for a business too small to have a sickness insurance program? I do not care how the facts are twisted or turned, the benefits come from one pocket and that is the pocket of the taxpayer.

Those are the myths I have heard consistently. I have heard that UI benefits discourage people from leaving an area with low employment opportunities and moving to an area with high employment opportunities. However, when people move away from an area, the people left in the area that is denuded of workers are told that they do not have a workforce so they cannot attract industry. If the people stay there, they are told that the UIC benefits are keeping them in place and they should go abroad to look for work. We cannot have it both ways.

These are the myths that were prevalent among Tory Members when we were trying to determine our response to the report of the Forget Commission. It was a moving experience for me to see Conservatives, some of whom are to the right of Genghis Khan politically, after listening to the persuasive evidence—

An Hon. Member: Easy, now.

Mr. Rodriguez: It certainly was not my eloquence that moved the Conservatives. God give me the grace to move Conservatives. Then every motion I would put to the House would be agreed to unanimously.

I observed Conservatives questioning the witnesses closely day by day, hour by hour, probing with their minds set in the myths they brought to the committee. We heard from witnesses and were provided expert research. Mr. Forget was before the committee twice. We had both the majority and the minority commission reports. We had evidence from both sides of the spectrum. We listened, we questioned and when the dust cleared, we proposed 90 recommendations, three score and 30. Support for 89 of them was unanimous and the majority supported the ninetieth one. Only one Member, the Hon. Member for Jonquière voted against pension income as UI.

The committee that looked at the Forget report reflected the reality of this Parliament. There were six Conservatives, one NDP and one Liberal. All six Tories voted along with the lone Liberal and the lone New Democrat to support 89 of the recommendations unanimously.

Then the recommendations were tabled in the House. God only knows when the Minister would have found the time to do that kind of an in-depth study of the Forget Commission report and the UI Program. I suspect that he was listening to the nattering nabobs in the bureaucracy. In fact, I have absolutely no doubt about it. He was listening to those who are determined to maintain the status quo, those who feel that the only good ideas come from the bureaucracy.

We expected something different from this Government. After all, that is why we changed the parliamentary rules dealing with committees. The Government could have had its way in the committee. The whips could have been put on in

committee, but they were not. To the credit of the Conservative members of the committee, they recognized that what we proposed was fair and just.

I compared what the committee proposed to what Forget proposed. There are similarities in 22 areas. The Minister could have moved in 22 areas. There would have been a considerable positive improvement in the Unemployment Insurance Program if the Government had moved in those 22 areas.

Mr. Manly: Why didn't it?

Mr. Rodriguez: That is a good question and I will deal with it, but I want to set the stage first.

The Minister is now saying that he did not want to rile up the people on the right or the people of the left. It reminds me of the story of a Minister of Employment and Immigration who got lost in the maze of the UI system. As night was falling, he saw a light shining. As he moved toward this light, he saw that it came from a little cottage in the maze. He went in and saw that there were three bowls of porridge on the table. He took a little sip from the first one and he said: "Oh, that's too cold". Then he took a sip from the second bowl and he said: "Oh, that's too hot". Then he came to the third one, he sipped from it and he said: "Oh, just right, just where I want to be, up on a fence getting splinters". That is the position the Minister took on the UI Program.

I want the Minister to know that the UI Program is not a fairy-tale. The unemployed do not want the Minister to use fairy-tales to solve the problems they face.

For example, the Minister could have moved on maternity benefits. The committee proposed and Forget supported the elimination of the waiting period for maternity benefits. The cost to the UI Program would be $60 million. We proposed and Forget agreed that we have to use UI benefits that the unemployed have collected to help with training programs and to start new businesses because the people who are unemployed could in many cases create their own jobs. We proposed that they should be able to draw on their benefits at the back end of the program in order to be able to go where there may be a job. We proposed reforms of the administration.

• (1640)

For example, there are 214 vice-presidents at the very top to run the unemployment insurance program. Their total cost to the UI program is $15 million. We argued for more services on line to help the unemployed. We recognize that the Unemployment Insurance Program is generating a surplus. Last year it generated $800 million and this year it is expected to generate a surplus of $1.7 million. All of that is to pay off the deficit created by the recession of 1982.

We say that $450 million would have been the cost of putting into effect the proposals of the standing committee. Had they put in place only the 22 areas which were agreed upon, it would have cost less than $450 million. We could have created equity, flexibility and simplicity in the Unemployment Insurance Program. God knows that the unemployed right across the country and those who represent them have been crying to the Government to improve the Unemployment Insurance Program.

Mr. Allmand: Mr. Speaker, I was surprised when, in his opening remarks, my good friend, the Member for Nickel Belt (Mr. Rodriguez), suggested that the Liberal Party may not be sincere in opting for a full unemployment policy. Is the Hon. Member not aware that following the Second World War the Liberal Party, under Mackenzie King, opted for a full employment policy and in fact maintained employment at an average of 3 per cent for seven years? When Mike Pearson came to power in 1963, the Liberal Party again opted for a full employment policy and maintained an average of between 3 and 4 per cent unemployment for three years.

I know that from 1977 to 1984 that was not our highest priority. I admit that we in the Party make mistakes from time to time. However, since it was done before in this country, does the Member not think it is possible to do it again, especially when we look at the examples of Sweden, Japan, Austria and Switzerland? All of those countries have adopted full employment policies in recent years and have been able to achieve more or less full employment. If they can do it in those countries and if we did it before in Canada, can we not do it again?

Mr. Rodriguez: Mr. Speaker, I thank my hon. friend for the question. It is interesting that he chose the period right after the Second World War and the period of the Pearson era of 1962. The answer to that is very simple. In the first case, the CCF was breathing down the neck of the minority Mackenzie King Government. During the Mike Pearson era, the NDP was breathing down the necks of the Liberals. There is nothing like a minority government to concentrate the minds of Liberals on full employment. In contrast, every time they have a majority government, that is forgotten. That is very unfortunate. I propose that the Hon. Member read our document, *Canada Unlimited*, which lays out the New Democratic Party's strategy for creating full employment.

During most of the years that I have been in Canada I have experienced Liberal rule. I have lived in northern Ontario and have seen a resource economy devastated by unemployment. I have never seen any kind of economic strategy, regional, provincial or national, put in place which would allow the resources of Canada to be refined where they are produced. Falconbridge still ships raw nickel to Norway to be refined and the finished product is sold back to Canada. Hardwood pulp from Nackawick, New Brunswick, is still shipped to Belgium where it is refined into photographic paper and then shipped back here. That is where the jobs are.

I remember Tommy Douglas preaching when I joined this Party that we are nothing but hewers of wood and drawers of water. The Minister has now proposed free trade as the panacea to create employment. We have free trade in the

nickel industry. Our nickel crosses the United States border without any duty being paid, but I have seen no investment in northern Ontario in the equipment which goes underground to mine.

One would think that we would be the centre of manufacturing of mining equipment. One would think that the North would be the centre of research and development in new mining techniques. That is not the case, Mr. Speaker. That is all done abroad in Virginia in the United States, in England and in Europe. We do not even produce the technology here for the things that we do well such as mining. I know how my western colleagues feel about eastern Canada because we feel the same way about Toronto. Even the iron ore which is taken out of northern Ontario is shipped south for refining.

We in the NDP are committed to full employment and have policies which bind our Party to establishing an environment in which we can have full employment. It is an achievable goal which has been reached in other countries where social democratic Governments are in power. When we have been in government in this country we have worked toward full employment and have achieved it.

Mr. Allmand: Mr. Speaker, I know the Hon. Member is a fair person and would not want to mislead the House. It is true that in 1963 Mike Pearson had a minority Government, but there certainly were not minority Governments in 1948 or 1952 when Mackenzie King and Louis St. Laurent were Prime Ministers. I admit that in the 1944 election the CCF fought a valiant battle and elected a large number of Members to this House, so what he said is partly true.

I am pleased that the Member's Party has such an elaborate policy for full employment, because we know that after the next election he will be able to support our Party in putting a full employment policy into effect.

Mr. Rodriguez: Mr. Speaker, I was in this House when my Party did that once before. At that time I swore that I would never let it happen again. I am hoping that it will not get to that. The way things are going these days there may be several baby Liberal Parties rather than one Liberal Party running in the next election. However, that is in the future and I do not want to deal with the future or with the past which my hon. friend has put forward.

Everyone who has studied the Unemployment Insurance Program has said that unemployment is not the problem—employment is the problem. Beyond that the positions are all over the place. The Minister and the Government seem to accept that you cannot achieve full employment in this country.

I have 26 municipalities in my constituency. The sewer systems, roads, and water systems need to be refurbished and we have the people to do the work. However, these municipalities do not have a sufficient corporate tax base to raise the money to spend on those refurbishings. If this were to be done, the cost would rest very heavily on the home owner. We do not have the corporate tax base, which means the home owner would be overtaxed in order to do this essential refurbishing.

• (1650)

The mayors of this great country presented a brief to the Government in which they asked it to establish a municipal fund. Over a period of five to ten years some millions of dollars could be spent refurbishing the communities and their infrastructures. In the long run, this is very essential to the attraction of entrepreneurial endeavours, and I suggest that this is a direction in which we should be moving because it makes common sense.

If the Government is sincere about defeating the scourge of unemployment and can find a billion dollars to bail out the depositors of two banks, why can it not find the money to invest, not only to improve the quality of life in the communities, but to provide gainful employment and maintain the dignity of people while doing so?

[*Translation*]

Mr. Deputy Speaker: Resuming debate, the Hon. Member for Richmond—Wolfe (Mr. Tardif).

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, I also welcome this opportunity to express my views on the motion put forward by my colleague, and I would like to quote it for discussion's sake, if you allow me, Mr. Speaker:

> That this House condemn the Government for its failure to initiate meaningful reform in the unemployment insurance system and for its failure to commit itself to a full employment policy that seriously addresses high regional unemployment, youth unemployment, part-time work and labour market adjustment.

Mr. Speaker, I am especially pleased to have an opportunity to speak on that important matter. I would like if I may, for the purposes of discussion, to refer to the days following September 4, 1984 when faced with the important issue of unemployment which affected thousands of Canadians, the Government said it was aware, it was concerned, it was conscious of the thousands of problems it faced with unemployment insurance. Faced with that real problem, that real evil, the Government told us during the first months of its administration: We will strive for reconciliation, communication—ours will be a policy of analysis and consultation. It was trumpeted there would indeed be major consultation initiatives, also major pauses for thought.

It must also be understood that while those pauses for hesitation, reflection and analysis were going on, they had the Forget Commission travelling across Canada to hear representations from all those who were concerned with the important matter of unemployment. Each time the Opposition tried to know what would be the Government's position in that strategic area, we were told: Look here, we will make no decisions, if only out of respect for the Commission who is now sitting, we will wait for the Commission's report.

We were also told at the time, Mr. Speaker, that Parliament's work should be enhanced, committees should

regain prestige and in some way credibility, they should also be involved in the redirection process, the process of suggesting to Government measures needed by the country. Of course, since then, the Forget Commission has tabled its report. Also, a committee of the House has spent months studying very seriously and thoroughly the whole question of unemployment in Canada and has tabled recommendations just as the Forget Commission did. And following those two exercises of very great significance and value, in my view, what is the answer of the government? The *status quo.*

I suggest, Mr. Speaker, that this is another proof of the almost complete and widespread carelessness of this government. The government had there, I think, an opportunity to propose to Canadian men and women an alternative—admittedly not a panacea—but an approach, a new direction that constitute a real improvement compared to the current situation. But the government has chosen to continue with the *status quo*, ignoring naturally the important issue of youth unemployment, ignoring the important issue of unemployment among part time workers, ignoring or rather simply dismissing the dramatic problems facing remote regions. The Government said: Even though we are always blaming and criticizing the former Government, let us continue exactly as before. That is why the House is being asked to maintain just about the same system.

I suggest that in view of the circumstances, the motion moved by my hon. friend is quite in order and that this decidedly scandalous decision demonstrates that the Government does not give a hoot about all these men and women who have worked for months and years to put together valid proposals. In its arrogant and insensitive attitude, it demonstrates that it could not care less for all these proposals and suggestions, which I feel were quite reasonable and equitable and which simply had to be put forward.

Mr. Speaker, I represent in the House of Commons a riding which is partly rural, which depends to a very large extent on regional development policies, and which has been very seriously affected by various problems these past few years. A lot of my constituents were economically dependent on the production of asbestos which, as you know, has had to be curtailed, and is still going through an incredibly difficult period, so much so that workers by the thousands have lost their jobs, and very well paid ones at that. This industry plays a major role in the economy of my riding.

• (1700)

An other issue with tremendous economic impact within my riding is that of the footwear industry. My riding depends very heavily on the footwear industry. Well, the Government announced over a year ago the total elimination of quotas, implying that it would take steps to compensate for these thousands of jobs which were automatically lost because of its decision.

Such is the situation of two major industries in my riding, and it is not unique in Canada. There are many other such ridings dependent upon sectors like asbestos mining and the shoe industry, which were really counting on a new direction and new provisions to get a glimmer of hope that they could overcome the difficulties they had been facing, in many cases for several years. What response is the government giving those thousands of workers? Things will remain exactly as they are now.

Mr. Speaker, the main town of my riding is Asbestos, a community of about 13,000 people six or seven years ago, which now has only 6,500 or 6,700 people. Workers in Asbestos had bought a house, they were homeowners with a decent income, earning enough to live comfortably. Most of those workers were aged between 35 and 45. They had worked all their life for a concern called Johns-Manville, an asbestos producing corporation. These people, who had no special training, who had not had to change jobs, who had not much experience outside the specific sector of an asbestos mine, lost their jobs because of a stagnant market due to decreasing consumer demand and decreasing production. Of course, UI provisions allowed them to get unemployment benefits after a certain waiting period. But in order to find another job, they had to be able to take advantage of what could be called transitional measures or training courses not only to become aware of the market opportunities, but also to gain the qualifications necessary to fill a second or third job. What is the Government's answer to that? Nothing.

Mr. Speaker, the problem is the same in the case of the shoe industry although it might have been a bit more dramatic, because workers in this industry are, in many cases, relatively older and extremely difficult to retrain. In the absence of training or retraining courses, these people have, in effect, no chance whatsoever of finding another job.

Mr. Speaker, to all these workers, we said: You do not have any chance with the federal Government. Do whatever you want. We are throwing in the towel. We do not have anything to offer you that can make you more optimistic about the future.

It was a real opportunity, a great chance for this Government to regain its credibility in terms of the regions and to prove that they are important. Once again, I think that the regions have no importance whatsoever for a Conservative Government and that the Tories try, by all means, to put all their eggs in one basket to the detriment of the large regions, including the one I represent.

The Governement also had, Mr. Speaker—and I think that this is clear enough in the many recommendations—the opportunity to modify, to simplify, the provisions relating to the Unemployment Insurance Act, to make them more consistent, if I may say so. In the last few years, I have had to represent dozens, if not hundreds of beneficiaries, people who lost their jobs and who had a number of problems when the time came to collect their benefits. I therefore had several dozens of occasions to represent and defend them in front of the arbitration board, so that they could receive what I consider, in many cases, to be barely a fair amount.

One need not have experienced the arbitration process very often, Mr. Speaker, to realize what a mess it is. I am not questioning the competence of those nominated to arbitration boards. Quite to the contrary, these people do their best to simplify and to humanize the Unemployment Insurance Act and its regulations. But it is all so complicated that one often gets the impression that these well intentioned and extremely competent people get lost in the maze and do not really know what to base their decisions on. We had a unique opportunity to simplify all this legislation and all these regulations to make them into one coherent and accessible body so that once and for all it would have been within the grasp of the average person to understand what one was entitled to or not.

Mr. Speaker, in a rural or semi-rural riding like the one I represent, I would venture to say that 80 per cent of the constituents we meet wish to bring to our attention problems which have to do with unemployment insurance.

• (1705)

As far as I am concerned, I do not think that it is exaggerated to say that eight cases out of 10 have to do with unemployment insurance. And after eight years as the Member for Richmond—Wolfe, it has become unequivocally obvious to me that those who come to my office are generally upstanding breadwinners who are at fault or have lost their job. It is usually their first or second experience with unemployment insurance and unfortunately, in the vast majority of cases, they are innocent victims. By that I meant to say that those who are used to bridging the gap or who have had the opportunity to collect unemployment insurance on 10, 15 or 20 occasions finally manage to understand the system to some degree and to act accordingly.

But, Mr. Speaker, particularly in a riding such as mine, where many people are new entrants looking for a job for the first or the second time, they might experience problems with unemployment insurance services and they can't figure out why. And regrettably, there is also an unpleasant attitude on the part of unemployment office personnel, which can be explained by the fact that they probably see more people in a single day than any other government office, but there the people looking for jobs have the feeling they are just numbers, nobodies, being treated in a very callous and inconsiderate manner, without any kind of consideration althought they are up against administrative problems or perhaps just a lack of understanding. So it seems to me that it would not have been presumptuous to expect to see a more accessible, more sensible and more coherent system thus allowing the people facing problems with the Unemployment Insurance Commission to quickly know their entitlement to benefits. Instead of that, the Government has chosen to perpetuate the complexity, the confusion, to keep the "monster" alive. Mr. Speaker, for the area I represent, which is far away in many respects from the larger centers, there seems to be within the recommendations some sort of major and real improvement which is summarized in the first recommendation where it is said that we should adopt a standard entrance requirement of ten weeks of insurable employment. Taken out of context, that recommendation per se may seem a bit generous, even questionnable. However, in context, this recommendation illustrates quite well how with such a simple measure we could have solved dozens of problems.

My riding is in the immediate vicinity of what is known as the queen of the Eastern Townships, the City of Sherbrooke. Recent statistics showed the economic recovery in that community to be one the most dynamic in Canada. It is from this buoyant, job creating community of Sherbrooke, with over 150,000 residents that the economic situation is assessed and statistics prepared. My riding which, as I said, is located in the immediate vicinity of Sherbrooke, is an indirect victim of this prosperity in the sense that, to determine entrance requirements to qualify for unemployment insurance benefits, the statistics concerning Sherbrooke totally misrepresent the whole situation to the point that, in Asbestos and surrounding areas, the rate of unemployemnt is actually in the order of 35 per cent, and even 38, 39 and 40 per cent. At some 60 or 70 miles from Asbestos, the rate of unemployment is much or rather substantially lower, which directly contributes, you will agree with me, Mr. Speaker, to penalizing heavily all of those earning their living from, and depending on the activities related to asbestos, textiles and shoe manufacturing.

I will conclude, Mr. Speaker, by saying that, after all the time taken by the Government to supposedly ponder the matter and fully understand the situation, it was quite a disappointment to see it come up with such an appalling and callous decision for all those men and women hoping for a new direction. I do hope that next polls will once again make the Government realize it is totally off the track and that, unless it comes to its senses, it might not survive the next election.

• (1710)

[*English*]

Mr. Hawkes: Mr. Speaker, I was looking forward to making a speech this afternoon but I guess that we will soon run out of time. It is almost as if the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) has been filling in the question and comment period to the point that it is now impossible in terms of time to make a speech.

I sat here throughout the day listening to members of the Opposition, including the Hon. Member who has just spoken, bemoan the fact that Canada does not yet have full employment. Over the past two and a half years I cannot think of a single exception to the following rule. Every time the Government proposes something that is good for the economy and good for job creation it is opposed by members of the Opposition. In this regard I wrote down a short list while listening to other Hon. Members speak. The list is as follows: the Patent Act, free trade, tax reform, transportation reform, agricultural war and what we are doing about it, reducing the deficit, getting rid of the National Energy Program, changing FIRA to Investment Canada, and the selling of Dome to a company which has some money and which can create some activity.

Every single one of those initiatives created jobs in the country. Every single one is being fought by members of both opposition Parties. It is a bit hypocritical to have to listen to a debate wherein Members opposite challenge the Government for its record in terms of full employment and then turn around day after day and fight everything that can produce jobs for Canadians. It is time to call a spade a spade and to make the point that I have made.

In terms of unemployment insurance, it is an astounding phenomenon to me as chairman of the committee which reported to the House on March 19 the degree to which business had a knee-jerk reaction to its report. I think it is fair to say that every single national business organization in the country condemned the report of the standing committee. I suggest to the House that they did so out of ignorance rather than out of solid knowledge about what was contained in the report. I think that has created a dilemma for the Government.

The owners of the fund, as the committee makes clear, are the businesses in the country which contribute premiums and the workers who also contribute premiums. They really own the fund.

In light of the very solid position of labour on one side and business on the other, with labour saying that the report of the Forget Commission is terrible while the standing committee's report is great and business saying that the Forget Commission report is great but the standing committee's report is much less than great and is terrible, will the Hon. Member tell us on which side he wants the Government to come down on, the labour side or the business side? Or does he want it to come down somewhere in between, somewhere like: "Let's continue the dialogue. Let's make no major changes at this point until we can get business and labour together at a table to quit taking firm positions and start to talk to each other about what the country needs"?

The committee said that the country needs a labour force adjustment mentality, that the workers of the country want jobs and they want to work. They want careers. They need to be insured against rapid technological change and against the changing patterns around the world. Business took the view with respect to Forget, which is an historical Liberal view, that unemployment insurance is basically an income supplement plan. What view does the Hon. Member have? He stood in the Chamber and said that the Government did the wrong thing. Let him tell us what he believes the right thing might have been.

[*Translation*]

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, my colleague is asking a question which is somewhat similar to that which the Minister of State for Youth (Mr. Charest) put last week to the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) when he said: What would you do in our place? My colleague from Montreal—Sainte-Marie replied: It is rather like someone who goes to see a lawyer who asks him: "What do you want me to do?" It is quite simple, he will hire another lawyer. This is what Canadians will soon be doing .

This being so, you told us that amendments to the Patent legislation concerning drugs would create jobs by the thousands. I am still waiting for them. The government has taken the same approach we have seen with respect to farming problems in Western Canada. They say: "Listen, the small ones have to disappear, but we encourage and support the biggest ones because they soon will be creating jobs in the place of the small ones which will no longer exist.

Mr. Speaker when I was elected in 1984, there were so many people in my constituency; today, there are 1,500 or 2,000 less. Where have they gone? I say that the Government is responsible and this is the reason why Canadians trusted you. You were supposed to create jobs in the regions. And at present, your performance is quite dismal in that respect.

[*English*]

Mr. Hawkes: Mr. Speaker, 780,000 jobs in two and a half years is not bad compared to the loss of jobs under the previous Government. We have been creating jobs at three times the previous rate. They are full-time jobs and not part-time jobs. The policies which members of the Opposition are fighting day after day in this Chamber are policies which the country needs. They are working. Employment is coming, and it is coming at a rapid rate. If we were to get a little co-operation from Members opposite from time to time, employment would come at an even more rapid rate.

I wish to ask the Hon. Member opposite about the issue of abuse. In my view the biggest abuser of unemployment insurance today is business. When we really dig into the fund and consider the degree to which the data with respect to the record of employment are fudged or inaccurate, then it seems to me that the biggest abuse is on the business side of the ledger as opposed to the individual side of the ledger. Does the Hon. Member opposite care to comment on that?

[*Translation*]

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, I thank the Hon. Member for his question because it allows me to emphasize one aspect. I have been in politics for eight years and out of a thousand cases of unemployment insurance that I see in my office, I would say that 950 involve men and women acting on good faith. The unemployment insurance professionals, as I call them, never come to see me because they have no problem. It was alarming to hear the Minister state last week that he is going to tighten the control and supervision mechanism. In fact, I approve such a step. But the innocent you will victimize with those systems are the real problem, the reality you would have seen had you kept in close touch with the people, because you are not hurting the unemployment insurance professionals and you will never hurt them with such measures.

In conclusion, I personally endorse all measures that would tend to penalize those who abuse the system, but you must keep giving benefits to those who need unemployment

insurance, those who need training. It is a matter of regional development survival.

[*English*]

Mr. Rodriguez: Mr. Speaker, I too wish to put a question to the Hon. Member. We just heard the Hon. Member for Calgary West (Mr. Hawkes), who was Chairman of the Standing Committee on Labour, Employment and Immigration, point out that business abuses the Unemployment Insurance Program in terms of record of employment. Does the Hon. Member not think that it would have been wiser for the Minister of Employment and Immigration (Mr. Bouchard) to have implemented the recommendations of the standing committee with respect to the record of employment rather than dodging the issue by having more discussions with employers and employees about how to improve the record of employment? The Minister has in front of him specific recommendations with respect to how to improve the whole record of employment process. The Minister has dodged it. Does the Hon. Member not think that the Minister could have been more courageous in implementing those recommendations rather than showing cowardice and avoiding the issue by undertaking further studies and discussions with employers and employees?

• (1720)

[*Translation*]

Mr. Tardif (Richmond—Wolfe): Indeed, Mr. Speaker, I too wish more consideration had been given to the recommendations of that committee, all the more so since it must be understood in this debate that there were NDP and Liberal committee members but the majority of members were Progressive Conservative, Mr. Speaker. The committee had a majority of people who had to have the ear of the Minister. They have just been given a slap on the face by their minister who is telling them: "You made your homework, but it does not impress me." Brushing the work aside, the Minister has simply ridiculed them. I cannot understand how you can just sit there in front, as a gang of do-nothings, without any reaction. You lack guts. You are not very courageous, because if you had the least bit of courage, you would tell your Minister: "Hold it, fellow. We believed in parliamentary reform, but you will deliver and take into account the examination we made."

Mr. Deputy Speaker: The debate will proceed with the Hon. Member for Jonquière (Mr. Blackburn).

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, it is my pleasure to take part today in this debate on the motion tabled by my colleague in the opposition, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), regarding the reform of unemployment insurance.

I wanted to take part in this debate because the Hon. Member worked with us on the report of the Standing Committee on Labour, Employment and Immigration concerning unemployment insurance.

Mr. Speaker, what is the Hon. Member of the Official Opposition proposing in his motion? He says:

> That this House condemn the Government for its failure to initiate meaningful reform in the unemployment insurance system and for its failure to commit itself to a full employment, youth unemployment, part-time work and labour market adjustement.

That is the motion from the Hon. Member for Notre-Dame-de-Grâce—Lachine East. He is condemning the Government for failing to initiate meaningful reform in the unemployement insurance system. Really, Mr. Speaker, what I perceive in this motion is some frustration on the part of the Hon. Member. He is frustrated because the recommandations contained in the report of the standing committee have not been accepted entirely by the Government.

I understand why the Hon. Member is unhappy to see that all of our recommendations have not been accepted by the Government. I too, Mr. Speaker, worked on that committee. We each have spent may be a hundred hours studying the Forget Report and the minority opinions. We have met with some 50 groups of witnesses. We fought each other to have our views accepted by the standing committee, or to have them endorsed in a consensus. And above all, members of the three Parties, New Democrats, Liberals and Tory Government members, attempted together and succeeded in reaching a consensus on 89 of the 90 recommendations of the Hawkes Report.

That was some achievement, Mr. Speaker. We could have done what the Forget Commission did and submitted three reports to the Government: one report for the New Democratic Party, one for the Liberal Party, and one for the Government Party, the Conservative Party. And even possibly individual reports too. We could have done that, Mr. Speaker. It would have been quite different. But no, Mr. Speaker, we managed to reach an agreement and a consensus on 89 of the 90 recommendations.

The Hon. Member for Notre-Dame-de-Grâce—Lachine East is disappointed and frustrated to see that our work was not acknowledged. However, Mr. Speaker, I believe that the Hon. Member should instead be proud and satisfied to see that a major recommendation of our report, the standing committee report, the Hawkes Report, was acknowledged and accepted by the Government. Yes, Mr. Speaker, there was a recommendation or a kind of preamble in our report which said that our committee opposed in the strongest terms the implementation of the annualization formula of the Forget Commission.

It was an extremely important suggestion, Mr. Speaker, and it was accepted by the Government. The viewpoint of the standing committee on that matter was upheld.

With respect to the Government accepting our point of view in the report, I think that the annualization formula was in itself worth all our efforts in the standing committee, because the annualization formula meant for all practical purposes that unemployment insurance benefits were to be cut in half.

What the Forget Commission advocated, Mr. Speaker, was that the income of claimants should be determined on an annual basis. Let us take for instance a worker who earns $400 per week and works for a period of 26 weeks because he is seasonally employed. The unemployment benefit payments to that worker after that period of 26 weeks at work would normally amount to 60 per cent of his income, or $240 per week. With the annualization formula presented by the Forget Commission, we would have brought the amount of $400 a week on an annual basis, which would have meant that the person would have earned $200 a week since it would have been on an annual basis. Sixty per cent of $200 a week equals $120. You see the difference for those who are unfortunately on unemployment insurance. Instead of having $240 as before, they would have seen their income fall to $120.

Accepting the annualization formula would have had disastrous effects in some areas, namely in those which have a strong touristic potential. It would have had serious consequences for seasonal workers, fishermen, etc. Moreover, it would have transferred the bill to the provinces. This is why, as members of the standing committee, we must be pleased that this recommendation was rejected, as recommended by our committee.

Furthermore, Mr. Speaker, I would like to remind my colleagues and more particularly the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) that the positions of business people and of unions were completely opposed. They were even polarized in the debate. On the one hand, business people were looking favourably at the Forget Commission Report, but it was not the case for the unions which simply rejected it. As far as the report of our standing committee is concerned, positions were simply reversed, Mr. Speaker. What could we do then? Accept the first report and reject the second one? Or accept the second report and reject the first? There is something worse than an imperfect status quo on unemployment insurance, namely to make a reform leading to social chaos.

However I agree with my colleague, particularly, as a Member from a region with a high unemployment rate, that some job creating proposals should have been implemented concerning, for instance, work sharing and lump sum payments to claimants wishing to start a business. I was hoping for that kind of recommendation, Mr. Speaker, but I still hope that some of them will be implemented at a more appropriate time.

As I was saying earlier we have reached a consensus on 89 of the 90 recommendations of the standing committee's report. Mr. Speaker I am the one who broke the consensus on one of them, recommendation No. 17, which stated:

That pension income not be treated as earned salary during a benefit period.

It meant that we had to go back to the situation prevailing two years ago when pension income was not considered as an income for unemployment insurance purposes. Mr. Speaker, we know perfectly well that this Government will not accept it, so why should we give false hopes to early retirees? I refused to accept it because the new pension policy had been implemented since January 1986 and had already created problems because those who had gone into early retirement had "misinterpreted" the rules. Workers who retired before January 5, 1986 thought that they would be entitled to unemployment insurance for a year, and rightly so. And Mr. Speaker, we should have gone back a year and a half. What were the people supposed to do from January 5, 1986 until the adoption of the new legislation? Can you imagine the confusion it would have created among early retirees when all this had been clearly announced and all Canadians are aware, since January 5, 1986, that pension income is considered as income?

• (1730)

So, I opposed this recommendation because I refuse to create false expectations. It is not true that I could be made to vote in committee for something contrary to my conscience and which would create false expectations.

Going back to the Opposition motion, Mr. Speaker, that motion implies that this Government has no full employment policy, that it does not seem to contemplate any action in that direction. I suggest that a few statistics are in order if we are to adopt the proper perspective. Since our election on September 1984, we have created 778,000 jobs in Canada according to figures and more than 80 per cent of those jobs were full time employment compared with a reverse 80 per cent part-time jobs for the previous Government. Of those 778 000 jobs, 427 000 were for women. The national unemployment rate decreased from 11.7 per cent to 9.3 per cent. There is still work to be done of course. But we are fully aware of it and we will keep on working to achieve full employment.

As far as young people are concerned, as recently as yesterday, I received in my office a 22-year-old young man who came to see me for a job. He is one of those persons who have problems finding their way into the labour market. It is never easy meeting with unemployed in search of the job they want to regain their self-esteem and achieve their full potential in our society. I will spare you the details about that young man. Yesterday, for instance, I saw a 22 year old who had finished Grade 11. When we look at the employment opportunities in regions like ours, when companies like Alcan, Abitibi-Price and Cascade are no longer hiring but introducing new technology and reducing the number of jobs, it is definitely something to be concerned about. We have to start asking ourselves what kind of focus we want to give our regional economy so these young people can develop their potential and get the jobs to which they are entitled. And that is why I still believe in the concept of job sharing, something for which I fought as a member of the standing committee. What good does it do to work 40 hours a week when the Government takes our taxes to pay some unfortunate who has to stay home and who would much rather have a job and develop his own potential? I think our big corporations will have to take this step some day. Why not take advantage of the situation to improve the lives of Canadians and give young people and older workers who lose their jobs because of technological

change a chance to have the jobs they need to support their families and continue to develop their potential in our society.

Mr. Speaker, to get back to the figures, we have created 778,000 jobs, and I repeat, the unemployment rate is 9.3 per cent. So there is still a lot to be done, and that is why we need the Opposition's help to get the unemployment rate down even further, but not systematic opposition to our proposals. I wonder how much time Opposition Members have made us waste in some committees, voicing objections as a matter of principle. That is what happens, and that is when reforming the standing committees becomes important, Mr. Speaker.

We have been told we have no comprehensive policy. I beg to differ. Unlike the previous Government, we have dispensed with the shortsighted policy that consists in creating short term jobs. Our predecessors' only concern was the unemployment rate in the here and now. They ignored the structural and cyclical aspects of the economy and the specific needs of the various regions in this country. Mr. Speaker, I heard one of our Members referring earlier to Toronto, where the need for unemployment insurance was not that great.

I may remind Hon. Members that Canada is more than just cities like Toronto. There are regions like the Saguenay—Lac-Saint-Jean where the unemployment rate is not 4 or 5 per cent but 12 and 14 per cent, most of the time. In Toronto there may be some newspapers that have employment sections 30 pages long, which is not the case in the Saguenay—Lac-Saint-Jean. We have to consider the situation across this country. And across this country, there are regions that are disadvantaged. There is regional disparity, and we must take that into account.

This Government has dropped the concept of short term measures and opted for a long term policy. Long term employment means employment that requires adequate preparation and training that is relevant to the job. Hence our jobs strategy program.

For the first time, our country has a national policy based on a consensus of social and economic experts and involving specific goals to ensure that specific clients are provided with the skills required for their involvement in the labour market. Mr. Speaker, I am not going to take up too much time dealing with those objectives. Let me just deal with one of them.

The Canadian Jobs Strategy meets the needs of people who are most in need of a job. It is an innovative strategy which recognizes the fundamental relationship which should exist between training and employment creation. Its goal is to give people who need it most the means to find their way into the labour market, on the occasion of their first experience of the labour market or when they are forced to train into another job or to take a new direction in their career.

Mr. Speaker, here are those client groups. Young people, young men and women who have difficulties finding their way into the labour market, because of the usual Catch 22: no job without experience, no experience without a job; women who wish to become gainfully employed after being away from the labour market for a long time; workers whose employment is threatened by the evolution of technologies or of markets; workers in communities affected by an economic slowdown when there are signs of a possible recovery; and students who need to earn money to complete their education, and I think our Challenge Program speaks for itself in this respect: $180 million this year for the Student Employment Program. And every year, Mr. Speaker, we reject requests by companies and private businesses, non-profit organizations and others. Many more requests than we can cater for. That is an indication that the program is efficient and effective. Finally, people whose professional activity may improve the workings of the labour market.

During the last financial year, actions taken under the Canadian Jobs Strategy have resulted in the involvement of over 450,000 people, or 5 per cent of our labour market. That is an achievement which would not even have been dreamed of by the Government of which the sponsor of the motion before us today was a Member.

Finally, Mr. Speaker, I shall not vote for the motion introduced by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). I would only like to say that if the Opposition showed the least interest in the Canadian people, it would not introduce this kind of motion and would co-operate with the present Government to bring about some improvements to the programs already in place and whatever measures we intend to introduce for the Canadian people.

• (1740)

Mr. Ouellet: Mr. Speaker, time is running and unfortunately, I will probably not have enough time to take part in this debate. I would therefore take advantage of our rules to put a question to the Hon. Member who just spoke in this debate on a motion introduced by my colleague from Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). He has rightly blamed the Government for its failure to initiate meaningful reform in the unemployment insurance system and especially for its failure to commit itself to a full employment policy that seriously addresses high regional unemployment, youth unemployment, as well as labour market adjustments.

When we deal with regional unemployment, it seems that the Government tries to have us believe that it is responsible for the creation of hundreds of thousands of jobs. It is a fact, however, that there are still some one million unemployed in Canada and that some regions are affected more than others. The further we go from the main centres of Toronto and Montréal, the more unemployment there is. Today, the daily *Le Devoir* had this title: "Ottawa withdraws from regional development. A reorganization plan proposed by the federal Government would mean the end of direct involvement of the central Government in the regions."

I would like the Hon. Member who just spoke to explain to us why the Conservative Government is preparing to abandon in such a manner the remote and under-developed regions. It is

quite obvious that if we let the market decide, the companies will set up shop in the large urban centres and the regions with strong economies. A department of regional development, which gives incentives to companies settling outside large urban centres, is essential to balance opportunities among Canadian workers. If this program is approved by the Government, workers in remote areas of Canada will have no other choice but to move to the large urban centres of Toronto, Montreal and Vancouver to find work. This appears to me as very unfair to the regions.

After the announcement by the Minister, who promised so much about the unemployment insurance system and gives us so little, we are wondering where the Conservative Government is going. We must remember that upon taking office, the Conservatives vowed to reduce the unemployment insurance system to a bare minimum. They said in November 1984 that they would give new leadership to Canada. However, we had to wait until July 1985 to see the Forget Commission created. That Commission has only served to exacerbate the various opinions found in the country about unemployment insurance, rather than rallying new converts to the Conservative Government philosophy.

And we now realize, after all those months, after those $7,000 million spent on an inquiry, we find that the former chairman of the Commons standing committee on employment, manpower and immigration, the Hon. Member from Alberta, expresses one view, while the Hon. Member for the Toronto area, who chairs the Committee on Finance and Economic Affairs, expresses another view—total confusion among Conservative Members on that matter. Now, at a time when we realize the Minister really has no policy and he has been wasting our time for two years, it seems quite normal that the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) complains about this Government's lack of action and especially about the possibility that this government drop a regional development policy that is absolutely essential if we are to improve employment in the most remote areas of the country.

Mr. Blackburn (Jonquière): Mr. Speaker, I realize the Hon. Member for Papineau (Mr. Ouellet) very rapidly draws conclusions. He should be cautious with newspaper reports.

I would like to take this opportunity, Mr. Speaker, and as it happens I have here a letter to all Members of the House, not only Progressive Conservative Members but all Members of the House of Commons, dated May 11, 1987, from Lawrence O'Neil, chairman of the committee of the House on private legislation. Here is what he has to say:

"The Standing Committee on Regional Industrial Expansion will be undertaking over the next few days an in-depth study of the Regional Industrial Development Program (RIDP), which hopefully should lead to the tabling of a report in the House of Commons by the end of June, 1987. Should the proceedings of that Committee on that program which is of critical importance for many areas of the country be of interest to you, I would invite you to contact one of your party's representatives on the Committee, the list of permanent Members being as follows". And in the case of the Liberal Party, it is Mr. Tobin. All this, Mr. Speaker, to say that as far as I am concerned, as a Member from an area such as Saguenay—Lac-Saint-Jean, as the Member for Jonquière, on a number of occasions I expressed to the Minister of Regional Industrial Expansion my disappointment at the current rules respecting grants paid out to certain industries in the regions. The current rules discriminate against some regions, and I have a quite recent case, Mr. Speaker, which I would like to bring to your attention.

The said business, Fenêtres Polico in Jonquières, a new venture which will be making PVC windows, has asked a grant to the Department of Regional industrial Expansion, but its application has been rejected because it was told that such a business would jeopardize sales of others making traditional windows made of wood or aluminium. However, according to experts, it would have been an excellent business with a new technology and a great potential. Here we have a business with an extremely promising future that could create hundreds of jobs but its application is turned down. But other applications coming from centres such as Montreal and Toronto where funds are easily obtainable will probably be approved.

That is an example of things that must change. We have to see to it that such industries can get off the ground in our regions and help them do so. But fortunately there is nevertheless a good side to this story. The industry got off the ground by itself and is now doing very well, and that is why we as a Government have to help our industries get started, especially in remote, disadvantaged areas.

Mr. Deputy Speaker: The Hon. Member for Papineau (Mr. Ouellet) for a brief supplementary question.

Mr. Ouellet: Mr. Speaker, I sympathize with the Hon. Member. He is perfectly right to say that the system as presently operated by his Conservative Government is not working as well as it could. I am glad that an industry in his region had the guts to get off the ground by itself without the help of a subsidy from this Government.

There is something I want to tell the Hon. Member, and I ask him to think about it. When the Department of Regional Industrial Development was created, the first to hold this portfolio was the Hon. Jean Marchand. It was especially established for the specific purpose of helping to create jobs in remote regions of the country. It is a Department with a definite job creating vocation away from the major urban centres, and for years and years, that Department provided small, medium-sized and large corporations with a great many subsidies to set up shop away from the major economic centres of the country, so as to create jobs for young and not so young Canadians in remote regions of the country. Now, not only do we know that the Department of Regional Industrial Expansion has been paralysed for years and is no longer pursuing its

original goal, but we hear from the Minister that the Government is planning to get rid of his Department and stop giving subsidies to create jobs in remote areas. Is it not the opinion of the Hon. Member that abandoning such a program would be a serious mistake?

• (1750)

[*English*]

Mr. Manly: Mr. Speaker, I rise on a point of order. I believe the time for questions and answers is over, Mr. Speaker.

Mr. Deputy Speaker: Yes, but I think we should allow the Hon. Member a short reply before going on with debate.

Mr. Manly: Mr. Speaker, the Hon. Member gave a lengthy reply to a lengthy question before you allowed the previous Hon. Member to go on at some length. It is time to close off the debate. I believe I should have the floor.

Ms. Copps: Mr. Speaker, in defence of the Chair, I believe the Chair is allowed to see the time as the Chair sees it, not as the Hon. Member from the NDP sees it.

Mr. Deputy Speaker: I think we should allow the Hon. Member for Jonquière (Mr. Blackburn) to make a short reply, and then we will proceed with debate.

[*Translation*]

Mr. Blackburn (Jonquière): Mr. Speaker, I would like to remind the Hon. Member for Papineau (Mr. Ouellet) that this is a great opportunity for him to indicate what policies he would like the Department of Regional Industrial Expansion to implement, and that he should do it now, not later, so that we might learn about them and find out what his position really is in this debate.

[*English*]

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate having the opportunity to close off this important debate this afternoon. I would like to express appreciation to the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) for having introduced the motion, and I would like to begin by asking when the Government will bring in for debate Bill C-50, the Bill that would redress the ill-considered, ill-advised and unjust measures that were put in place in 1985 and that discriminated against pensioners. We want to see that injustice redressed.

I would like to emphasize the importance of this issue, and perhaps a good way of doing that would be to refer to a Canadian film I saw the other night, *John and the Missus*, starring Gordon Pinsent. The film deals with the implications of a mine closure in Newfoundland. If Hon. Members had a chance to see that film, they would feel something of the hurt that individuals, families and whole communities feel when a single-industry town is destroyed.

I grew up in the 1940s and my father was a seasonal worker. Some years he had enough stamps to collect unemployment insurance and other years he did not. Whether he was able to collect unemployment insurance or not made all the difference to our family's Christmas and to our standard of living. The importance of unemployment insurance to many families in many communities cannot be underestimated. That is particularly the case for seasonal workers.

It is sometimes easy for people who have never missed a pay cheque to think that seasonal workers with their dependence upon the unemployment insurance system are ripping the system off. Yet the basic primary industries on which the Canadian economy depends, forestry, fishing, construction and agriculture, are all industries that are to a large extent seasonal. Canada depends upon these industries, these industries depend upon seasonal workers, and seasonal workers depend upon unemployment insurance. Yet these are the very people who were the major target of the Forget Commission's recommendation that there be a system of annualization which would reduce the benefits these people bring home. The elimination of regional benefits and the phasing out of benefits for fishermen and their families would affect seasonal workers, the people who were targeted by the Forget Commission.

The Government did the right thing in rejecting those recommendations, but we must ask why it appointed someone like Dr. Forget to head that commission in the first place.

Mr. Rodriguez: A Liberal.

Mr. Manly: My friend says that they appointed a Liberal. I suppose that when they really want cut-backs, they know where to go to get them.

Those recommendations of the Forget Commission were refused by two committees of the House, the Labour, Employment and Immigration Committee and the Fisheries and Oceans Committee. Members of the Fisheries and Oceans Committee heard testimony from the workers and workers' organizations about the importance of unemployment insurance. We recognized that there were changes that could be made, yet we saw this major threat of the Forget Commission recommendation to eliminate regional benefits. We brought in a very simple report saying: "Don't touch the fishermen's program, don't accept this recommendation for annualization and don't eliminate regional benefits".

The Standing Committee on Labour, Employment and Immigration took a much more comprehensive view. Not only did it reject those major recommendations of the Forget Commission but it went on to devise a program of unemployment insurance that was much more responsive to the needs of Canadian working men and women. In some cases, what the committee said corresponded with some of the more minor recommendations of the Forget Commission. Unfortunately, not only did the Government reject the recommendations of the Forget Commission that were wrong but it refused to touch any of the recommendations at all.

As my colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez), has pointed out, some 22 of the 90 recommendations of the standing committee were right in line with the Forget Commission recommendations. Yet the Government refused to deal with them. These recommendations would have helped deal with unemployed workers who need further training or want some help starting small businesses.

I and many other Members have had many unemployed workers come to us with a great desire to use their time of unemployment in a constructive way. They want to further their education or perhaps to start small businesses. They do not simply want to be on the dole. Yet the present restrictive unemployment insurance policy does not allow them to use their time constructively. Our recommendations would have allowed for that, but the Government chose not to act on them.

The Government did not act on the recommendation for some kind of assistance for older workers. Again, certainly in my constituency and in many other parts of Canada which are dependent upon single-resource industries where those resources are in trouble, there are many older workers who need desperately some kind of additional assistance over and above that which the present program provides. The Government has chosen not to act there.

The Government could have eliminated the waiting period for maternity benefits. On a number of areas on which there was consensus, the Government has chosen not to act. We must ask why this is so.

In the minute I have left, I would like to emphasize that the primary problem is not with the Unemployment Insurance Program but with the lack of jobs in Canada. The Government is not addressing that problem in the way it should. It has cut back on regional programs, on job-creation programs and on several Departments. For example, it is refusing to fund adequately the small craft harbours to maintain infrastructure for fishermen and tourism and to provide jobs. Small craft harbours will be closed down because of the programs of this Government which refuses to see the need to maintain basic infrastructures and keep basic jobs for a vibrant economy. I lay that upon the Government. I ask it to take a second look at the recommendations of the standing committee and bring in a UI proposal which will be responsive to the real needs of the Canadian people.

• (1800)

Mr. Deputy Speaker: It being six o'clock, it is my duty to inform the House that pursuant to Standing Order 82(12) proceedings on the motion have now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—REQUEST FOR LISTING OF HONORARY BALTIC CONSULS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, on April 1 I directed a question to the Secretary of State for External Affairs (Mr. Clark) with regard to the listing of honorary Baltic consuls in the External Affairs directory of diplomatic, consular and other representatives in Canada. The Minister responded that the question was under review by his Department.

This matter has been in limbo since 1972 and clearly should have long since been resolved. For 10 years prior to 1972 the consuls were listed in the directory and it was only on the death of the acting Honorary Consul General of Estonia that year that the listing of the consuls were removed from the directory.

The federal Government has received countless representations from the Estonian Central Council in Canada, the Latvian Federation in Canada, the Lithuanian Canadian Community, the Captive Nations Committee in Canada and the Baltic Federation, yet their efforts have produced no results. Despite Canada's *de jure* nonrecognition of the illegal occupation of the Baltic states of Estonia, Latvia and Lithuania by the Soviet Union, the Baltic consuls are still not listed as the representatives of the pre-Soviet occupation, freely and democratically elected governments of the Baltic States.

Over the years there have been many answers given as to who is responsible for the listings. On different occasions the Baltic communities have been informed that the listing is at the discretion of the Secretary of State for External Affairs, that the responsibility lies with the Parliament of Canada in persuading the Secretary of State for External Affairs to list the Baltic consuls, that the question of listing of Baltic consuls must be decided by the Cabinet, and that the question of listing the Baltic consuls should be decided by the inner Cabinet.

With all these conflicting responses, it is small wonder that the Baltic communities are left confused and concerned as to how this matter can be resolved when it cannot even be established who is responsible. In the past, two Secretaries of State for External Affairs have commissioned reports to study the issue, neither of which were ever made public. The Minister's assurance that the issue is under review can therefore be of little comfort to the Baltic communities.

In discussions with representatives of the Department of External Affairs, representatives have been told that the listings would have a negative effect on "other areas". Such statements have led to the conclusion that the Department of

External Affairs is concerned that the listing of consuls would anger the Soviet Union and, consequently, allows that fear to determine our policy on this important matter.

There are those in our Department of External Affairs who advocate that Canada should not do anything to ruffle the feathers of the U.S.S.R. They always recommend the path of least resistance and are proverbial fence-sitters. Such a position is an abrogation and betrayal of our principles as a free and democratic sovereign nation. For us to appease a morally bankrupt Soviet regime, whose only trumps are a mighty military apparatus, an aggressive stance toward the rest of the world, and their traditionally arrogant rhetoric, would constitute a betrayal of all those who gave their lives for freedom and democracy, all those who came to this country believing that Canada was a country which stands for fundamental freedom and human rights, including respect of territorial integrity and the right of self-determination.

If Canada continues to sit on the fence by refusing to list Baltic consuls, the Soviets will tell the people of the Baltic States that while Canada pays lip service to the principle of withholding *de jure* recognition of the captivity of their countries, in practice Canada has conceded Soviet sovereignty and Soviet right to enforce its illegal annexation. This is a discredit to our entire system of government.

The United States already accords the Baltic consuls full diplomatic recognition. It has led the way, and Australia has followed its lead by recognizing the honorary consul of the Latvian consulate.

• (1805)

The time for Canada to act is now. I urge Canada to stand up and be counted. I urge the Minister to list the Baltic consuls in the External Affairs directory of diplomatic, consular, and other representatives in Canada. In doing so, we demonstrate our continuing commitment to the principles and purpose of the United Nations Charter and to the cause of peace and freedom in the world. By our action, we will be sending out a message to oppressive regimes throughout the world that our principles are not and will not be for sale.

Given that the issue of listing Baltic consuls has already undergone at least two previous reviews, and in light of the decision by Australia to accord recognition to the honorary consul for Latvia, will the Minister now agree to take advantage of the opportunity to once and for all put an end to continuous studies on this matter and restore the listing of the Baltic consuls?

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): On behalf of the Government, Mr. Speaker, I am pleased to state Canada's policy with respect to the Baltic States, namely Estonia, Latvia and Lithuania. Every Canadian Government since 1940 has firmly refused to give *de jure* recognition to the forced annexation of these countries by the U.S.S.R. However Canada does give *de facto* recognition to their incorporation into the Soviet Union since the latter country exercises authority. The refusal of Canada to give *de jure* recognition to the annexation of the Baltic States goes far beyond mere words and includes measures which underscore the special status of the Baltic States as independent nations illegally annexed by the U.S.S.R. during World War II.

The Government allows the acting honorary consuls of the Baltic States to continue exercising their duties in Canada, although it does not formaly recognize them since honorary consuls are not appointed by a government with which Canada maintains diplomatic or consular relations. These consuls are Canadian citizens and for this reason have no immunity nor diplomatic privileges. Canadian ambassadors do not travel in the Baltic States.

As much as possible, other Canadian officials who do travel there avoid all contacts with local authorities. For purposes of Canadian passport and immigration documents, Estonia, Latvia and Lithuania remain acceptable as references for places of birth. Since Baltic passports do not guarantee re-entry into Baltic countries, Canadian legislation does not consider them acceptable for admission to Canada. This is why extraordinary procedures have been adopted to clear the way for admission to Canada of Baltic representatives of other countries who come here in the discharge of their duties. These measures prove that Canada continues to reject the legality of Soviet control over Baltic countries, a fact which Soviet authorities have duly noted. The Secretary of State for External Affairs (Mr. Clark) has already advised the House that he is reviewing the question of adding the names of Baltic acting honorary consuls in the publication of the Department of External Affairs entitled "Diplomatic Corps and Consular and Other Representatives in Canada". The Minister is fully aware of the views expressed in this respect by the Baltic community in Canada; he will give particular consideration to them and to the general implications of such a decision for Canada's foreign policy.

In conclusion, Mr. Speaker, I can assure the House that the Government of Canada does not intend to change this policy under which it does not give *de jure* recognition to the Soviet annexation of the Baltic States.

[*English*]

CANADIAN HUMAN RIGHTS COMMISSION—APPOINTMENT OF ANTONIO ARCANGEL TO HUMAN RIGHTS COMMISSION. REQUEST FOR INVESTIGATION OF APPOINTEE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am rising to object to the Government's cavalier and callous appointment of those people who would represent our country on the Canadian Human Rights Tribunal.

The House will recall that my specific question related to the case of one Antonio Arcangel who was appointed by the Government to sit on the Canadian Human Rights Tribunal, even though he had given a public interview in which he supported the long-term imposition of martial law in the

Philippines. He basically suggested that life in the Philippines was good during the tenure of Ferdinand and Imelda Marcos but had deteriorated since the arrival of Corazon Aquino.

As a result of my intervention in the House, the appointee subsequently withdrew from consideration but, at the same time, we witnessed the ridiculous situation of the Minister of Justice (Mr. Hnatyshyn) suggesting to the House that it was the fault of the Opposition or, in some way, my fault because I had brought the facts surrounding Mr. Arcangel's appointment to the attention of the public via the Question Period process.

• (1810)

We see today a second appointee, another one of these rather questionable Conservative appointments to the Canadian Human Rights Tribunal in the form of an appointee in the Yukon who gave an interview in the local press, making some comments suggesting that the native community was living at the expense of other taxpayers for the last number of years. When this question was raised in the House today and in committee, the Minister not only refused to expedite the investigation, but proceeded to suggest that it was perhaps all right in the interim because this particular individual might not be appointed to hear a human rights case.

As a result of the Arcangel case and subsequent cases which have been repeatedly brought to the attention of the Minister, who seems bent on appointing Tory hacks who have no interest in human rights and who in fact have shown to our committee that they not only are not interested in human rights but do not even understand the basic question of equality, the Minister should come forward with some specific recommendations to ensure that people who are appointed by this Government, or any government, to rule on matters of a quasi judicial nature—which is what we see in terms of human rights rulings—have a demonstrated competence in the area of human rights. The Minister should also be prepared to act quickly and expeditiously when problems are brought to his attention.

The Minister in the past has doctored resumes, removing, for example, in the case of Progressive Conservative appointees, any reference to their affiliation to the Conservative Party. Through his own Department, he has been involved with or condoned meetings which were set up in the Privy Council Office to brief appointees so that they knew exactly how to respond to members of the committee. Further, when matters such as the case of Flo Whyard in the Yukon are brought to his attention, as it was by letter more than a month ago, the Minister seems unprepared to act.

It seems a shame that Members of this House, either through Question Period or through committee, have to repeatedly bring to the attention of the Minister and the Government individual cases of concern with respect to human rights appointees. Quite clearly, it is the responsibility of the Minister and the Government to ensure that an objective process is put in place to ensure quality appointees to the Human Rights Tribunal.

That was not the case in the Arcangel situation. Certainly the Minister has dragged his heels with respect to concerns raised about the statements made in a newspaper article entitled "The Problem of Handouts", which was actually written by a human rights appointee. The so-called investigation the Minister plans to carry out has been dragging. The newspaper article was published in February. The Minister today in committee attempted to defend the potential for further delays by suggesting that perhaps this appointee might not hear tribunal hearings.

It seems to me that the Minister is not prepared to show leadership in this area, which has in fact been hailed around the world as an exemplary human rights process. The tribunal and the commission have been set in place. Over the last decade in Canada we have developed a forum for Canadians to bring forth grievances, whether they be in employment or with respect to sexual orientation. Of course, in the area of sexual orientation we certainly need further definition and clarification from the Minister. That process is now being threatened because the Minister has continually and repeatedly refused to set down a series of objective criteria for the appointment of officers and commissioners for the purpose of hearing complaints.

• (1815)

If the Minister does not act expeditiously in the case of Whyard, and if the Minister continues to shirk his responsibility as he did in the case of Arcangel, then, unfortunately, the whole human rights process in Canada will be undermined. As a result, what was in fact an exemplary system which was written about and exhibited throughout the world as a stellar example of human rights development will be destroyed. I think the responsibility for that destruction lies squarely on the shoulders of the Minister of Justice who has repeatedly shown that he is not interested in appointing quality members to the Human Rights Commission but, rather, is interested in using the tribunal as a resting place for old Tory hacks.

[*Translation*]

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member knows what are delays, because she raised that question in the House in November 1986. About three months ago, she had asked for 10 minutes of the time of the House to make the very same remarks she just made, but she did not come forward and thus wasted 10 minutes of our time. Here she is now, three months later, saying the Government is taking too much time to proceed. It is the people on that side when they were in office who delayed for too long. The Hon. Member is accusing the Government of not acting properly in appointing the members of that tribunal. The Liberals were in office for 20 years. They made appointments without ever consulting anyone. And what did we do? We said: "Our

appointments will be submitted afterwards to a committee of the House for a full public examination."

That is an initiative our government has taken, contrary to the Liberal government which did nothing for 20 years and practised shameless and excessive patronage. About Mr. Arcangel, Mr. Speaker, let me quote from a telegram he sent the Minister of Justice in November 1986:

[*English*]

—I am hereby withdrawing my name from the list of human rights tribunal panel because Ms. Sheila Copps unfair remarks and unjust allegations have seriously impaired my ability to serve effectively as a member of such a tribunal. I have always been a law-abiding citizen and a firm believer in a democratic process. My efforts as a member of Canada's multicultural society have always been to promote the cause of human rights and equal opportunity.

[*Translation*]

And the telegram does not end there.

So I want to say, Mr. Speaker, that respect for human rights should start with the Hon. Member for Hamilton East (Ms. Copps). She should behave in such a way that the Canadian public understand that Members of Parliament should be the first and foremost to respect human rights. In this case, the Hon. Member has disregarded Mr. Arcangel's most fundamental rights. And today, almost eight months later, a big fuss is to be made of it.

Therefore, I find her blameworthy and I am laying the blame on her, where it belongs. I would like to hear her comments on that aspect of the issue. And I would ask her not to try to take advantage of every possible circumstance and to slant the facts, Mr. Speaker.

[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION—COMPLIANCE WITH RENT CONTROL REGULATIONS

Mr. Alan Redway (York East): Mr. Speaker, you may not be aware of it, but there are more senior citizens in my constituency than there are in any other constituency in the country with the exception of Victoria, British Columbia. It is a very stable constituency, a very stable community. Usually, seniors live in their homes for years and years. Some of them go on until they reach the age of 90 or more but, inevitably, as you know, Mr. Speaker, they are forced to sell their homes eventually and to go into apartments.

• (1820)

Usually, Mr. Speaker, this happens when a spouse dies. The surviving spouse, often a widow, finds it very difficult to carry on in the family home. There are difficulties in doing the work that is needed around the house; there are difficulties in finding tradesmen to do the work. At the same time, of course, expenses are going up. Generally speaking, at that stage, the surviving senior moves into an apartment setting, where someone else looks after the home. It is also at this stage that our seniors can expect to be able to live on the income generated from the proceeds of the sale of the family home, and hopefully, if they are lucky, to have sufficient left over to enable them to live a little better life-style than had been experienced to that point.

All of that is true, Mr. Speaker, before one takes into account inflation—and we all know what happens when inflation hits.

There was a period of time when, for years, we experienced very modest inflation, and then we shot up to double-digit inflation. Of course, when inflation was in the double-digit category, interest rates also increased, so that at least the investments of seniors generated a little more income. But all of that has changed now, with falling interest rates. While falling interest rates are good for the economy, they are bad for the income of seniors. Today we have falling interest rates, with inflation continuing to rise, with the consequent increases in the cost of living: higher food, clothing, and shelter costs.

In my constituency, and in Metropolitan Toronto as a whole, and I expect across the country, rents have risen enormously in the last few years, reaching the stage where senior citizens, and tenants generally, live in fear of receiving the rent renewal notice announcing the inevitable rental increase.

For these people, rents have increased, while their income has either stayed the same, or perhaps even fallen off. Our seniors are finding that the increased cost of living is eating into the capital that they had hoped to retain to keep themselves self-sufficient during their lifetime.

As Hon. Members may be aware, in the Province of Ontario a number of years ago the provincial Government instituted rent controls and a rent review process, to try to control, in some modest manner at least, the impact of inflation on rents. Those controls are subject to a great deal of controversy. Some people contend that they make things worse rather than making them better. But, at the same time, Mr. Speaker, they were put in place to control rents for people who needed that control: seniors on fixed income, or whose incomes were falling.

It is hard enough for seniors living in apartments that are subject to rent review and control in times like this, but there are those who live in apartments that are not subject to such controls, specifically those owned by governments: apartments owned by municipal governments, and apartments owned by the federal Government through the Canada Mortgage and Housing Corporation.

Many municipalities, Mr. Speaker, which own apartments or own rental properties voluntarily agreed, many years ago, to restrict rent increases to those provided for under the rent review legislation, and to voluntarily submit to those rent review controls, notwithstanding that they are not in law subject to them. That is true of the municipality of Metropolitan Toronto. Not so, Mr. Speaker, for Canada Mortgage and Housing Corporation. For years and years it went on in an uncontrolled fashion, disregarding those rent controls, disregarding the rent review regulations in every way, shape or form.

People could not understand, and I could not understand, why the Government, which was causing inflation, would not agree to be subject to the rent review controls.

It struck me that this was an example of Government placing itself above the law, similar, perhaps, to 13th century England, when King John tried to place himself above the law but was forced to submit under the Magna Carta; similar to 17th century England, when Charles II tried to place himself above the law, only to have his head cut off for his efforts.

All of that, Mr. Speaker, reminded me of a situation that occurred back in my law school days. You will remember law school, Mr. Speaker. In those days, one of my class-mates used to park on the old Armouries property near the law school, property which was federally owned, and in so doing he used to get parking tickets.

• (1825)

However, the court quashed those tickets because they were issued under municipal by-laws. The fact that it was federal property meant that they did not apply, so he got away with parking for free. All around him people were parking and paying their parking fines, but he got away with it because he was on federal property and above the law.

It may not have been fair or moral, but it was legal. The same applies with Canada Mortgage and Housing Corporation. CMHC says: "Don't worry about it, senior citizens. If your rents go up too high, we will subsidize". That is no answer. It takes away human dignity. People who have always tried to pay their own way do not want the Government to force them into a situation where they must rely upon charity.

When I came to Ottawa, I made it my business to see whether we could get some changes to the Canada Mortgage and Housing Corporation in this area, to see whether we could get it to submit voluntarily to rent review controls in the Province of Ontario. Eventually it took some three years, but I am pleased to say that at long last Canada Mortgage and Housing Corporation has agreed to submit voluntarily. It has agreed to hold meetings with tenants voluntarily—and it does not have to do it—to justify any rent increases which it is putting into effect.

Frankly I was delighted when I heard that Canada Mortgage and Housing Corporation was doing that. It does not solve all the problems, but it goes a long way toward improving things. I was delighted. I know you are delighted by that program, Mr. Speaker, and I hope the Parliamentary Secretary is just as delighted as you and I.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, it is my pleasure to respond to the question raised by the Hon. Member for York East (Mr. Redway) on March 27 and tonight.

The issue of affordable housing in Canada is one that has concerned my government ever since we took office almost three years ago.

Following a complete review of all national housing policies, new directions were established that have resulted in far more truly disadvantaged Canadians receiving assistance.

The Main Square Complex, the home for many seniors, disabled and others of modest income which we are talking about tonight, continues to receive our attention and assistance.

Residents of Main Square who will have to renew their leases between July 1987 and June 1988 will experience the lowest rent increase in several years, 6.2 per cent. This level is within both the spirit and intent of the Ontario provincial rental guidelines.

Many of the tenants of Main Square already receive assistance in the form of subsidies if their rent exceeds 25 per cent of their gross income. Should the additional monthly payment result in any tenant exceeding the 25 per cent ceiling, assistance will be made available.

The additional revenue from the rent increases in 1987/88 will allow for a level of maintenance adequate to ensure clean and pleasant surroundings for the tenants while keeping rents at a reasonable level.

Mr. Speaker, my government believes in social justice and in assisting those in need. Main Square is another tangible evidence of our commitment to help the truly disadvantaged, even if it means a small sacrifice on the part of those who can afford it.

[*English*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 3(1).

At 6.29 p.m. the House adjourned.

HOUSE OF COMMONS

Wednesday, May 20, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

INDUSTRY

FUTURE OF HAWKER SIDDELEY CAR WORKS AT TRENTON, N. S.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to express my frustration at the lack of action being taken by the Government of Canada and the Province of Nova Scotia in regard to the continued operation of the Hawker Siddeley Trenton Car Works in Pictou County, Nova Scotia.

Since the company gave notice some weeks ago, the Government of Nova Scotia and the federal Government came together to try to find a solution to this very difficult problem. Unfortunately, since that time meetings have taken place but indeed there has been no action. In fact the Minister of National Revenue (Mr. MacKay) indicated to the House that a solution would have been found within weeks. Unfortunately, there is no solution.

All we are receiving from the national Government as well as the provincial Government is more delays. I suggest that these delays are very harmful to the people of that particular community. It is frustrating to the workers at the Hawker Siddeley plant in Trenton, Nova Scotia. Equally, the uncertainty of a lack of a decisive decision with regard to the future of that operation is causing havoc throughout Pictou County.

I call upon the Government to stand up and be counted, and to make a decisive, positive decision on behalf of the workers and community in that area.

* * *

CANADIAN BROADCASTING CORPORATION

BROADCASTING OF STANLEY CUP HOCKEY FINALS—TRIBUTE ON PROVIDING COVERAGE TO PEACE RIVER COUNTRY

Mr. Albert Cooper (Peace River): Mr. Speaker, dare I stand here, a back-bench government MP with no defences against my colleagues, to extend a compliment to the CBC? But indeed I must! Last week, the CBC entered into serious negotiations with Carling-O'Keefe to work out a solution to broadcast the Campbell Conference and Stanley Cup series of the NHL in remote areas of Canada. CBC was successful in its deliberations and I would like to extend my thanks at this time.

• (1405)

In particular, I would like to thank Mr. Tom Curzon of press relations at head office, CBC Toronto, for updating my staff on an ongoing basis as proceedings developed.

I am now pleased to say that all of Canada can sit back, relax, and watch the Edmonton Oilers take the cup.

Some Hon. Members: Oh, oh!

* * *

LABOUR RELATIONS

SITUATION BETWEEN RAILWAYS AND UNIONS—CN PENSION PLAN

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, many Hon. Members of the House will be aware of the situation which now exists between Canada's rail unions and the railways with respect to contract negotiations and the intransigent way in which the railways have been dealing with the rail unions, demanding a five per cent wage roll back. This is something which has always been unacceptable, in my view, but it is even more unacceptable when we realize that CN, for example, turned a profit in the first quarter of this year largely at the expense of its employees, yet still insists on a five per cent wage roll back, which is entirely unacceptable.

Something I think the Government could do to help the situation, if it is at a point where it can still be helped, is to make clear its intentions with respect to at least one item on the table, and that is the whole question of the CN pension plan. The Government set up a special committee, recommendations were made, yet it has basically put this on the shelf. Something it could do to help matters along, even in just a small way, is to make clear its intentions in that regard.

S. O. 21

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

IMPORTANCE OF INDUSTRIAL COMMISSIONERS

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, I am pleased to draw attention to the presence in this House of the industrial commissioners of my region.

Mr. Speaker, I take this opportunity to commend Canada's industrial commissioners for their excellence and their expertise which has been the mainstay of regional development. Their work enables each region to take its rightful place within the Canadian Confederation.

As we all know, Mr. Speaker, Canada's wealth rests primarily on regional diversities. Our Government is proud to acknowledge this fact and is committed to promote this concept by eliminating any disparity. The best example of this is that the Saguenay—Lac-Saint-Jean industrial commissioners are given an opportunity to appear before the committee today.

* * *

[*English*]

CONSUMER AFFAIRS

SALES OF BOTTLED WATER—RESULTS OF TESTS—ENVIRONMENTAL CONSIDERATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Consumers' Association reports that sales of bottled water have doubled since 1982. The average Canadian now drinks four litres a year. In Quebec the consumption is twice a much as the average. At the same time, using standards set by the United States Environmental Protection Agency, the Consumers' Association tested 15 brands of commercial bottled spring water for 79 substances and concluded that bottled water is not purer or safer to drink than tap water.

The Consumers' Association's tests showed that all the brands tested contained dissolved metals, inorganic chemicals and other suspended particles often at higher levels than tap water in seven Canadian cities. What lesson can we draw from all this?

It is becoming more obvious every day that what we do in our environment eventually affects water, even spring water. Everything in the environment is connected to everything else. What we do above the ground ultimately affects ground water, even if it is hundreds of metres below the surface. The first step we must take to reverse this trend is to abandon the dangerous mindset, the "out of sight—out of mind" attitude.

SPORTS

TRIBUTE TO MEDICINE HAT TIGERS—MEMORIAL HOCKEY CUP CHAMPIONS

Mr. Bob Porter (Medicine Hat): Mr. Speaker, I would like to take this opportunity to extend congratulations to the 1987 Memorial Cup winners, the Medicine Hat Tigers. The Western Hockey League champions defeated the Oshawa Generals 6-2 in a sudden death final on Saturday, May 16.

• (1410)

There are many former Medicine Hat Tigers now playing in the National Hockey League. This year's team, which placed five players in the six all-star positions at the Memorial Cup, will continue to be well represented in the NHL.

This year's edition of the Tigers had a lot of class, presented themselves well on and off the ice, and were an outstanding representation of junior hockey.

Best wishes for continued success to the team, George Maser, Russ Farwell, coach Brian Maxwell, and team announcer Bob Ridely.

The Memorial Cup will be at home in Medicine Hat this year. The team, management and fans of that city will see that it stays there.

Canada's national sport is alive and well in Medicine Hat.

* * *

HAZARDOUS SUBSTANCES

RADON GAS—HIGH LEVELS IN SOUTHERN SASKATCHEWAN HOMES

Mr. Simon de Jong (Regina East): Mr. Speaker, studies conducted in the past several years show that Saskatchewan has the highest levels of radon gas in the country. According to news reports 27 per cent of homes surveyed in southern Saskatchewan have radon levels four times the normal level. This means that occupants of those homes are exposed to radiation equivalent to more than 200 chest X-rays a year. The same surveys show Regina and Winnipeg as the cities with the highest radon levels in the country.

Most of these surveys were done during the summer months. A survey during winter would show even higher levels. These results of high radon gas levels are of grave concern to us and reveal an urgent need for action.

What is needed are more surveys, especially during winter months. The results of these surveys should be made public immediately rather than years later. Home owners should also be given an opportunity to monitor radon levels in their homes. More public information is also needed. Home builders, local building and health authorities, as well as individual home owners, have got to know what they can do to reduce the radon gas to acceptable levels.

I urge the federal Government to provide leadership that will make the homes in the areas of high radon gas emissions safe homes in which to live.

* * *

CANADIAN LABOUR CONGRESS

ATTACK BY PRESIDENT ON BRITISH COLUMBIA PREMIER AS "NEW CANADIAN"

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I was shocked and disappointed this past weekend to hear comments made by Shirley Carr, President of the Canadian Labour Congress. In a speech praising the New Democratic Party she launched an attack against the Premier of British Columbia, Mr. Bill Vander Zalm. What was most troubling was her comment that Mr. Vander Zalm as "a new Canadian" should remember who helped liberate his country during World War II and that he had no right to bring his fascist ideas to this country.

I reject any distinction being made between native born and new Canadians. She should remember that, with the exception of our native groups, we were all new Canadians. As a nation we have never placed any limitation on a person's right to speak based on his country of origin, nor should we.

This kind of intolerance is unacceptable, un-Canadian, and I am sure is repudiated by the membership of the Canadian Labour Congress.

* * *

PENITENTIARIES

CANCELLATION OF EXPANSION PROJECT AT WESTMORLAND INSTITUTION IN NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I would like to draw to the attention of the House an action by the Government which my constituents find totally unacceptable.

We have learned through access to information that the Government has cancelled an $18 million upgrading and expansion project at Westmorland Institution in southeast New Brunswick. While the Government cancelled Westmorland, and other important projects across Canada, it approved the construction of a $68 million penitentiary in the Prime Minister's (Mr. Mulroney) riding, a facility which most everyone agrees is not needed.

[*Translation*]

The Government's decision to build a new institution in the Prime Minister's riding, at the expense of other regions, is entirely unacceptable, especially when you consider that the unemployment rate in my own riding is 17.5 per cent, which is outrageous.

How do we explain this to the people of New Brunswick? We can only say the Government has decided to forget they exist!

* * *

EMPLOYMENT

IMPACT OF CONSTRUCTION OF ALUMINUM PLANT AT LATERRIÈRE IN JONQUIÈRE CONSTITUENCY

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, last week, Alcan announced it was investing $750 million in its future aluminum plant at Laterrière, in the riding of Jonquière.

Mr. Speaker, it sounds like good news. Unfortunately, with the new plant and the new technology that will be used, Jonquière will suffer a net loss of nearly 750 jobs. Add to that the loss in taxes and the good news becomes rather alarming for the community of Jonquière.

Mr. Speaker, over the years, Alcan has made billions of dollars thanks to our hydro-electric and human resources. Alcan cannot go on investing all around Jonquière while abandoning a community that has served it so well. We need more than the 4 or 5 million invested in SOCCRENT for our community. The company's directors are in the big league. They can afford to attract other investment to our region to diversify the local economy and maintain job levels in Jonquière.

The community of Jonquière is very worried, Mr. Speaker.

* * *

• (1415)

[*English*]

LABOUR RELATIONS

PROTEST RALLIES AGAINST PROPOSED LABOUR LAW CHANGES IN BRITISH COLUMBIA

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, protest rallies will take place across British Columbia today, in opposition to proposed Draconian changes in the labour laws of British Columbia.

A work-to-rule campaign and an overtime ban by the B.C. Federation of Labour will go into effect today.

On April 3 last I drew the attention of this House to the drastic changes to the labour laws proposed by B.C.'s Social Credit Government. The proposals are ill-considered, confrontational, undemocratic, and unnecessary.

The Vancouver Sun has called Bill 19 "perhaps the most radical legislation introduced by the provincial government in the past decade".

I urge Premier Vander Zalm, in his meeting with the B.C. Federation of Labour tomorrow, to agree to withdraw both Bill 19 and Bill 20; and I once again urge the B.C. Government to study carefully and consult fully before proceeding with any further labour laws.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT AMONG PERSONS OVER 45 YEARS OF AGE—COMMITTEE'S STUDY OF AGE DISCRIMINATION

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, unemployment is not only a regional problem, it is also an age problem. Unemployed Canadians 45 years of age and over are more likely to suffer permanent long-term unemployment than any other age group.

This is only one example, Mr. Speaker, of actual age discrimination in Canada, in spite of federal and provincial legislation against such discrimination.

For that reason the Human Rights Committee of this House will begin a study on age discrimination today, and we hope to visit western Canada next week to receive testimony from that region. For that, we need the approval of the House. I hope that the Opposition will not thwart the opportunity for western Canada to participate fully in this vital study.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

RAILWAYS

IMPACT OF CN BUDGETARY CUTBACKS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, many Canadians in the riding of Glengarry—Prescott—Russell and elsewhere in Eastern Ontario are concerned about CN's decision to close down about 265 miles of track between Montreal and Sudbury, Ontario. These decisions will have a very serious impact on the riding I have the honour and the privilege to represent in this House.

A company in my riding, Alexandria Mouldings, has decided to postpone a $25 million expansion plan as a result of CN's budget cuts. The Minister of Transport (Mr. Crosbie) must take immediate action and tell CN representatives to stop these tactics immediately and provide full service to all customers in Glengarry—Prescott—Russell, Renfrew—Nipissing—Pembroke and elsewhere in Eastern Ontario.

EXTERNAL AFFAIRS

THE ABITIBI TOUR—GOVERNMENT ASSISTANCE

Mr. Guy St. Julien (Abitibi): Mr. Speaker, every year, for 19 years, *Le Tour de l'Abitibi* has organized a junior cyclists meet, the biggest in the world. In connection with the *Sommet de la Francophonie* in Quebec City, which will be held from September 2 to 4, *Le Tour de l'Abitibi* will receive a $10,000 grant, which will make it possible for the president, Mr. André Babin of Val-d'Or, and organizers to invite representatives from Canada and several European, African and Caribbean countries, to talk about their respective cultures and sports disciplines.

In so doing, the Government of Canada wants to stress the fact that *La Francophonie* is not just a matter of heads of state and governments. In fact, it is unique as an assembly of individuals and agencies that in many cases initiated the concept of mutual aid and co-operation among francophone peoples throughout the world. Mr. Speaker, the Abitibi and Témiscamingue region appreciates the work done by the Minister for External Relations (Mrs. Landry) who is responsible for the Francophone Summit, and who saw fit to support a region far removed from our urban centres.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—REPORTED U.S. INVESTMENT DEMANDS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it was hard to believe the performance of the Minister for International Trade on television last night. She refused to say whether or not the Cabinet had rejected the American demand for unlimited American takeovers of Canadian industry.

The Americans obviously want the right to buy up to 100 per cent of our oil and gas industry, lumber, fish, our farms, financial institutions—the whole country, including 24 Sussex, for all I know. And yet the Minister—

• (1420)

An Hon. Member: They already have it.

Mr. Turner (Vancouver Quadra): Somebody is suggesting to me that they already have 24 Sussex.

Mr. Hees: Don't worry, John; you will never need it.

Mr. Turner (Vancouver Quadra): Yet the Minister would not say yes or no last night on television.

Did the Cabinet reject yesterday the absurd American demand for unlimited takeover of vital Canadian industries?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it must have been a tough caucus this morning. The tougher the caucus, the greater the demagoguery from the Leader of the Opposition. It must have been a real tough one.

I am surprised at the anti-American attitudes coming from the Leader of the Opposition, he who supped at their table so long and so well.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: I will tell you, Mr. Speaker, that it will come as a hell of a surprise to Bechtel to find out that he is anti-American.

Mr. Nunziata: Cheap shot.

Ms. Copps: You are the Prime Minister. Act like it.

Mr. Speaker: The Right Hon. Prime Minister.

Mr. Mulroney: Mr. Speaker, Liberals talking about cheap shots!

If the question is, is this Government inviting foreign investment into this country, the answer is yes. We stand for foreign investment, investment of all kinds which will result in jobs for Canadians. We campaigned on that. We indicated it very clearly.

With regard to a foreign investment policy which may or may not come under the free trade talks, that is for Cabinet to decide. We believe that trade and investment will create greater jobs and wealth for Canadians.

Our obligation is to reduce unemployment, the moral obligation to the country, to the extent humanly possible to provide everyone with a job. In large measure, in substantial measure, that must be done by investment of all kinds, including foreign investment in Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Prime Minister ducked that one again and did not answer the question.

[*Translation*]

PURCHASE OF CANADIAN FIRMS BY FOREIGNERS—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): The Prime Minister has been approving takeovers at a rate of $1 billion per month. Ever since this Government came to power, not one takeover has been turned down. I am not talking about new investment but about takeovers.

So my question for the Prime Minister is: Doesn't he care that foreigners can buy up the whole country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the question lacks both dignity and realism. The question is: Don't I care about the fact that foreigners can buy up the whole country? The question is hardly not worthy of an answer and the Leader of the Opposition knows this perfectly well.

We had an unemployment rate of 11 per cent, which we inherited. We managed to get it down to 9.3 per cent. We have also succeeded in creating 770,000 new jobs in this country, which I think is an impressive performance. However, it is not enough, because we still have 1.2 million Canadians who are jobless, and to find jobs, we have to seek out new investment as well. Not at any price and regardless of the circumstances, but we have made it clear, unlike others, that as far as we are concerned, investors are welcome in Canada, provided they create jobs, provided they produce employment here in Canada.

[*English*]

Mr. Turner (Vancouver Quadra): I do not think anybody in the House needs to take any lessons from the Prime Minister on a dignified performance.

I want to say that the question was perfectly relevant when he has been selling off the country at $1 billion per month through Investment Canada, to such an extent that no one can take seriously the Government's record on protecting Canadian sovereignty, and certainly the Americans do not take it seriously.

Some Hon. Members: Hear, hear!

• (1425)

ACCESS TO INVESTMENT IN CANADA

Right Hon. John N. Turner (Leader of the Opposition): Now the Government is apparently contemplating a trade deal which would allow, in an unfettered way, the Americans complete access to investment in Canada, Mr. Speaker. How can the Prime Minister even contemplate that type of a deal? Is the Prime Minister on the road to having Canada become the 51st State? That is what the issue is?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend knows that the answer to that really quite silly question is, no, in terms of contemplating that kind of a deal. We have indicated in this House, I think quite fairly, on a number of occasions the kinds of deals with the United States that would be acceptable to Canada.

I point out, for example, in regard to the question of trade raised by my right hon. friend, what the Hon. Donald Macdonald, a very distinguished Liberal, recently said about his position.

Ms. Copps: Get a new speechwriter.

Mr. Mulroney: "Some of" the Liberals, "they don't even know anything and you can't tell them anything. I think there's a low level of understanding on trade on the part of members of" the Liberal "caucus". I agree 100 per cent with what Donald Macdonald said.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

INSTRUCTIONS GIVEN TO CANADIAN NEGOTIATOR

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, now that the Prime Minister is in an agreeable mood, I would like to ask him whether he would confirm the following statement. Peter Murphy, the U.S. trade negotiator, wrote a memo to U.S. Congressmen in which he said:

> Investment is another critical component for any agreement... The Canadians are finally getting the message but are holding it out as bait to get some progress on their key issues, such as contingency protection.

In the meeting held yesterday between Mr. Reisman and the Cabinet, did the Government, in fact, confirm directions to Mr. Reisman that it is prepared to give full and open access on investment, in return for making some modification to trade remedy laws? Are those the instructions on which Mr. Reisman is presently working?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Ambassador Reisman, who is held in very high regard by the Leader of the Opposition, is operating under entirely appropriate instructions, instructions that are consistent with my statement to the House on September 26, 1985, statements by the Secretary of State for External Affairs and by the Minister for International Trade.

May I say with affection, to the Hon. Member for Winnipeg—Fort Garry, that he too was referred to by Donald Macdonald.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Donald Macdonald—this is important—said: "I've debated on platforms with Axworthy across the country and I don't think he's got a—grasp of the issues".

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: Then, in the unkindest cut of all, he said "I think he's engaged in purely political posturing".

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, I would say in return to the Prime Minister with great affection that he might enjoy more affection from the Canadian people if he were prepared to come clean when asked questions of direct public interest to Canadians.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Let me put the question in a slightly different way, Mr. Speaker. Yesterday, Senator Lloyd Bentsen, who is Chairman of the powerful Finance Committee which will decide on the question of a free trade agreement with Canada, said quite categorically that any attempt to make major changes to trade mechanisms will be rejected by the Congress.

Why is the Government prepared to sell out this country by giving totally open access to investment to try to get a deal with a trade remedy law to which the U.S. Senate will not even agree? Is the Prime Minister prepared to tell us what kind of curious, strange, perverse logic is working in the minds of this Government when it is prepared to give away Canada to get nothing in return?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the House and the country have just been treated to an exhibition of the reasons why Donald Macdonald, a very distinguished parliamentarian and Canadian, says that the hon. gentleman conducts himself like a sophomore who does not know what he is talking about. This is exactly what is going on. This is shameless—

Mr. Axworthy: Are you afraid to answer the question? Yes, you are. Answer the question.

Mr. Mulroney: I will be happy to try to answer the question, Mr. Speaker.

Mr. Axworthy: Answer it. We are waiting.

Mr. Mulroney: We are seeking a trade agreement, which we believe is very much in the national interest, the chief component of which would be the creation of new jobs, new employment opportunities for all Canada, particularly in those regions of the country that need investment and need job creation.

We have indicated very clearly, and most specifically the Minister for International Trade has spelled out the terms and conditions under which this kind of trade agreement would be entered into by Canada. Clearly the trade resolution mechanism is part and parcel of that. I have spoken to the issue directly. I have conveyed that to the President of the United States, and to Senator Bensten, distinguished Chairman of the Senate Committee, and others.

• (1430)

It is my hope and my judgment that this kind of mutually beneficial trade arrangement will emerge. It is consistent with the challenges of the 1990s and the 21st century and it is consistent with our obligations to create jobs. But we will only bring forward for the consideration of this House a trade arrangement which we believe is very much in the national interest. We are working toward that. If and when we achieve it, we will bring it forward, and I know my hon. friend will be the first to applaud it.

INVESTMENT RESTRICTIONS INQUIRY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to pursue this issue with the Prime Minister. Yesterday Simon Reisman was quoted as saying that he had a clear idea of what the United States wanted in the way of investment freedom in Canada. The Minister for International Trade was quoted as saying that Cabinet has not yet decided whether to permit negotiation over those demands. In short, the Government continues to let the initiative be taken by the United States rather than by Canada.

Why did the Government not, right at the start, say no to demands that would tie our freedom so completely, demands with respect to holding restrictions on investment which are crucial to jobs in Canada?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Prime Minister has made it very clear that the kind of disaster and scare scenario members of the NDP are formulating is not being considered in any form in the current talks. I do not know why he is scaremongering like that but I can assure him that the kind of scenario he is suggesting is not the scenario being considered.

REQUEST THAT GOVERNMENT REJECT U.S. PROPOSAL

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, Canadians heard the Minister say very clearly on television last night that the Government had not yet decided on this issue. I will ask her what I asked yesterday, and we still cannot get an answer.

Why has the Cabinet not said a flat no to the attempt of the United States to widen this discussion about investment beyond trade related investment? Why has there not been a flat no said in order to protect jobs in this country?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I will try to indicate, like the Prime Minister, that the kind of question the Hon. Member is suggesting has never been put to us. It would never be acceptable to us and it has never been put to us. What is clear is that the Americans do not want the kind of investment policies followed by the previous Government, policies which involved expropriation and the theft of other people's property. That is what the Americans do not want.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, given that in 1986 actually more investment went out of this country than came into it from the United States, how can the Minister maintain that free investment policies with the United States would benefit Canada in any way whatsoever?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, a couple of questioners on the opposition side have referred to my remarks on television yesterday. I may point out that the remarks that were on television were the remarks I made in the House yesterday and I can only repeat them.

I said yesterday and I repeat now that, unlike the previous Government, we have an open investment climate. We have Investment Canada. We have attracted record-breaking levels of foreign investment, creating jobs in Canada. I have made it very clear that the negotiator's mandate is not beyond that which I stated in this House. Again, they are scaremongering and raising issues that have not ever been advanced at the negotiating table.

* * *

FISHERIES

CANADA-FRANCE DISCUSSIONS—FORTHCOMING VISIT OF FRENCH PRESIDENT

Mr. George Baker (Gander—Twillingate): Mr. Speaker, President Mitterrand said today, when questioned about his trip to Canada and the fishing dispute:

> It is my intention to raise the issue with the people I will be talking to. Someone may be right and someone may be wrong. I hope reason will prevail.

I would ask the Secretary of State for External Affairs if it is not time the Government informed the French that, if reason is to prevail, the French should at least be reasonable and that it is completely unreasonable to demand a 200-mile zone around St. Pierre and Miquelon while they demanded and received, only 10 years ago, a six-mile zone around the Channel Islands because those islands were off their coast. Now that the shoe is on the other foot, they are trying to give us the boot.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, when I saw the Hon. Member rise with his bright red puff in his pocket, I thought we were going to be treated to another of his dramatic shows. We instead heard a—

Mr. Crosbie: He poufed.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Mr. Speaker, I cannot do better than my hon. colleague, the Minister of Transport. Nor would the kind of attitude the Hon. Member adopts, an attitude of playing to the grandstands, help us in the negotiations under way with France over a matter that we know and will be treating in the discussions with the President of France as highly important to Canada.

The Hon. Member can take assurance in the fact that in the discussions we will have with the President of France during his historic visit here next week, the Government of Canada will be vigorously, assertively and consistently defending the interests of Canadian fishermen and other Canadian interests.

ISSUANCE OF LICENCES TO CANADIAN FISHERMEN

Mr. George Baker (Gander—Twillingate): Mr. Speaker, for the first time this year the Government has outlawed Canadian

fishermen from a portion of the Grand Banks of Newfoundland where the American fleet can fish all it wants without fear of being arrested. For the first time, the Government has removed fishing licences from Canadians on the South Coast of Newfoundland and issued them temporary permits only last month. Yet the French can fish all they want out to 200 miles.

If this is to be the *laissez-faire* attitude of the policy toward the French and the Americans, will the Government now give back the licences that were removed this year to Canadian fishermen so they can at least fish where the French fish and the Americans fish without fear of being arrested? Our fishermen are being French-filleted and Yankee-doodled.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I suppose that's better than being poufed. The Minister of Fisheries is not in the House at the moment. I will take that question as notice and will get back to the Hon. Member.

* * *

EXTERNAL AFFAIRS

FUTURE OF ST. PIERRE AND MIQUELON

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I don't want to pouf and I don't want to puff, and I don't really care about the question of the Hon. Member from Gander—Gleason—Twillingate. Seriously, to the Minister for External Affairs, is there on the agenda with the President of France in his most important visit any suggestion at all that it is time France got rid of the last relic of its empire and that there be some devolution of St. Pierre and Miquelon to Canada under the proper processes so that we do not have to worry about fishing quotas or mineral resources and we will get back to what is properly ours?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is not on my agenda and I would be considerably surprised were it on the agenda of the President of France.

Mr. Waddell: I suppose we could trade the Turks and Caicos with the French.

Some Hon. Members: Oh, oh!

Mr. Speaker: I know Hon. Members are interested in these novel suggestions but a lot of Members want to ask questions. I ask that questions be put clearly, succinctly, and that the answers be appropriately framed.

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA—POSSIBILITY OF OTHER BIDS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Minister of Energy. He is quoted as saying on Monday that other companies can now bid for Dome. Is this position not now inconsistent? He is now getting involved in this matter as he should have been all along. If he is serious about this is he prepared to take positive measures to ensure that other Canadian companies can bid for Dome without prohibitive lawsuits from Amoco?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, it happens that I read the press as the Hon. Member should do himself. It is all over the country. I am sure those corporations have good lawyers and they can answer the question.

[*Translation*]

POSSIBILITY OF CERTAIN CANADIAN COMPANIES OFFERING TO BUY DOME—GOVERNMENT POSITION

Mr. Ian Waddell (Vancouver—Kingsway): I have a supplementary for the Minister of Energy, Mines and Resources.

A number of Canadian companies including TransCanada PipeLines, Imperial Oil, Husky and Petro-Canada may be making a bid to purchase Dome. Is the Minister prepared to consider such a bid and is he prepared to help these companies? We want a Canadian solution. Does the Minister also want a Canadian solution?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, first of all, I don't think the Minister of Energy owns Dome, so I fail to see why these companies would make any proposals about Dome to the Minister of Energy. They know perfectly well where to go if they want to make a bid for Dome.

As for the future of such proposals, it is entirely up to the people in charge of Dome to decide whether they like them or not.

* * *

[*English*]

NARCOTICS

INCREASE IN DRUG ABUSE—GOVERNMENT POSITION

Mr. Bob Horner (Mississauga North): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In September of 1986 the Prime Minister said we had a drug epidemic in Canada. I did not agree with him at that time but shortly thereafter the principal of a Mississauga high school told me that 50 per cent of the students I spoke to that day were using drugs.

I know $50 billion from the sale of illegal drugs is laundered each year in North America. I have since found out there are many drug-related gangland slayings around the city of Toronto. As a former member of the RCMP and on behalf of many concerned parents I would ask when is the Government going to do something about this abhorrent situation, and what is it going to do?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is essential that all Members understand the importance of this issue, the importance the Prime Minister placed on it, and the public profile he gave to it. Since that statement was made I and other Members of the House have been confronted on this issue by parents and people who work with youth. There has been very close co-operation between the federal Government, the provinces, and those agencies working on drug and alcohol addiction. We believe that is a good plan. We intend to unveil it across the country next week.

* * *

NATIONAL DEFENCE

FRIGATE CONSTRUCTION PROGRAM

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of National Defence. I am certain he would agree that the union and management at the Saint John Shipyard ought to be congratulated for their good and efficient work on the first phase of the frigate program. Can he indicate to the House, and particularly to the people of Saint John, whether or not the Government is still committed to the second phase of that program whereby six additional frigates will be built in Canada by Canadians, and that the decision will be made before October, 1987?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, I certainly join with my hon. friend in congratulating the workers at Saint John Shipyard on the fine work they are doing. I have heard directly from them, my colleague the Minister of State for Forestry and Mines, the Premier of New Brunswick, as well as the Mayor of Saint John. They all made the case that the Saint John Shipyard is capable of doing superb work.

We will be announcing the architecture of the new Canadian Navy in the defence White Paper which will be coming out very shortly. My hon. friend will have his answer at that time.

REQUEST THAT SECOND PHASE BE AWARDED TO SAINT JOHN SHIPYARD

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, there is high unemployment in Atlantic Canada. The Saint John Shipyard has the human and technical resources, as well as a cost advantage that other bidders do not have. Given that, does the Minister not think it in the best interests of Canada and regional equality that the entire second phase of the frigate program be awarded to Saint John so that the industrial benefits are distributed more equally throughout Canada?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, as I indicated we will be giving a clear indication of our intentions with regard to SRP II when the defence White Paper is released in a few days. I simply want to underscore again the appreciation we have for the fine work being done in Saint John at the present time.

* * *

REGIONAL DEVELOPMENT

WESTERN DIVERSIFICATION INITIATIVE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday in the House the Prime Minister said the western diversification initiative would be announced at the earliest possible moment. I have here a leaked letter from the Minister of DRIE which he was planning to send out to some business people in western Canada to start consultation, with 30 key business leaders. The letter has not yet been sent out, but there are supposed to be consultations between April 22 and June 12 according to another leaked document I have.

Since this letter has not yet gone out and the consultations have not yet started I want to know why the unacceptable delay? Why has this important project been stalled? Does he not know we have very serious economic problems in western Canada? Why are you pushing us around like that? We want action now.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member would agree that it is not customary for a cabinet Minister to comment on a so-called leaked letter that was planned to be sent out by anyone.

Mr. Nystrom: Maybe the Government should develop the custom of at least answering the questions put by the Opposition.

Mr. Crosbie: Give us a sensible question.

CONSULTATIONS CONDUCTED BY GOVERNMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I also have a copy of a western diversification report or questionnaire used by public servants when they conducted a survey of western Canadian businesses. I understand a questionnaire of several pages is now being completed with about 24 different sector groups.

Perhaps the Deputy Prime Minister could answer the first question and at the same time tell us why, during this round of consultations, the Government is planning to consult only with the business community in western Canada? Why not consult

as well with provincial Governments, municipalities, the farm sector, trade unions and others across the west? Why only with the business community at this stage?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I find the Hon. Member's question appalling. This Government has consulted with provincial Governments on a continuing basis. As a matter of fact, we are criticized every day from across the way for consulting too much with provincial Governments. Some have suggested we are giving away too much federal power to the provinces. The fact is that consultations have gone on.

As to responding to questions, if the Hon. Member put a thoughtful question I would certainly answer it. Hypothetical questions are not the kind of questions that I or any Minister, or even the Member I am sure, would like to answer.

* * *

[*Translation*]

SUPPLY AND SERVICES

TEACHING OF FRENCH IN DEPARTMENT OF NATIONAL DEFENCE—BIDDING OFFERS—ABSENCE OF PARTICIPATION BY QUEBEC FIRMS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister of Supply and Services, perhaps I might direct my question to the Minister of Public Works. It has to do with certain regional industrial development aspects which I raised yesterday. I should like to ask the Minister why Quebec firms specializing in this field—newspaper articles refer, among others, to Matrox, DIL International, Technogram—were not invited to bid on the software contract concerning the teaching of French in the Department of National Defence. I should like to know why they were not even invited to bid on this major contract valued at more than $700,000.

• (1450)

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, yesterday the Hon. Member raised a question about this matter and it is now being investigated by the Minister of Supply and Services. She will make the information known to the Hon. Member when she has it available.

[*Translation*]

REQUEST THAT GOVERNMENT PROVIDE JOBS AT LÉVIS-LAUZON SHIPYARDS

Mr. Raymond Garneau (Laval-des-Rapides): Another question, Mr. Speaker, again related to regional development. The Minister responsible for this Department being absent, perhaps I might direct my question to the Prime Minister because it concerns the important Lévis-Lauzon region. I learned over the weekend that there are only 400 workers left at the Lauzon shipyards, and that half of them are going to be laid off very soon. If we go back a few years to early September 1984 when this Government came into office, 1,500 Lévis-Lauzon region workers had jobs at the shipyards.

I should like to ask the Prime Minister what the Government is waiting for to award a contract and begin work on the Caribou II ferry, which might provide employment for these Lévis-Lauzon workers?

Right Hon. Brian Mulroney (Prime Minister): Interestingly enough, Mr. Speaker, the unemployment rate in the Lévis-Lauzon region is now lower than it was on September 17, 1984, much lower. I should think my friend would agree with me that this is due mainly to federal contract award initiatives in the greater Quebec City metropolitan area, and particularly in that region. The federal Government will be taking action in a number of cases precisely to lower even more the unacceptably high unemployment rate in that region and maintain wide-ranging activities on a regional basis. We will be making statements to that effect in the not too distant future.

* * *

[*English*]

VIA RAIL

MAINTENANCE FACILITY PROJECTS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Minister of Transport. It concerns his statement in the House yesterday when he said, in response to a question by the Hon. Member for Papineau with respect to VIA Rail:

> We will continue with new maintenance facilities, including facilities in Winnipeg, Vancouver, and Halifax.

Does this statement mean that the postponement of those new facilities in Winnipeg, Vancouver, and Halifax has ended and the building of these facilities will commence? If so, when?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I think the statement means exactly what it says, that because of the additional funding which we are now providing for VIA Rail, VIA Rail will be able to go forward with its plans to construct maintenance facilities in Winnipeg, Vancouver, and Halifax. It will have to produce a plan for my approval and it will have to be part of its fiscal and annual plan. All those procedures will have to be followed.

It means that we are giving VIA the financial wherewithal to go forward with these maintenance facilities, including the completion of the construction of the facilities at Toronto and Montreal.

CONSTRUCTION OF FACILITIES—LENGTH OF TRAINS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would appreciate the Minister giving us a bit more detail about the timeframe he envisages for beginning these projects because it is certainly something that would be economically significant for western Canada as well as Atlantic Canada.

Perhaps the Minister could elaborate on that and, while doing so, tell us whether the Government intends to give any instruction to VIA with respect to its plans to shorten its train this summer, at the very time when there is increased demand for passenger rail service in Canada? We are told that VIA is planning to have a 14-car train instead of its usual 21-car train. Will the Government do anything about that?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I cannot give any more details in connection with the construction of maintenance facilities until I have met with VIA Rail and received its latest plans and schedule. The additional funding we are providing is over a five-year period and VIA will have to bring forward a plan which indicates where, when, and how they will proceed.

With respect to the second part of the Hon. Member's question, it is not that VIA Rail plans to shorten its trains this summer; it plans not to lengthen them. It will not add cars to its train services. What I am saying is 100 per cent accurate: it is not shortening the trains, it will simply not lengthen them.

* * *

EXTERNAL AFFAIRS

REQUEST THAT EMBASSY BE REOPENED IN BEIRUT

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question which is directed to the Secretary of State for External Affairs concerns the Middle East. In 1985 the Government designated May 6 as Canada-Lebanon Day. During recent celebrations with the Lebanese community here in Ottawa, strong pleas were made for the Government to reopen its embassy in Beirut.

We all recognize the terrible tragedies that are still occurring in Beirut and in the Middle East. However, is the Government giving any consideration to reopening our embassy in Beirut in order to allow Canadians of Lebanese origin more easily and effectively to reunite their families here in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for that question and for the constant interest that he and the Minister of Public Works and others in the House have shown in the matter of our situation in Lebanon. We took the decision to close our embassy there because we thought it was not safe to maintain it open. Circumstances in Lebanon have not changed since that decision was taken.

IMMIGRATION LIAISON OPERATION PROPOSED

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, in light of the Minister's response, would it be possible for the Government to consider setting up an immigration liaison operation with the British Embassy or another embassy in Beirut in order to make it easier for Lebanese people who want to come to Canada to join Canadians of Lebanese origin?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am naturally prepared to consider that. I would not want my remarks to be taken as any more commitment than to consider that proposal. However, we will look at that as a means to supplement the service that we now try to extend to a city where it is not possible for us to maintain an embassy.

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REGIONAL DEVELOPMENT

NORTHERN ONTARIO—FEDERAL JOB TRANSFERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Deputy Prime Minister. He knows that northern Ontario has faced a very difficult time in the last couple of years with losses in the steel, forestry, and the mining industries. Will he explain why the Government is making the situation worse by transferring and cutting out hundreds of federal government jobs which not only take away wages in northern Ontario but take away services? Why has the Province of Ontario been able to transfer 1,200 jobs, with whole departments of government, into northern Ontario while the federal Government is transferring jobs out?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I have indicated in the House before, the northern Ontario initiative is in its final stages of preparation. I have indicated on previous occasions that, in close co-operation with the Solicitor General, a program will be announced very soon which I believe will do much to establish a firm economic foundation for northern Ontario, which is something that had been sadly lacking during the previous administration.

TIMING OF RECOVERY PROGRAM ANNOUNCEMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, will the Deputy Prime Minister assure us that the Government will change its policies in this recovery program because we have lost some 450 jobs as a result of the Canada-U.S. export tax deal, lost hundreds of jobs in the steel industry at the tube mill at Sault Ste. Marie because of the energy policy of the Government, and our service industry has been hurt because of the cut-backs in the Small Craft Harbours Program? Will the Minister tell us today the date of the recovery program so that northern Ontario can begin to improve rather than decline as it has in the last two and one-half years?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, let me draw to the attention of the Hon. Member that 46 per cent of the new jobs have been created in the Province of Ontario since we became the Government.

Mr. Foster: Southern Ontario.

Mr. Mazankowski: I agree that a number of them have been created in southern Ontario. The fact is that we recognize that there is this regional imbalance to which the Prime Minister has referred on many occasions. We are addressing that.

I should also remind the Hon. Member, and perhaps he might advise his colleagues, that one of the best ways of securing a stable and durable future for northern Ontario is to obtain a bilateral trade arrangement with the United States to ensure that we would have—

Mr. Axworthy: Like softwood lumber.

Mr. Mazankowski: —to ensure that we would prevent the kinds of actions as the Hon. Member for Winnipeg—Fort Garry suggested with regard to the softwood lumber issue. We need in place an equitable and workable dispute resolving mechanism, together with all the other components of an agreement which would enhance and secure our trading relationship with the United States. That would be in the best interests of northern Ontario and that is what we are trying to pursue.

* * *

[*Translation*]

LAPRADE FUND

REQUEST FOR EXPLANATION OF DELAY IN USING MONEY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the President of the Treasury Board, as Minister responsible for the Laprade Fund.

Last week, when I was in Victoriaville, I was told that although last November it was announced that the assets of the Laprade Fund were no longer frozen, there had been no grants from the Fund in the past six months.

Could the Minister give a reason for the delay and inform the House when the Government intends to start using the $87 million in the Fund to promote investment and job creation in the regions concerned?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first of all, I would like to inform the Hon. Member that the Minister responsible for the Laprade Fund is the Minister of Regional Industrial Expansion, since the Fund comes under his department.

As a regional Minister, however, I welcome the opportunity to answer this question. As I said before, there are still $87.3 million in the Laprade Fund. The Department of Regional Industrial Expansion has prepared criteria that have been accepted by the Treasury Board. It seems that the Department has already received about 80 applications that are now being considered, and as I said at the time, the Laprade Fund being a supplementary fund, it has been possible to accommodate a number of these applications through existing programs.

UTILIZATION OF FUND—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary. The Minister has failed to explain the six-month delay. Could he give the House the assurance that the Laprade Fund will not, as was the case under the previous Government, be used to provide election goodies but will be spent now, to create jobs and to provide for regional development, now, and not in 1989?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I can assure the Hon. Member that first of all, there has been no unnecessary delay. In fact, we have been very concerned about avoiding the excesses of the previous Government and its wasteful spending, which did not go towards creating permanent jobs but jobs that disappeared after eight, ten or twelve weeks.

We want to create permanent jobs in the region and involve the region in its own economic development.

• (1500)

[*English*]

Mr. Speaker: I would like to advise Hon. Members that, unfortunately, there is only room for one final question. The Hon. Member for Parkdale—High Park.

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HUMAN RIGHTS

SOVIET UNION—FAMILY REUNIFICATION RESTRICTIONS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. During his most recent visit to the German Democratic Republic, the Minister called upon East Germany to relax family reunification restrictions and to pay compensation for properties seized by the Nazis during World War II.

As the Minister will know, many eastern Europeans including Ukrainians, Poles, Czechs, Slovaks, Hungarians, Croations, Lithuanians, Latvians, Estonians and others were the victims of genocide and property liquidation in their respective countries at the hands of the Nazi regime and the Soviet Union.

Is the Minister prepared to make similar demands on the Soviet Government to relax restrictions barring family reunification and to provide compensation to Canadians for

crimes committed against them in their homelands during World War II?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have raised those questions with representatives of the Soviet Union including, most recently, when Mr. Shevardnadze was here. I want to make clear a distinction of which the Hon. Member and some other Members of the House will be aware. This Government does not recognize *de jure* the annexation of the Baltic States by the Soviet Union. Nonetheless, without prejudice to that legal position, we have raised the question of claims and compensation with the Soviet Union. To this stage there has been no positive reply by the Soviet Union.

Mr. Speaker: I would like to share with Hon. Members the observation that both yesterday and today we have been well under the usual number of questions we are usually able to deal with. I am considering what we can do to improve that, but I would ask Hon. Members to consider the matter between now and tomorrow and we will see if we can do a little better tomorrow. I ask for the indulgence and co-operation of Hon. Members.

ROUTINE PROCEEDINGS

[*English*]

THE ADMINISTRATION

TABLING OF *THE MINERAL AND METAL POLICY OF THE GOVERNMENT OF CANADA*

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, under the provisions of Standing Order 67(2), I have the honour to lay upon the table copies, in both official languages, of *The Mineral and Metal Policy of the Government of Canada.*

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PUBLIC ACCOUNTS

PRESENTATION OF SIXTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the Sixth Report of the Standing Committee on Public Accounts.

Mr. Speaker: The Hon. Member is presenting a committee report. I know that all Hon. Members would want to listen carefully to her presentation.

Miss Nicholson (Trinity): This report deals with the trade function of the Department of External Affairs.

In view of the importance of international trade to the Canadian economy and the assistance provided to exporters by the Department of External Affairs, the committee considers it essential that trade officers respond effectively and comprehensively to requests from the business community. The committee is concerned with the department's *ad hoc* approach to defining levels of service and has recommended clear definition and costing of the levels of service at each post abroad.

The committee is also concerned with the high turnover of senior managers and notes that in the last two years there have been four Deputy Ministers for international trade. This kind of rapid turnover cannot fail to interfere with accountability and sound management. The committee has recommended that the Prime Minister (Mr. Mulroney) give consideration to this practice.

The relationship between the Department of External Affairs and other departments is critical to promoting Canadian exports. Departments such as the Department of Agriculture and the Department of Regional Industrial Expansion can provide sectoral and technical expertise. The committee notes there have been difficulties in interdepartmental working relationships and recommends that this situation be urgently addressed.

Pursuant to Standing Order 99(2) the committee requests a comprehensive Government response to the recommendation in paragraph 13 of the report.

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PETITIONS

CANADA POST—OPPOSITION TO CORPORATE PLAN

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from hundreds, if not thousands, of Canadians in British Columbia, Nova Scotia, New Brunswick and Saskatchewan, to point out a few of the provinces. They say that the proposal of the federal Government to seek financial self-sufficiency by 1988 for Canada Post will result in cutbacks, deterioration of service, and consequently will be at the expense of service to Canadians.

These proposed measures have already resulted in the closure of many rural post offices, the cancellation of routes in rural communities, which means a drastic reduction in service for many Canadians.

Postal rate increases affect all Canadians while basic services are not being improved. The federal Government has not enabled Canada Post Corporation to pursue revenue generating services.

The undersigned, your petitioners, humbly pray and call upon Parliament to instruct the Government to make improved service the highest priority of Canada Post Corporation and to abandon its policy of closing rural post offices and cancelling rural postal routes.

Petitions

• (1510)

BASS FISHING IN TABUSINTAC RIVER

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, I have the privilege to present a petition on behalf of a number of constituents who call upon Parliament to restrict the fishing of bass in the Tabusintac River.

UNIVERSAL ACCESS TO FAIR ORAL HEARING BEFORE REFUGEE BOARD

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition from a number of residents of Toronto who request the Government to take note of the fact that we have in place better refugee legislation than that which is being proposed. They ask that Parliament direct the Government to ensure that universal access is available to all refugee claimants who come to Canada, and also a fair hearing of an appeal. In duty bound the petitioners will ever pray.

LOW-LEVEL FLIGHTS AT ARMED FORCES BASE AT GOOSE BAY

Mr. Dan Heap (Spadina): Mr. Speaker, I also have a petition from a number of residents of Toronto concerning the low-level flight training base at Goose Bay, Labrador. They point out that it not only disrupts the way of life of many of the native people there but that it is also a provocative and aggressive war-fighting action that intends to endanger world peace. The petitioners call upon Parliament to ensure that the Prime Minister (Mr. Mulroney) will end those flights and stop negotiating for a NATO base.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker—

Mr. Speaker: The Hon. Member for Lévis.

Mr. Fontaine: On a point of order, Mr. Speaker. During the Oral Question Period the Hon. Member for Laval-des-Rapides (Mr. Garneau) said there were—

[*English*]

Mr. Speaker: I will of course hear the Hon. Member in a few moments. I would ask him to wait until we finish Routine Proceedings.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): I suggest, Mr. Speaker, that all questions stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): About questions on the Order Paper, Mr. Speaker, I should like to ask the Parliamentary Secretary whether he might not give us the assurance that, when a Member asks that a question be answered within 45 days, that question will indeed be answered. I noticed that five questions have now been on the Order Paper for more than 45 days, and I know the Hon. Member will do his utmost to try to obtain the answers. It would be greatly appreciated if, when Members ask questions requesting an answer within 45 days, every effort were to be made to answer them. Otherwise there is no remedy, there is no grievance, and the Standing Orders are not very helpful.

Mr. Speaker, I would urge the Parliamentary Secretary to hold his Department officials responsible—and I am very serious about this—for providing adequate answers to the questions. Otherwise the Order Paper will again become loaded with questions and, as you know, we have managed to cut down the number of questions since the new Standing Orders came into force, to the great satisfaction of everybody concerned.

[*English*]

Mr. Lewis: Mr. Speaker, the provision for answers by the Government within 45 days was one of the provisions which we brought in under parliamentary reform. We think it has worked reasonably well up until now. I realize that there are two or three questions on the Order Paper that have not been answered within that period of time. I can tell my hon. friend that I have been involved in trying to obtain these answers.

Part of our problem with respect to these questions occurs when the answers come from a range of departments; when we try to get an answer from one department it seems to be easier than when we try to get it from a range of departments. However, I will take a specific look at those five questions and try to get back to my hon. friend.

Mr. Speaker: I thank the Hon. Parliamentary Secretary.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

POINT OF ORDER

REQUEST THAT MISTAKE DURING QUESTION PERIOD BE CORRECTED

Mr. Gabriel Fontaine (Lévis): A point of order, Mr. Speaker. During Oral Question Period the Hon. Member for Laval-des-Rapides (Mr. Garneau) said that there were 400 employees at the Lauzon shipyards. He misinformed the House, there are 750 employees at the Lauzon shipyards today. It is a mistake of 100 per cent, Mr. Speaker. I would like to have it corrected.

Mr. Rossi: Mr. Speaker, I believe the Hon. Member for Lévis (Mr. Fontaine) should have raised his point of order at the appropriate time. In my opinion, it is a little bit late to raise a point of order following Oral Question Period. He could have done so at the appropriate time, and the Hon. Member for Laval-des-Rapides (Mr. Garneau) who was here then could have properly responded to the Hon. Member who is taking this opportunity to set the record straight. I think he should have risen right after Oral Question Period, as provided under the Standing Orders, Mr. Speaker.

[*English*]

Mr. Speaker: The Hon. Member has suggested that there was a more appropriate time for the Hon. Member for Lévis (Mr. Fontaine) to raise this matter. The Chair may have been in error, but the Hon. Member did try to raise it earlier. I asked him to withdraw his application until the end of Routine Proceedings, which is a custom we follow. If I have made an error and caused any difficulty or embarrassment, then I am very sorry.

GOVERNMENT ORDERS

[*English*]

SOFTWOOD LUMBER PRODUCTS EXPORT CHARGE ACT

MEASURE TO ENACT

The House resumed from Wednesday, May 13, consideration of the motion of Miss Carney that Bill C-37, an Act respecting the imposition of a charge on the export of certain softwood lumber products, be read the third time and passed.

Mr. Speaker: When the House last considered this motion the Parliamentary Secretary to the Minister for International Trade (Mr. McDermid) had the floor.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, when we last examined Bill C-37 I was talking about some of the concerns that were raised in committee. I covered some of the issues at that time. However, there are still other issues which I wish to cover.

As those who have been following the debate will know we spent a considerable amount of time in committee on this Bill. In fact, we spent some six weeks. We listened to a number of witnesses from across Canada who are affected by the Bill.

One of the areas of most concern raised in committee is that of certain anomalies in the Canada-United States Memorandum of Understanding. Several groups, particularly the remanufacturers, have pointed out, and rightfully so, that some of their products are not included in Appendix "B" of the Understanding and are therefore subject to the export charge on the final value added price of the product, rather than on the value of the softwood lumber content alone.

• (1520)

The Memorandum of Understanding specifically provides for the subsequent addition of further manufactured products to Appendix "B", with the agreement of both governments.

The Government has acted quickly under this provision in consulting with a wide range of industry representatives in developing a list of additional products for inclusion in Appendix "B".

The original list included in Appendix "B" was the result of consultation with the solicitor for the Remanufacturers' Association. It obviously was not a complete list. We all agree on that. However, it was the list presented to the negotiators by the solicitor for the Remanufacturers' Association. The solicitor's letter, containing that list, was filed at the hearing and made public.

With 20-20 hindsight vision, I guess it could be said that they could have consulted on a much wider basis; but, they took this list as the list presented from the Remanufacturers' Association, through their solicitor.

Just to follow along on this particular problem, and it is a problem, on February 13, Canadian officials asked the U.S. administration to agree to the addition of these remanufactured products to Appendix "B". Since that time the Secretary of State for External Affairs (Mr. Clark) and the Minister for International Trade (Miss Carney) have continued to press for a favourable response to what we consider to be a legitimate request, one that is in full conformity with both the spirit and the letter of the Memorandum of Understanding.

The Minister for International Trade raised this issue in some detail during her meeting with U.S. trade representative Clayton Yeutter in Ottawa on April 6 last, and the Government, of course, has been continuing since that time to make all efforts to obtain accommodation for Canadian companies unfairly penalized through the lack of a positive response by the U.S. administration. However, I might say that at their latest meeting, a meeting held in Europe on other subjects, this matter was again raised by the Minister for International Trade with Mr. Yeutter, and the indications we had from the United States were positive. The negotiations are ongoing through the course of the debate on the motion for the third reading of the Bill and its eventual passage, which hopefully will come today, though that still remains to be seen.

The Government has also moved quickly to address, as far as possible, the concerns expressed over the fact that only 20 companies granted exclusions by the Commerce Department in the preliminary countervail decision of October 16 last are specifically excluded from the export charge as well.

In the discussions I have already mentioned, between U.S. trade representative Clayton Yeutter and the Minister for International Trade, as well as discussions between the Secretary of State for External Affairs and his counterpart in the U.S., Mr. Shultz, we have asked that the list of exempted companies be expanded by including a limited number of companies that made timely requests to the U.S. Commerce Department during the countervail investigation, which companies, we believe, would have received exclusions but for want of a small amount of additional information.

We have also taken up the question of Canadian lumber products processed from logs or lumber imported from the United States. These were all requests presented to the committee. At the end of the committee hearings the committee made requests of the Minister on certain subjects, and she has followed through on every one, and is continuing to press for the appropriate changes in the Memorandum of Understanding—and the Memorandum of Understanding allows for that type of negotiation.

I might say that arriving at an exemption for the 20 companies listed in Appendix "B" was a difficult negotiation. The Americans did not want any companies excluded. They wanted all companies to be subject to the export tax. Had all companies been excluded, there would not be quite the controversy we have today. However, because of the regional disparity question in eastern Canada, something which this Government is extremely concerned about, the inclusion of these 20 companies on Appendix "B" was pursued.

The companies that were eventually excluded account for about 92 per cent of the export lumber into the United States from the Maritime region. Because of that, we insisted that those 20 companies be included on Appendix "B", and that was agreed to in the negotiations. We insisted too that the other companies be included, but could only reach agreement on those 20.

Not all of those companies are located in eastern Canada; they are located all across Canada. But those that are located in the Maritime region account for some 92 per cent of the exports coming out of that region, and that fact was taken into consideration in arriving at that decision.

Bill C-37 provides the regulatory authority to implement changes of the nature that I have discussed, changes which the committee has requested of the Minister, as soon as they are agreed upon.

Certain groups feel that additional products or regions should be entirely exempt from the export charge, and the Maritime region is one region that has been discussed as an area that should be totally exempt.

During the original negotiations, we did in fact press for additional exclusions, not only of companies, but also of products and regions. This did not prove to be negotiable, however, and there are no signs that it would be any more negotiable now.

Industry groups have also expressed their views on a wide range of administrative issues; that is to say, how the Department of National Revenue will administer the legislation. All groups have noted the excellent co-operation received from government departments in consulting with industry to develop administrative guidelines. To my knowledge, most of the administrative concerns have been addressed to the satisfaction of both the Government and the industry. The Government intends to continue this consultative process, as the system moves along.

The net proceeds of the export charge will of course be remitted to the provinces which, it is hoped, will invest in the future of Canada by ploughing some of the money back into reforestation, silviculture, worker training, and other related areas.

I have touched on some of the important issues raised by concerned Canadians. As can be seen, the Government has been sensitive to these concerns and has moved quickly to rectify or reduce inequities where it has been able to do so. As I noted earlier, many of the anomalies, such as exclusions and listings in Appendix "B", will no doubt become less significant as provincial replacement measures come on stream.

The effect of this tax is difficult, as yet, to judge. Lumber shipments to the United States in the first quarter of this year are up 15 per cent. However, there are many factors that go into that, as those who have a greater knowledge of the industry than I will be aware—and I look across the House to my hon. friend.

I know that the strike had some effect. The strike was settled in December, and what the figures show is that February shipments were higher than January shipments, with March shipments being down. It depends, of course, on housing starts in the United States. If the current level of housing starts is maintained, we will see lumber shipments into the United States continue at a high level.

It is interesting to note that the American lumber interests felt that we had too much of the U.S. market and that this tax might curtail it somewhat. However, according to the reports, the users of lumber in the United States prefer Canadian lumber. They consider it to be far superior in quality, with far less wastage than experienced with U.S. lumber. Even with the added cost, the preference seems to be for Canadian lumber. It is considered to be a far superior product, and in many instances the builders in the U.S. are continuing to use it. I think it is a little unfair to say that this has had little effect, no effect, or a lot of effect on the particular industry shipping softwood lumber to the United States.

• (1530)

In all fairness, I might say that some sawmills have closed down, especially in northern Ontario. However, of the mills which have closed down I am somewhat suspect of one that closed a week after the announcement, one which has been wondering for the last two years whether to keep its doors open. The situation involving another was much the same and it closed a month later. It found this to be a very easy excuse to use to close down what was an unprofitable operation before the tax ever came in.

In conclusion, I say in all sincerity that we have had good debates on the issue. I have learned a tremendous amount about the lumber industry in the last six to seven months. I think we have given it a very good airing. We had a long debate on second reading and spent a considerable amount of time in committee. They were good meetings. We now have a Bill before us which is ready for passage. As a matter of fact, the industry is now encouraging us to get the Bill through as soon as possible.

However, if I think of the much broader scale, the softwood lumber dispute is a graphic illustration of why we need better rules governing our trade with the United States. Protectionist pressures are strong down there. The trade Bills which they are passing in Congress are frightening to a country like Canada which does not have a large domestic market to absorb its products. Thirty per cent of everything we produce in Canada is exported, and it is frightening to see some of the legislation coming out of our largest trading partner. As a matter of fact, the largest trading bloc in the world today is that of Canada and the United States.

It is our resolve in these very difficult ongoing negotiations to try to create an instrument which could handle these disputes in what we consider to be a much quicker, much less expensive, and much fairer way than is the case now. That is one very important part of the ongoing trade negotiations and that is why I feel it is critical that they succeed. However, I repeat what has been said many times right from the start. If it is not a good deal for Canada, then we do not sign the deal.

We have seen this particular action coming along in a number of commodities. Either today or in the not too distant future we will be dealing with amendments to a Bill on steel. As Canadians we should all be concerned about these actions and support negotiations where we can put into effect a comprehensive trade agreement which will allow us to maintain the markets we have and in fact enhance them.

I thank Hon. Members for the co-operation they have shown in this particular matter. As I say, I am hopeful that sometime today the Bill will receive third reading.

Mr. Fulton: Mr. Speaker, I should like to ask a question.

Mr. Deputy Speaker: There are no questions.

Mr. Fulton: Could I seek unanimous consent to ask a question?

Mr. Deputy Speaker: Is there unanimous consent for the Hon. Member to ask a question of the Parliamentary Secretary?

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, my question relates to one of the remarks the Parliamentary Secretary just made in terms of the corporations which are exempt in the Maritimes. The Hon. Member said that those companies which are exempt in Atlantic Canada produced 92 per cent of the softwood exported into the United States from the Maritimes area.

In passing Bill C-37, as it is now, would the Hon. Member not agree that what it really means to hundreds of small producers, many of whom appeared as witnesses before the committee, those who produce about 10 per cent of the Maritimes wood going into the U.S. market, is that the product which they have historically been shipping into the U.S. will now, in all likelihood, be milled and sold by corporations which have the exemption and that in fact the dozen or so in Atlantic Canada which have the corporate exemption will simply pick up that other part of the market because there is no way the smaller producers will be able to compete against the 15 per cent advantage of those companies?

Mr. McDermid: Mr. Speaker, that is precisely why the Council of Forest Ministers is working right now on replacement measures to this particular Bill so that those companies, as quickly as possible, will not be affected.

As the Hon. Member knows, the Maritimes area was not an offending area according to the preliminary findings in the United States.

The Council of Forest Ministers is meeting. I believe its next meeting from which there will be a report will be in June. I cannot give the exact date, but I think it will be in early June, if I am not mistaken. It is making progress in that regard. We are hoping the replacement measures will take place as quickly as possible so that those industries will not be too adversely affected.

Mr. Fulton: Mr. Speaker, I have a supplementary question for the Parliamentary Secretary. Should the Bill pass today and become law, what bargaining equipment will there be for dealing with the U.S.—for dealing with Clayton Yeutter, the U.S. administration, the U.S. coalition, and in fact the President on this issue—in terms of remanufactured products, in terms of logs coming from American lands to be milled in Canadian mills and sent back, in terms of wholesalers who are acting as middle people for wood moving from exempt companies on its way to the United States, and in terms of all other problems which have been raised since the MOU was signed on December 30?

What is left? I believe Mike Apsey was the one who was quoted as saying that obviously the Americans will be looking for a pound of flesh every time the Minister for International Trade (Miss Carney) tries to use Clause 15 of Bill C-37, goes

down to the U.S. and says that she would like a particular corporate exemption, a regional exemption, a particular remanufactured product added, U.S. logs exempted, or wholesalers exempted.

On what ground can the Minister or the Government of Canada stand in getting the U.S. to agree? I have always assumed that the reason we have waited four and one half months since December 30 to come to third reading of the Bill was that the Government had some grand strategy to straighten out the terrible errors which occurred on December 30.

What can the Hon. Member, on behalf of the Government, give us on this side of the House? What about those tens of thousands of Canadian workers and companies drawn in under the 15 per cent export tax in a way which was never meant, either by the original action of the U.S. coalition, or in the October 16 preliminary determination, or in the period leading to December 30? They were sort of corralled in with B.C., Alberta, Ontario, and Quebec. What bargaining initiatives are there? How likely are we to see Clause 15 used to remedy the incredible unfairness toward so many parts of the forest sector?

Mr. McDermid: Mr. Speaker, I am not privy to the ongoing negotiations, as the Hon. Member knows full well. We have some very capable people who are doing that. It is their feeling that some very positive results will be coming out of the negotiations, the discussions which have been going on over the last number of months. We have not been sitting back and waiting for things to happen. They have been happening all along. I think the Hon. Member will be pleased with the results of the negotiations which have gone on over the last period of time. They have not come to fruition for one reason. It is that the Bill has not yet been passed. That is part of the ongoing negotiating process.

Let me just say a couple of other things. I do not want to take too much issue with the Hon. Member's preamble, but there were some things in it that were very NDPish, very pointed. The Hon. Member says that a disaster happened on December 30. I cannot look at it in that way. I think a disaster would have happened had we let it go to final decision in the United States after the preliminary decision was handed down; that would really have been a different kettle of fish.

• (1540)

I feel that we have kept the money in Canada, we have kept the management of our resources in Canada and that is very important. That was a major reason that the negotiations took place and that the decision was made to go this route.

To say that the Bill was held up for four months as a result is a little unfair as well. We had second reading in January and into February. We had six weeks of committee hearings which went on until near the end of March. As you know, Mr. Speaker, and as any Member of this House knows, the parliamentary legislative schedule of this Government is a heavy one. To get space for a Bill to be debated on the floor of the House is somewhat difficult.

If the Hon. Member for Skeena (Mr. Fulton) were fair, he would also admit that I postponed third reading of this Bill a couple of times to accommodate him on his trips to his constituency, or wherever, and also to accommodate my friend, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), who asked that the Bill not come up on certain days because he would be away from the House of Commons. There were a number of reasons that it has taken this long to get the Bill to the floor and debated. Opposition days are another reason. Let me say this to my hon. friend; now the Bill is here, we should get it through as soon as possible.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, third reading is always a somewhat curious time in parliamentary annals. It is the time when battles have been fought, amendments presented, won or lost, and all the heat of confrontation is over. As the Parliamentary Secretary to the Minister, intimated, obviously in kindly contemplation of the incongruities of being a Parliamentary Secretary to the Minister for International Trade (Miss Carney), it is time to take a philosophical approach to all of this. God knows, there is no point in taking a practical approach, because it does not work.

I will attempt to follow in the same vein and use third reading debate to draw some lessons from the softwood lumber case to try to examine this matter in the longer term Canadian perspective. I want to ask some serious questions about the meaning of our trade relationships with the U.S. and the rest of the world. What does it mean in terms of the fundamental issue we debate almost every day in this House, namely, the ability of this country to maintain a degree of control on decisions over our own resources and economy, and ultimately the judgment that we can expect from this Government when it comes to crucial, economic and social matters?

I am reminded when I think back to December 30 of the famous statement uttered by the Minister for International Trade upon her return from Hawaii, having had tough negotiations, that "This is a good deal for Canada". I think that statement will go down in the annals of history, along with the statement that it was a good deal when Manhattan Island was sold for 30 pieces of trinkets or beads. The Minister's statement is probably almost comparable in impact to the statement of the general manager of the Boston Red Socks who sold Babe Ruth to the Yankees because he did not think Babe Ruth could pitch any longer, and it is probably almost as significant in consequence as the contract entered into by the people of Canada with the Conservative Government in 1984. I suppose we could even elevate it to the whole question of the sacred trust.

Mr. McDermid: You are still smarting.

Mr. Axworthy: One of my colleagues has reminded me that the statement probably even equates with that all-time

consummate deal-making which Nevil Chamberlain entered into in 1939 when he returned to England and said, "I have won the peace". Our Minister for International Trade unquestionably has a quieter place in history as having been one of the great all-time negotiators when it comes to making deals for Canada.

As we have gone through stage by stage of this Bill, second reading, committee hearings, we have seen a whole series of pratfalls, beginning with perhaps the most serious—maybe it was the beginning of the end—when the Minister and this Government summarily dismissed the consultation and involvement of the lumber industry in trying to arrive at a deal. Surely to get an understanding of trade matters it would be wise to draw upon the advice, knowledge and information of those being attacked by their American counterparts. But the Government went ahead and negotiated a deal totally and completely without any form of discussion or advice from the industry itself.

One only has to read the quotes upon quotes given to us by various representatives of industry at committee to recognize all the problems we tried to correct in the Bill; the problem of exemption in the Maritime industries, the problem faced by the remanufacturing lumber industry, the definition of what is a subsidy and the whole problem of stumpage fees. These are all the consequence of that negotiation being carried out in isolation, without participation.

The paradox is that the Government said, "We are the friends of the industry. We are the friends of the private sector". Yet when it comes to a crucial deal affecting a multi-billion dollar industry, the Government cannot quite get together with the industry to work out a common approach. That was mistake number one, Mr. Speaker.

Mistake number two, which is still being recorded, and to which the Parliamentary Secretary alluded in his opening remarks a week ago, was that the Government felt it had no choice. That again has become a famous political cliché in the history of Canada, "I had no choice." The Government did have a choice when it came to dealing with the countervailing initiative by the United States. It had a choice not to knuckle under and surrender to the blackmail and intimidation of the United States and its lumber industry. The Government had the choice to pursue the matter through the U.S. trade forums and through the international trade forums. We have been told time and again that the Government's decision was made on the best advice of some unknown group of invisible advisors—not the industry because the industry said the Government should go through the trade forums—hidden somewhere in the Lester B. Pearson building, that we could not win. That shows indomitable courage and spirit; giving up before trying. If they had looked at the record they would have discovered that there was a very clear possibility of winning the battle by using already existing trade remedy measures.

I remind Members opposite that we have taken some 10 countervail cases to the GATT in the past seven or eight years and we have won seven of them. The experts to whom I spoke said this case was the best we could ever have taken to the GATT. It had the best possible argument because what the United States was doing was claiming that a domestic policy, clearly initiated by legally elected governments of Canada, was unfair, as interpreted by the U.S. administration. That particular precedent, which the Americans were establishing, would have ramifications for all resource industries, not just Canada's but all other countries. That was contrary to a subsidy definition under the General Agreement of Tariffs and Trade in the international trade rules.

This Government, for reasons it only attributes to its faceless advisers, refused to take that route. The Government refused to go to GATT and bring the matter before a trade panel drawn from countries not involved in the case. Instead the Government said, with an incredible sense of irony, that we have won a victory because Canada is now imposing a $600 million tax on itself. No wonder no one was out dancing in the streets with that announcement. We were putting a tax on ourselves in order to save the victory while we refused to follow other alternatives.

• (1550)

What is even more tragic about that is that the Minister for International Trade (Miss Carney) said we chose that course because we did not want to acknowledge that there would be a precedent set. The Memorandum of Understanding contains a portion, written in some kind of legal language, indicating that it is without prejudice and that this will not be accepted as being a legal precedent showing that the United States has a right to tell Canada how to run its resources. However, the U.S. trade Bill that is presently being passed by the House of Representatives and debated by the Senate uses this softwood lumber countervail case and Canada's surrender to it as justification for introducing in the trade Bill new measures dealing with domestic subsidies.

Rather than winning a victory, our surrender has in fact confirmed in American eyes that we admit that we were wrong and that stumpage fees are in fact a subsidy. Now, U.S. legislators are using that as a clear rationale for writing a new trade Bill applying to all resource industries. That was some victory that was won on December 30. We have only confirmed, substantiated and underlined the American position.

One need only read the statements of Sam Gibbons, Senator Lloyd Bensten and all those distinguished American legislators who are managing the trade Bill through Congress. They are saying that the Canadians have admitted they were wrong, that Canadians have given in and, of course, the Americans were right. Therefore, we now face from the U.S. Congress a trade Bill that will have a devastating impact on all Canadian resource industries because we refused to stand up to them and because we did not use the alternatives available to us.

Mr. McDermid: You mean to tell me that the Bill wouldn't have come in?

Mr. Axworthy: Just for the sake of the record, I will repeat what the Parliamentary Secretary said. He asked if I thought the Bill would not have come in. Yes, it would have come in, but would the particular subsidy provisions that are now in the Bill have been as easily won and accepted in Congress if we had not already conceded the fact back on December 30?

We made Sam Gibbons into a great prophet of trade. We have turned Sam Gibbons and Lloyd Bensten into great wisemen in their own Congress. They are saying, "We told you so," because the Canadians have already admitted guilt on this issue. Rather than providing any antidote to the American position, we in fact have ended up endorsing it.

When the Parliamentary Secretary says on behalf of the Minister that the softwood lumber case is a clear example of why we need to negotiate a free trade deal in order to protect against this contingency, I think it can be excused if women and small children rush into their homes in fear that this is the Government that will be negotiating a free trade deal. If this is what it succeeded in achieving on the single issue of softwood lumber, then we should all be down on our knees praying to God that it does not negotiate the same way when it comes to free trade. Simply giving it all away is not negotiation. That is not skilful trade diplomacy, that is simply submission.

The fact is that we see in the softwood lumber case one of the clarion reasons why Canadians have every right to be deeply concerned about the broader negotiations. It points out that there will be a price to pay. Free trade with the Americans does not come without a price tag. It does not come cost-free.

It was mentioned today in the House of Commons during Question Period that we have seen the Government acceding to U.S. demands for open investment policies in order to get a free trade deal. We have seen the Government surrender on the Patent Act in order to get a free trade deal. We have seen the Government surrender on cultural matters in order to get a free trade deal. We are seeing the price we have to pay, and that is only the beginning of the price that will be exacted in dealing with those trade remedy laws which Senator Bensten, head of the Finance Committee, says will not be changed anyway.

We are weighing the table down with all the give-aways. I think the Prime Minister (Mr. Mulroney) has become the Vanna White of Canada. We are in a great big quiz give-away game—turn the wheel and take what you want. I do not know who is advising the Government on trade. Maybe Monty Hall is saying, "Let's make a deal". I do not know where the Government is getting its advice from, but it sure as hell is not going the best way, from our experience, to defend Canadian trade interests against contingency action and against unfair trade initiatives, and that is to ensure that we have an effective, strong, international trade system with rules negotiated by all countries and defended by all countries, rather than back away as we have done. That should be a lesson etched deeply in the memories of Members of the House.

We do have a choice. There is an alternative to Canada-U.S. free trade, just as there was an alternative to the U.S. softwood lumber Bill. However, the Government refuses to use those alternatives and is trying to sell us a bunch of hocus-pocus about what is going on.

Sure, it hurts. The Hon. Member from Calgary is not going to like what I am saying, but he is going to sell out his oil and gas resource industry because of the precedent set by this Bill. He will be answerable to his constituents for that. Under free trade or anything else, no one wants to provide for the kind of give-aways that we are providing for in our resource industries.

Let us test this to see if it really is what I say it is. In committee, we proposed an amendment that, when voted upon, would determine the sincerity of this Government. We had before us a letter written by the Secretary of Commerce and the chief trade negotiator to Stanley Dennison, the major lobbyist for the lumber industry in the United States. In that letter, Mr. Baldrige and Mr. Yeutter said quite clearly that they wanted to confirm that any moneys acquired by the Governments of Canada as a result of this tax could not be used for certain specific functions, silviculture, recreation and the building of roads on a direct-grant basis. We raised questions about that and we asked if this did not in fact become a limitation on the sovereignty of Parliament to determine how its tax moneys would be spent.

We were debating the imposition of a major tax on a major industry and surely Parliament must retain the sovereign right to determine how that money should be allocated.

Therefore, we proposed an amendment giving the provinces the authorization to spend the money in exactly those areas where the Baldrige-Yeutter letter said they could not spend it, just to clearly outline and ensure that there was no mistake or ambiguity and that if the provinces want to spend the money on silviculture, recreation or roadbuilding through direct grants to industries, which is done in many jurisdictions, they could do so. We felt that if the Government were serious, it would accept the amendment. It would not hurt, it would only clarify the situation and clear up any ambivalence. The Government defeated that amendment. It rejected it.

What should that tell Canadians and provincial Governments? What does that tell the users of this program? First, it says that we have indeed implicitly accepted a limitation on our sovereignty and that provincial Governments are not free to spend that money in the forest industry as they see fit, but that there are limitations. There are limitations. They know if they contravene the terms then the U.S. President has the right to apply a trade penalty to Canada within 24 hours. It is part of the deal. Why? Because one singularly brilliant part of the negotiations was that we abdicate our right to further recourse to international forums. We said we would not take the softwood lumber case any further. Yet the U.S. President retained the right to use Section 301 and slap a trade penalty on this country any time he sees fit.

• (1600)

Mr. Fulton: Published on January 5.

Mr. Axworthy: As my friend says, the President confirmed that in a letter he sent to Mr. Baldrige.

Let us just put this deal in perspective for a moment. We have limited our spending power. We have given up our right of redress. We have acceded to the application of an American shotgun penalty any time they see fit. What that adds up to, as we said from the day the agreement was signed on December 30, is a clear and compelling reduction in the freedom of action of Canadian Governments. Once again an unholy precedent has been established.

Let me move to another matter which is still totally unresolved. We know from very extensive committee hearings that another catch-22 in the agreement and in this Bill itself is the proposed transition from a direct tax collected by the federal Government to stumpage fee increases in the various provinces involved. We had conflicting evidence about that.

B.C. being the largest lumber exporter by far, their forest industry officials told us that we will require the Government of British Columbia to increase stumpage fees to a level equivalent to the 15 per cent tax, but this would not be a $500 million or $600 million drop in income, it would be a $800 million or $900 million drop, perhaps as high as $1 billion. You cannot apply stumpage fee increases to exports to the U.S. and not apply it to exports to Japan, or even for the domestic market. The increase will apply to all wood products.

Not only are we penalizing the lumber industry, we are penalizing the Canadian home owner who will have to pay an average of $700 or $800 more for housing. We will be applying a penalty to our export of lumber products at a time when we are getting stiff competition from the Swedes and others. In other words, we are making our lumber industry less competitive. Yet the council of Ministers is going ahead.

That also involves a curious kind of negotiation. The Government is negotiating with provincial Ministers who are under pretty clear instructions, I would think, from their Ministers of Finance to make as big a tax grab as possible. Unfortunately, those seated around that negotiating table will not include the Canadian home buyer, the lumber industry or others in the export business. Yet they will be paying the additional freight. I would suggest that kind of negotiation is fraught with incredible complications and conflict.

Another side effect, clearly admitted when we discussed it in committee, is that this will begin to have a push-pull effect on the lumber industry in other parts of Canada. British Columbia, with a very powerful and productive industry, is going to start seeking markets which would normally be supplied by sawmills in Manitoba, northern Ontario and perhaps the East Coast. Those sawmills are much smaller, perhaps a little inefficient, but they provide employment in the regions. That was pointed out several times by my colleague from Algoma and my colleague from Cochrane—Superior. We already know of the lay-off of 450 or so people in northern Ontario. Once the effect of this legislation works its way through the system those smaller companies are going to be displaced from the market and bumped out of business. Once again we have a whole series of ramifications which no one predicted on that fateful day, and Canadians will be paying a very big price.

I also want to refer to the still unresolved problems of remanufacturing. The Parliamentary Secretary indicated in debate today that he hopes for positive results. So do I. Yet hundreds of companies have been caught up unintentionally in the web of this Bill. They will be forced out of business or forced to move their facilities across the border unless the situation is resolved very soon.

Again I point out that when the U.S. brought in its preliminary decision on October 15, secondary or value-added manufacturing was not subject to the countervailing duty. Yet somehow, by December 30, that part of the industry was roped in. A $500 million industry has become hostage to this agreement. We may be able to work our way out of it, goodness knows, but I raise the same question as the Hon. Member for Skeena (Mr. Fulton). Once the Bill is passed, what leverage do we have? It is clear that we have been caught in a conundrum; if we do not pass the Bill the Americans will not negotiate, but if we do they are going to ask for more.

I can read to you from the statements of Mr. Dennison, the chief lobbyist for the U.S. lumber industry. He said nothing would be done until the legislation is passed. There are things that his coalition wants as well. According to him there are companies completely excluded from the tax who do not deserve to be. Some of them are just wholesalers and he wants them taken off the list. Mr. Dennison is a powerful man. He is the author of this whole business. What are we going to be faced with if he has his way?

Yes, we may be able to provide exclusion, we hope, for some companies in the Maritimes and some remanufacturing companies in British Columbia, Alberta, Manitoba and Ontario. Once again, however, we will have to pay a price. The negotiation is not over and the ante will simply be increased to more than they received on December 30. It is another unintended consequence and another lesson we should learn about those negotiations.

• (1610)

I suggest we can also learn from the odyssey of stumbling throughout this process, that in the negotiations dealing with this area we will find ourselves caught up in a series of impacts, influences and consequences that are not immediately visible to the naked eye at the time the document is signed. In the days, weeks and months after the document is signed we will become aware that the price we are paying is that for which the Government had bargained.

That is why I say to Members of the House that we should pay attention to this Bill.

The day the Prime Minister initials a free trade agreement with the President of the United States we will see one of the biggest public relations extravaganzas this country has ever seen. The $12 million slush fund in the Minister's Department will be used in extensive public relations to spread the propaganda that this is a wonderful deal. However, Canadians will learn that the price they will pay is not the one on the agreement, but a price which will become apparent from its consequences.

The primary consequence of such an agreement, as we have seen in this Bill, will be the loss of power and authority of this Parliament and the provincial jurisdictions to make decisions. Our ability as a country to decide on our own economic management will be restricted. We will be giving up our ability to look after our resources, to deal with our environment and to manage our own affairs.

I hope Members of Parliament and all Canadians will consider this Bill very carefully, because there are some very profound and tragic lessons to be learned from the negotiations that led up to this legislation today. One lesson we have learned is that Canadians are in real danger of losing control of their own country.

Mr. Jim Fulton (Skeena): Mr. Speaker, while I do not intend to spend all my time berating the Government, I must say that I find it discouraging and somewhat unusual that the Minister for International Trade (Miss Carney) did not appear as lead-off speaker in the third reading debate on this Bill. However, perhaps we should not be too disturbed, considering that last December during the most important period of negotiations in Washington, the Minister was in Hawaii. During the final days of our committee hearings where we had important amendments that I believe the Minister, if anyone, would have understood and accepted, she found it an opportune time to be in New Zealand. Now she has found some other and more pressing place to be than here during this debate to stand up for Canada's largest industry and source of balance of trade.

The entire process in the last three years has demonstrated to me, and I believe those million Canadians who are directly and indirectly involved in Canada's largest industry, the kind of blindness and political naivety of governments when they are dealing with industries that they do not really understand.

It has been pointed out during the debate at second reading and today that a great deal of Canadian sovereignty has been given away.

In the last three years I have travelled throughout the continent to attend meetings in relation to the forest issue. I want to spend a few moments reviewing the history of how we have arrived at this stage today, in placing a 15 per cent export tax against Canadian softwood exported to the United States.

In 1983 we won the case against exactly the same kind of countervail action brought against us by the same coalition from the United States, from the U.S. southeast, from Washington, Oregon, Idaho and California. We won that case because there was a *de minimis* finding. The U.S. authorities could find no injury of a countervail nature.

By the fall of 1984, a small handful of Members in the House became aware of just how serious and pressing this was when we travelled to the United States and began speaking with American legislators in both the Congress and the U.S. Senate.

Let me take a moment to quickly go through the chronology and evolution of protectionism in the United States and why we should have taken much stronger action in dealing with it back in 1984.

By July 2, 1985, we began to see the real tidal flow of protectionist legislation. The first was Bill 1088 from the House of Representatives, introduced by Mr. Weaver of Oregon. It was a proposal to impose a five-year restriction on lumber imports from Canada, to a maximum of 25 per cent of the U.S. market. Historically, we have had approximately one-third of the U.S. market.

By February 19, we had already seen the House of Representatives Bill 1139 introduced by Mr. Schulze, to impose a 20 per cent duty on all imports from countries restricting trade. That was directed against Canada.

On March 17, at the Shamrock Summit, we saw the Prime Minister (Mr. Mulroney) and President Reagan in Quebec City, agreeing to place the highest priority to finding mutually acceptable means to reduce and eliminate existing barriers to trade. As a first step they said, "We commit ourselves to halt protectionism in cross-border trade in goods and services". Neither the Prime Minister nor the President took much action to live up to that commitment in terms of trade.

Before this legislation, which is at third reading stage today, we had a half century of absolutely unrestricted free trade in softwood and all wood products with the United States. We are the two largest trading partners in the world, and since the days of the Great Depression and Smoot-Holley, we have had absolutely unrestricted free trade in those products.

Protectionism began to accelerate and by March 21, Mr. Bonker of Washington introduced Bill 1648 to redefine "subsidy" to include stumpage. Protectionist Bills began to proliferate. On March 4, Bill HR1950 was introduced by Guarini of New Jersey, which was later replaced by Bill HR3777, the Labour Industry Coalition on International Trade Bill containing natural resource subsidy provisions. Senate Bill S982, the Senate version of Bill 1648, was introduced by Max Baucus. On February 5, Resolution 136 was introduced by McKernan, subsequently followed by Bill 2345 which was introduced by Moore, and Bill HR2451 which was introduced by Sam Gibbons. That is the natural resource subsidy Bill which is still proceeding through the U.S. system.

As pointed out by the Member for Winnipeg—Fort Garry (Mr. Axworthy), that Bill would affect not only resource pricing in terms of wood products in this country, but potash, oil and gas, as well as our aluminium industry, particularly in

Quebec and British Columbia in terms of the availability of water supply for cheap hydroelectricity. Clearly, the Americans are very interested in levelling the playing field to their advantage.

Subsequently, Senate Bill 960, the Foreign Assistance Act, was passed, and on April 24 Senate Bill 1224 was introduced by Mr. Jim McClure. That was the Senate version of a House Bill.

Finally, the Congressmen visited Vancouver on their way to Japan and attended a meeting at which I was present. We had a first-hand opportunity to hear from the United States Subcommittee on Trade and listened to the preposterous views they held in terms of the subsidy on Canadian lumber and the steps they were planning to take in an attempt to level the playing field. As I said, a small handful of us had gone down to Washington and listened to Ambassador Gotlieb and our forest industry representatives who, by then, had spent almost $10 million fighting this battle alone in Washington. We had a chance to really start to understand how quickly things were moving in the United States.

• (1620)

That was a window of opportunity which this House, not just the Government, should have pursued with great vigor in opening trade consuls in the United States and getting information out to U.S. consumers. U. S. consumers did not know, and probably still do not, that the cost of a home in the United States is going to go up hundreds and thousands of dollars, depending on whether it is modular or contract built to certain specifications.

The Hon. Member who just spoke pointed out that we had evidence from the lumbermen from the Province of Quebec who said that as a result of the export tax plus the flow through provisions which will be brought forward sometime in June, a house in the Province of Quebec will cost $600 more to Canadians. American consumers are paying more, Canadian consumers are paying more, and anyone who honestly believes that the number of housing starts in either Canada or the United States will stay where they are, is simply not looking at the figures and at the increasing costs which will be brought about because of this unfair legislation. In other areas of the country the costs will go up much more.

Finally, on July 24, 1985, we took an interparliamentary group back down to Washington to meet with all the members of the U.S. House and Senate who had protectionist legislation before the House. We again brought a strong message back to the Secretary of State for External Affairs (Mr. Clark) that serious action had to be taken at that time to get information out, not just to the L.A. *Times* and the New York *Times*, in which an occasional editorial was run saying the Americans were wrong, but actually to the American consumers. That action, unfortunately, was never taken.

That one window demonstrated blindness on behalf of the Government. There simply were not any Members in the Cabinet at that time who understood how delicate and dangerous a dilemma the Canadian forest industry was facing. No action was taken. There was the 10-10 tie vote on April 23, 1986, in the Senate Finance Committee to start the fast-track negotiation on free trade in which Mr. Reisman and Mr. Murphy are presently involved. Just a few days after that there was the famous "Dear Bob" letter which came out of the White House. It is perhaps something a lot of Members of the House have forgotten or did not really want to understand.

On May 8, 1986, President Reagan wrote a letter to Bob Packwood. The President viewed him as one of the Senators who had managed to do some arm twisting with a Senator from the State of Hawaii to bring about a 10-10 tie vote to give this enormous momentum and propulsion to the free trade process which is supposed to wind up sometime next month, if it is to stay on track and get through the U.S. House next fall. The letter from President Reagan to Mr. Packwood reads as follows:

> Dear Bob:
>
> Thank you again for your forceful efforts in preserving our fast-track proposal for a Canada free trade agreement. Once again, I want you to know that I am committed to finding a rapid and effective solution to the Canadian softwood lumber problem which restores for the American lumber industry a fair opportunity to compete.
>
> To this end, I intend to press for an expedited resolution to this problem, independent of the comprehensive negotiations.
>
> If this cannot be achieved through bilateral negotiations with Canada, then I will take such action as may be necessary to resolve this problem consistent with U.S. law.
>
> We fully realize that lumber and other pending trade irritants must be resolved before we submit to the Senate the results of the comprehensive negotiations.
>
> Sincerely,
> Ronald Reagan

It seems that the Cabinet and the Government of Canada heard about it but did not really want to take any action to try to deal with it.

I think we have to reflect for a moment on what happened on October 16 of last year. The Minister harped about it for a few days in the press. It caused a bit of a hiatus here in the House. But the 15 per cent preliminary determination which came down from the International Trade Commission was illegal. It was absolutely wrong. It added together two different ways of computing value. It added the stumpage on one hand and the imputed value on the other hand. The maximum it could have come up with legally was a 7.5 per cent tax against Canadian softwood. That is the most it could have come up with under U.S. law. It cheated. It committed an illegal act in putting that preliminary determination out.

What does the Government do? We had two trains of action. The Minister for International Trade was going down one rail line, and out in British Columbia we had the highest level of political incompetence in terms of this whole action with the Minister of Forests for that province, Mr. Kempf—fortunately, he is now no longer there—and Premier Vander Zalm, launching what is widely known among people who

know the forest sector as the "blink". There are B.C. blinks and Ottawa blinks.

I will deal with the B.C. blink first because it did probably the most damage of any single act which took place at that time. The Minister responsible for forests, and Members from both sides of the House had been arguing vigorously, honestly and forthrightly with both Republicans and Democrats south of the border that what they were pursuing with the protectionist legislation and what the U.S. coalition was pursuing was absolutely hogwash, that it had no basis in law and no basis in fact. Then the B.C. Minister of Forests publicly said that the B.C. industry in that year had subsidized the industry by $150 million, that the cost to run the forest programs in British Columbia was $250 million and that the Government had only collected $100 million in revenue from stumpage. For the Minister to say that in British Columbia sent an immediate signal to the most vigorous protectionists in Washington who immediately forged ahead, pointing out that the largest producer of softwood in Canada for export to the United States—B.C. sends half of the wood exported into the United States—had admitted openly that the Government of British Columbia was subsidizing the industry.

That Minister is not in the Cabinet any longer but the political incompetence continues. Just a few weeks ago he publicly stated that over $1 billion was foregone in tax revenue in 1976 from the forest sector in British Columbia thereby clearly indicating to the United States again that in fact the subsidy as defined by a Social Credit Government of British Columbia is much larger than the Americans had ever imagined.

The B.C. blink went even further. The Premier of British Columbia was a defeatist from square one. In fact, on January 2 he was quoted as saying, "I have said all along we could not win so certainly this is the best way". Vander Zalm is quoted as saying, "The agreement is terrific".

We have to look as well at what happened during that fateful period of time while the negotiations were being carried on by our former Minister for International Trade. Just prior to those ludicrous statements by the Minister of Forests from B.C., on September 30, we found the Minister for International Trade saying in terms of the 10 per cent dollar equivalent offer, "It is our only offer. It is done on a without prejudice basis to our legal case and it is not open to negotiation".

Sure, it was the only offer at 10 per cent. The Americans knew pretty quickly that there were going to be other offers, as we found out just a matter of days later. On April 10 the *Vancouver Sun* quoted the Minister as stating, "we would look like bloody fools if we kept upping the ante. It is not an unlimited pot of money". Another eight days passed and suddenly the ITA affirmed the preliminary determination of 15 per cent and the Minister for International Trade said, "I deplore today's preliminary determination which cannot be justified either under U.S. law or GATT rules". In the House the Minister vowed to "fight this all the way". It was only a matter of days, as we know, before the Minister decided that even though she found the methodology wrong and stated publicly that the U.S. position was fundamentally wrong, she would agree to move forward with 15 per cent settlement. In fact, she proposed that on November 19, 1986, in a letter to Secretary Baldrige.

• (1630)

At the same time—in fact, on the same day—Minister Kempf of B.C. announced that the B.C. Government had been given legal advice that it could cut its own deal with the U.S. That was followed up by an announcement from Premier Vander Zalm, who later backed off.

I would now like to sum up the blinks in order to keep them in perspective. While Members of the House, a very small number, were working hard in the United States with the U.S. forest people and with the protectionists, both Republicans and Democrats, trying to get the information and the disinformation out of the U.S. political system, on the Canadian side we had incredible political incompetence coming from the Premier of British Columbia, the Minister responsible for forests in that province, and the Minister for International Trade (Miss Carney) here in Ottawa. She never really put an oar in the water to deal with this issue, something one would have expected from a Minister holding a senior portfolio such as she does.

There was an admission by the Minister for forests of a subsidy starting at $150 million. That figure is now almost all the way to $1 billion. We had the Premier saying that the deal was terrific, and so on. He said that while listening to his rocket radio in the legislative buildings. He said that a deal had been cut when it had not been cut. He gradually skated Canada's position right off the ice.

We then found ourselves going all the way into that horrible period during the last few days of December when the negotiations actually got under way. So much that should have been dealt with, once the Government had made what I believe was an incompetent, improper and naive decision to go the route it went, was not dealt with. It did not even handle those negotiations well at all.

We know of the dozens of products which I listed during the debate at report stage in terms of remanufactured products that should have been in the Memorandum of Understanding but were not, and why. We know now that the American negotiators had enormous access to knowledgeable people from the U.S. coalition who were right there camped out in rooms next to the negotiation rooms constantly feeding information in. So rather than the softwood lumber that was coming from those provinces named in the countervailing applications, those provinces being British Columbia, Alberta, Ontario and Quebec, Saskatchewan and Manitoba were dragged in, as were the maritime provinces. Dozens and dozens of corporations which had been given excluded status earlier on in July, those that had been given that status, only those 20, were put into the Memorandum of Understanding. All the others which should have been included were not included.

I have said this before, but I think it is worth stating again. The situation now in place is that there are corporations on one side of the street which harvest wood, mill it and export it to the United States, while right across the street companies in exactly the same tax status which should be excluded under the rules by which the other 20 were excluded are not excluded. What does that mean? As I pointed out in my question to the Parliamentary Secretary, it means that in some areas of the country some corporations automatically have a 15 per cent competitive advantage. They will pick up either those smaller companies or they will pick up the market.

The Parliamentary Secretary said that he is hopeful. Well, I am hopeful, too, that those who are duly eligible will receive the corporate exemption and that we will see all of the Maritimes excluded, as we were trying to do in committee.

There are a great many other bits of unfairness in the Bill, and I have pointed them out before. There are logs from the United States which are grown in Vermont, New Hampshire and other areas that are brought into Canada and milled on the Canadian side of the border, particularly in the Quebec border mills. That wood is being hit with the 15 per cent export tax when it is returned to the United States. Exporters and wholesalers, such as Ron Pelton from Ontario who simply middles and handles wood as a wholesaler coming from exempt corporations on its way to the U.S. market, are being driven out of business because they are having to pay the 15 per cent export tax on wood that is cut and is exempt at its site. However, for reasons unknown to anyone—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member at this time. However, even though the Member's time would have expired by now according to the rules, it has been the custom, with unanimous consent, to allow a Member from the New Democratic Party time to complete his speech at third reading. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, I do not know what the House has opened up for itself. I could go on at some length. However, I will try to be fair to other Hon. Members.

As has been pointed out by other speakers, remanufacturing is a $500 million industry. Products from that industry have now been dragged in and are being taxed. They are products which were never even being chased after by the U.S. coalition. Thus we have a $500 million industry and wood which is grown in the United States coming into Canada. If the Americans are now claiming that their trees are subsidized, then that is an interesting way for them to go about it.

We have the wholesalers and the unfairness with respect to some corporations being exempt while ones across the street are not. We hear from the Parliamentary Secretary that the negotiations are going well in Washington. However, I fail to see why, once we have passed the Bill, the U.S. coalition will suddenly soften up and the International Trade Commission, or the Department of Commerce, will suddenly become so much more co-operative when they have already grabbed so much of our sovereignty and our opportunity to run our own programs.

One of the things that both opposition Parties tried very hard to do in committee was to obtain some clarification from the Government in relation to the Dennison letter. I will not read that letter into the record. Those who want the wording of it can refer back to previous days' debates when it was mentioned many times.

It was fundamentally important to demonstrate to the Americans that we were not swallowing in any way, shape or form the contents of the Baldrige-Yeutter letter that was sent to Mr. Dennison which stated that we could not spend the money gathered under this export tax on reforestation, conifer release, road construction, seedlings, nurseries or whatever in terms of reforestation programs. Both opposition Parties moved what I can only describe as very tender amendments. In fact, in one case the wording from the Dennison letter was used to try to make it clear to the U.S. prior to passage of this Bill during second reading and in committee, at report stage and during third reading, that Members of this House stand united in making it clear that we will not allow the Americans any jiggery-pokery on how we handle our forestry programs. This is something which I feel the federal Government should have done for the protection of the provinces prior to introducing the legislation.

I must say that I have not agreed with much that the Minister for International Trade has done in relation to all of this. However, one thing she did have to say during the hotter moments after Christmas was that British Columbia has become a silvicultural slum. There is no doubt about that. In this respect we have seen the recently released Pearse report on coast wood supply for the Queen Charlottes, the north coast, Vancouver Island and the Vancouver harvesting tree farm licence zones. There are only 14 years of harvestable wood supply left there. We have also seen the Ewing report, which was just released in relation to the greater Prince George and northern interior forest districts. There is not a sustainable harvestable supply to take us even to the turn of the century in that area.

British Columbia is truly a silvicultural slum, and that province, for whatever reason, has decided that none of the $300 million gathered in the coming year under Bill C-37 will be applied to reforestation in our province. In fact, the province has cancelled the $30 million that was promised last fall for this coming year.

I would like to put on the record what the exports of softwood lumber to the U.S. by province during the past year have been. It will give some idea to Hon. Members what parts of the country will be impacted the hardest by Bill C-37. Last year we exported to the U.S. 34 million cubic metres of softwood lumber. Some 19.8 million cubic metres of that, or 57.2 per cent, came from British Columbia. Ontario was the next largest exporter at 20 per cent of the market, or 7 million

cubic metres. In third place was Quebec with 14.6 per cent of exports, or 5 million cubic metres.

• (1640)

We then had Alberta, with 1.1. million cubic metres; Manitoba, with 726,000; New Brunswick, with 556,000; Prince Edward Island, 1,699; Nova Scotia, 4,750; Newfoundland, 946,000; Saskatchewan, 152,000; and Manitoba, with 726,000 cubic metres.

As can be seen, our lumber exports to the United States are very substantial, to a value of several billions of dollars, and this added tax is certainly not going to do anything good for the industry.

There have been various estimates as to what the effects are going to be, ranging anywhere from the loss of a few thousand jobs, as reflected in the major study done by the IWA, to a high of over 17,000 according to the study conducted by Widman and Associates, with the Ontario Lumbermen's Association putting the figure at 15,000.

The pipeline to the United States is now filled with wood from British Columbia, now that the strike is behind us, and as the pipeline has filled, we have seen some tremblings in the market. As the Parliamentary Secretary pointed out, prices were up in February and down in March. We do not know what we will be facing over the long term. Certainly, those who appeared before the committee during February and March are deeply concerned about the effects of Bill C-37 come September, October, November and December, when the construction season in the United States winds down, as it usually does. They are anxious to see whether or not Canadian lumber exported to the U.S. will continue to fill the niches that it has historically.

Let me remind Members of this House, and Canadians and Americans generally, that Canadian lumber, for half a century, has been preferentially purchased in the United States. Canadian SPF is recognized by builders in the United States as being of such quality that one does not have to double-joist, one does not have to double-rafter, one does not have to double-stud. Its quality is such that single-plate construction can be utilized.

In terms of the construction activity itself, smaller teams are required when Canadian lumber is used. It is more bug, weather and bacteria resistant than is southern yellow pine.

The Americans will eventually come to recognize their error. On December 23, 1986, the International Trade Commission itself came out with a report pointing out that Canadian lumber exports into the U.S. were not injuring U.S. producers. That report came out seven clear calendar days before we entered into the famed Memorandum of Understanding on December 30, 1986.

Had we collectively taken the opportunity two and a half years ago to have gone through window number one, we would not be involved in this debate today. Had we convinced the American consumer of what the long-term cost of this would be, the protectionists within the U.S. system would never have got away with what they have.

This sets a dreadful precedent for our relations with the United States. We have forgone our opportunity to go to GATT on this issue. The President still has the unfettered opportunity to use his registered 301 action, which he filed five days after we signed the Memorandum of Understanding. The filing of a 301 in that way represents a unique step by the President of the United States.

We should not have backed down, Mr. Speaker. We had a good case; we have a good case. It is just unfortunate that we had the B.C. blinks, the Vander Zalm/Kempf team, which did an enormous amount of damage to the forestry sector and to the case that had been put together.

It is unfortunate that the Minister for International Trade (Miss Carney) took so little interest in this issue, being away at every single opportunity during the time this was being negotiated and dealt with in Washington. The B.C. blinks put the final *coup de grâce*, one might say, to our case. Making a 10 per cent one-time-only offer and then, in a matter of days later, increasing that to 15 per cent did us no good at all.

Increasing your offer by 50 per cent when negotiating demonstrates, at best, a fickle mind, if not outright political incompetence.

In the forest sector, the companies have remained remarkably silent. I suppose they have been humbled by this experience, knowing that once the Government got involved, everything went off the rails so quickly.

We have reached the point, Mr. Speaker, where the Government has not accepted amendments put forward in good faith by the Opposition, some of which were drafted by myself—amendments in relation to exchange rates to protect the remanufacturers, to protect the wholesalers, to protect regions of the country that never should have been affected, to protect those who are milling wood that comes from outside the country.

I am sorry that the Government did not take the opportunity to accept any of those amendments, nor has the Minister for International Trade taken the opportunity either to write back to the chair of the committee or to committee members to outline what—

Mr. McDermid: We made the commitment today.

Mr. Fulton: —what kind of progress there has been since March 12 last. One would think that, in eight or nine weeks, the Minister might have had something on which to report back to the committee, the members of which spent so much time and effort in dealing with this subject matter in committee.

It is interesting to note that while the Government is crowing about free trade from one coast to the other, the largest industry in Canada, the largest contributor to the balance of trade situation, an industry employing one million

Canadians, is the first to be pushed over the edge, and this coming just one month before Mr. Reisman moves to put his initials to some kind of an agreement with Mr. Murphy.

I hope Canadians are listening and are aware of the kind of carnage that can be brought about by the Minister for International Trade.

Mr. McDermid: A point of order.

Mr. Deputy Speaker: On a point of order, the Hon. Parliamentary Secretary to the Minister for International Trade (Mr. McDermid).

Mr. McDermid: Before the Hon. Member for Hamilton East (Ms. Copps) speaks, I would like, on behalf of the Government, to officially designate tomorrow as an allotted day.

Mr. Deputy Speaker: The Hon. Member for Hamilton East (Ms. Copps), on debate.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I think it is particularly appropriate that literally when the Government is crowing, as the Member for Skeena (Mr. Fulton) has said, we are eating crow here in the House, and specifically so with the passage of Bill C-37. In fact, it is an embarrassment, it seems to me, to Members of the House, and in particular to Members on the government side of the House, to be called upon to pass a piece of legislation which is actually going to invoke punishment on the Canadian softwood lumber industry.

At the same time as we are eating crow here in the House of Commons, we have seen the Prime Minister (Mr. Mulroney) himself, in Question Period, laughing and deriding the Opposition in its attempts to get some answers on the free trade question.

Specifically, he challenged us yesterday to bring forward examples of where we have been on the losing end of the big stick of the American free trade initiative, and in fact we responded by citing the example of shakes and shingles, the example of the softwood lumber industry.

It seems to me that in imposing on ourselves a 15 per cent export tax on softwood lumber, we are admitting that we are in a losing position with respect to the American softwood lumber industry, and indeed on the weak end of the scale with respect to the free trade discussions with the United States.

The long-term ill effects of this legislation have been cited by members of the Opposition. In fact, it is so poorly conceived and so poorly thought out that the Minister for International Trade (Miss Carney), after telling the country that a 10 per cent export tax was our final offer, that we would not be upping the ante in any way, shape or form, came back with a 15 per cent offer, ignoring the fact that, under a previous Liberal Government, when similar American allegations of unfair trading practices were levied against Canada, the Government of the day was prepared to take the issue and fight it out, and in fact won. We were able to prove that Canada's softwood lumber industry was not engaging in unfair trade practices and that the stumpage fee issue was in fact a red herring.

In this instance, the Minister brought forward a hastily drawn agreement, an agreement which does not take into consideration the effect of an increase in the value of the Canadian dollar.

Since Bill C-37 was originally tabled in the House, we have seen an increase in the value of the Canadian dollar, an increase which is going to cost Canadians more in the way of export taxes.

• (1650)

The Government has not seen fit to take it into consideration in drafting legislation which gives up our sovereignty and tells Americans that they have that right. We saw it in respect of the Memorandum of Understanding.

I see the Hon. Member for Brampton—Georgetown (Mr. McDermid) shaking his head. He will remember that he and his Party were not even aware that the Memorandum of Understanding was not included in the original piece of legislation. In the Memorandum of Understanding we see that the Government is prepared to say to the Americans that they have the right to inspect our books, that they have the right to come into our softwood lumber companies and establish exactly what is going out and what is coming in. Quite clearly softwood lumber has been sacrificed on the altar of free trade.

The Prime Minister (Mr. Mulroney) and the Government are so bent on seeking an agreement that by the time any agreement is reached—and they are talking about this fall—what will we have left to offer? We gave up the National Energy Program because the Americans did not like it. We gave up the Foreign Investment Review Agency.

We heard questions in the House today indicating that Canada is being sold off piece by piece by members of the Conservative Party who are ideologically bound to the notion that somehow anything in which government is involved is intrinsically bad. That was not the position of the Liberal Government. That is why we established the Foreign Investment Review Agency in the first place.

If we look at the downside of the sale of Dome in respect of the Canadianization of the petrochemical industry, I think we will see in five years or ten years from now the ill effects of the policies and the politics of the Conservative Government. To date the Conservative Government has not turned down any foreign takeover of any Canadian company. Foreign takeovers which are not necessarily creating jobs are being approved holus-bolus, wholesale. Investment Canada might as well be entitled "Abandon Canada" for all the good it does in terms of the Canadianization of the petrochemical and other industries.

Softwood lumber is another example of the Prime Minister being prepared to bow down to the Americans because he so desperately wants and needs a free trade agreement. He desperately wants and needs that agreement so that Canadians

will forget about his other excesses, so Canadians will forget about the number of Gucci shoes he has in his closet.

We have a famous Prime Minister. I should like to refer to an article which appeared in the *Bangkok Post* on Monday, February 16. His legend is legion and it is travelling across the world. The article is entitled "Scandals shake Canadian Government".

Are they talking about the free trade agreement in the *Bangkok Post*? No, they are talking about scandals shaking the Canadian Government. I must admit that whoever wrote the article seems to assess the political situation in Canada quite accurately, because he says:

> Prime Minister Brian Mulroney swept to power in 1984—

Mr. Horner: Who wrote it?

Ms. Copps: It was written by Jeff Bradley of Associated Press, and appeared in the Monday, February 16 edition of the *Bangkok Post*. It reads:

> Prime Minister Brian Mulroney swept to power in 1984 with promises of clean government and Ronald Reagan-style conservatism.

Mr. Dick: What does that have to do with softwood lumber?

Ms. Copps: That is what it has to do with softwood lumber. It continues:

> But half-way through his five-year mandate, Mulroney already is being talked about as a one-term premier.

He has been demoted as well. He is referred to as a premier. I think in the States they call him Muldoon, but in this article he is referred to as a premier. In any case, it continues:

> Two new scandals grabbed headlines in Canada last week as Mulroney tried to fend off charges of influence-peddling and corruption among cabinet members and their advisers. And an opinion poll said last week that support for Mulroney's party has sunk to 23 per cent.

I could go on, but the article is available for Hon. Members.

Mr. Nunziata: What is the title of the article?

Ms. Copps: "Scandals shake Canadian Government".

My point is that the Prime Minister is so desperately seeking a free trade agreement that he will do anything to bow down to the Americans, including a complete sell-out on softwood lumber.

In Bill C-37 we have the first step in a sell-out of our Canadian resource industries. We have seen it in softwood lumber. We have seen it in shakes and shingles.

Mr. McDermid: Slow down, Sheila. The Americans put a tax on them.

Ms. Copps: We have seen it in fish. I understand that the Hon. Member for Brampton—Georgetown has a little time available which he could use if he would like to add to the discourse by standing and speaking instead of shrieking from his chair.

An Hon. Member: He has.

Ms. Copps: I am sure he has and he will have another opportunity at third reading, so he can make his comments and I am here to make mine.

Mr. McDermid: I have already spoken on third reading.

Ms. Copps: I have already spoken, also, on the Memorandum of Understanding. The Hon. Member will no doubt remember that heated debate in the House when he insisted that the Memorandum of Understanding was included in the draft Bill, but it was not. The Government does not even know how to write up a Bill. It botched the thing so badly that it did not even include the Memorandum of Understanding on this self-imposed, self-flagellated 15 per cent tax on softwood lumber exports.

Time and again we have heard from a number of Members who outlined the long-term negative impacts on the lumber industry, including the potential for the loss of thousands of jobs. We have heard that a million people are directly and indirectly employed in the lumber industry in Canada.

We also know that many Canadians are hoping and dreaming that they might buy a home at some time. In fact, it is estimated that this particular tax will add about $800 to $900 to the cost of a new house in Canada. The direct effect of the Government buckling down to the Americans on the softwood lumber industry will be to increase the cost of housing in Brampton—Georgetown, among other places across the country—

Mr. McDermid: It went up $50,000 in the last six months.

Ms. Copps: I am sure the Hon. Member is very happy with the rise of real estate in Metro Toronto and in the Toronto area. He says that it has gone up $50,000 in the last few months. Perhaps some of his constituents do not aspire to buying homes, but they do in my community. They are concerned because $800 or $900 extra on the cost of lumber will be an added cost to real estate, which is already going up sky-high in southern Ontario and for many families bringing beyond reach the possibility of buying a home.

The most important point in the whole issue is the dangerous precedent that has been set by the Government and by the Prime Minister, the dangerous precedent which probably had its historical origins in the so-called Shamrock Summit when we all got together and watched the Prime Minister sing for his supper with the President of the United States on March 17, 1985. He said: "Mr. President, we will get you a deal. We will back off on patents, on pharmaceutical drugs, raise the prices, and the consumers will pay; let the poor pay". The pharmaceutical industry was sold down the river. The patent industry was sold down the river—

Mr. Horner: Are you a Liberal or a Marxist-Leninist?

Ms. Copps: Am I a Liberal or a Marxist-Leninist? In Hamilton—

Mr. McDermid: Where is Judy Erola when you need her?

Ms. Copps: In Hamilton Liberals fight to keep prices down for consumers. I hate to be accused of being Marxist-Leninist, just because I would like to prevent an increase in further profits to a sector which in the last fiscal year experienced the most profitability of any other sector, that is, the pharmaceutical sector.

The pharmaceutical sector in Canada is doing very well. As a result of the Shamrock Summit and the promise of the Prime Minister on bended knee to the President, we have a decision to turn around and give blanket monopolies to pharmaceutical multinational companies to gouge Canadian consumers. If I have to apologize for that—and I am certainly not a Marxist-Leninist—as a Member of Parliament I am going to fight for that.

Mr. McDermid: On a point of order—

Ms. Copps: I was responding to a heckle.

Mr. Deputy Speaker: On a point of order, the Hon. Parliamentary Secretary to the Minister for International Trade (Mr. McDermid).

Mr. McDermid: Mr. Speaker, I always enjoy the bombastic presentation of the Hon. Member for Hamilton East (Ms. Copps). However, we are discussing softwood lumber on third reading—and the drug patent Bill was passed some weeks ago—and it might be apropos for her to get back to the subject matter of which she knows a great deal.

Mr. Deputy Speaker: On the same point of order, the Hon. Member for York South—Weston (Mr. Nunziata).

Mr. Nunziata: Mr. Speaker, my balding colleague across the way persists in his interruptions of the Hon. Member for Hamilton East (Ms. Copps). I would ask that you, Sir, exercise your good judgment and discretion and request of the Hon. Member for Brampton—Georgetown (Mr. McDermid) to refrain from his heckles so as to allow the Hon. Member for Hamilton East to continue with her most interesting discussion of this particular issue.

Mr. Deputy Speaker: The Parliamentary Secretary on the same point of order.

Mr. McDermid: Mr. Speaker, I do not need lectures from a rookie, bald-headed friend of mine across the floor.

Mr. Deputy Speaker: On debate, the Hon. Member for Hamilton East (Ms. Copps).

• (1700)

Mr. Nunziata: I just have a high forehead.

Mr. McDermid: I will remember that, cue ball.

Ms. Copps: Mr. Speaker, I think this whole discussion is patently absurd. I was responding to unsolicited heckles from the government side of the House. It was suggested to me that, because I was concerned about the precedent being set by the Government, I was somehow a Marxist-Leninist.

The Hon. Member for Brampton—Georgetown claims perhaps that there is not a precedent. I think Clause 6 of the Memorandum of Understanding provides a very dangerous precedent. The Government of Canada will take no action. Here we are promising the Americans on bended knee that we will take "no action" and we will take all reasonable steps to ensure that no other government Party in Canada takes any action directly or indirectly which has the effect of offsetting or reducing the export charge or replacement measures. Further, if we do not live up to our Agreement, Mr. Ronald Reagan promises in writing that "I will take action if Canada does not live up to the terms of agreement". What that means to the average lumber worker is that jobs supported by the Employment Support Act, which was introduced in 1971 to support almost 22,000 jobs, would no longer be supported by that Act because we have guaranteed we will not intervene in any other way to offset the effect of this particular tax.

In legislation being considered for passage here today we are suggesting that we make promises to the United States of America that what we do with our employment programs and our lumber industry has first to be vetted through the White House and through Washington. If we do not get the Good Housekeeping Seal of Approval from Ronald Reagan, then he can step in and revoke the Agreement at any time. If Canada does not live up to the Agreement, the President can move in immediately and invoke a 15 per cent tariff within 30 days.

Where is the fairness in GATT if Canada is imposing an export tax of 15 per cent on products only going to one country? What about the notion of a level playing field for all the countries covered under GATT? Instead, what we are seeing is another example of the Canadian Government and the Prime Minister being so wedded to Washington that they are unprepared to launch a Canadian sovereign policy in lumber which would save Canadian jobs and which would protect the ability of the Canadian Government and provincial Governments to act in our best interests when it suits Canadians. We should not have our policy on export tax dictated by Washington. It is as simple as that.

My Leader today asked the Prime Minister what he was prepared to sell out. Who is speaking for Canada, Mr. Speaker? I think it is pretty clear that my Leader's suggestion that we are moving toward a 51st state was not an unreasonable one when you examine the sequence of events over the course of this Government. We have said goodbye to the Canadianization of the petro-chemical industry, to Canadianization of most of our major multinationals because FIRA has been neutered and left with absolutely no power under the rubric of so-called Investment Canada. What about our major resource industries, softwood lumber, fisheries? Perhaps steel and the petro-chemical industry will be next. We are so bound and determined to get this Agreement with the United States that we are making all kinds of sacrifices along the way.

We heard the Minister for International Trade (Miss Carney) saying that she had no choice, that she had to move with this particular 15 per cent tax even though she had stalled at 10 per cent and said she would absolutely not negotiate anything higher than 10 per cent. She had no choice, because the potential for the levying of a 25 per cent tax was a question she was considering. If we look back to past Liberal Governments when similar ugly threats were raised in the United States concerning unfair stumpage fees in Canada, we went to court, fought the case and won. In the Liberal Party we are certainly not afraid to get out and fight if we believe we have a case, and we have a good case. We do not necessarily have to cut a deal by the back door which is not going to be good for Canada. That is a deal that is good for Washington and good for the Americans. Frankly, as a Member from a highly industrialized riding, the most industrialized riding in Canada—

Mr. Horner: Hold it. That is not quite true.

Ms. Copps: Hamilton East is the most industrialized riding in Canada. I am very proud of it. It is the most industrialized riding in Canada.

Mr. Nunziata: And it is well represented.

Ms. Copps: According to Statistics Canada, I have more steel mills per square foot—would he like to visit? I will set up a tour and allow him to go through all the steel mills in our riding.

Mr. Nunziata: Mr. Speaker, I rise on a point of order. The Hon. Member has just made an extremely derogatory remark about Hamiltonians. He suggested that if anyone were to visit Hamilton, one would require a gas mask. I would ask the Hon. Member—what riding is he from, Sheila? Wherever, Mr. Horner—

Mr. McDermid: Order.

Mr. Nunziata: —to stand up and apologize to the people of Hamilton.

Mr. Deputy Speaker: On debate, the Member for Hamilton East (Ms. Copps).

Ms. Copps: Mr. Speaker, I must seek the judgment of the Chair. To suggest that to come to Hamilton you have to wear a gas mask is offensive. The Member may think it is funny and in the context of Parliament it is a big joke, but we get sick and tired in Hamilton of having these stereotypes reinforced. I know the Member is a very reasonable person and he will want to take that back. He will not want me to pursue the matter in a question of privilege. The Member would like to pursue, wouldn't he?

Hamilton is a beautiful city. It happens to have one of the most beautiful views coming down from the mountain of any city. I have travelled in Vancouver and other places across the country. Do you think he can apologize, Mr. Speaker?

Mr. Deputy Speaker: The Chair would prefer not to get involved in this matter. The Hon. Member for Hamilton East.

Mr. McDermid: You forgot the botanical gardens.

Ms. Copps: There are only two gardens in Canada that are blessed by the Queen—

Mr. Nunziata: Remind the voters in the by-election.

Ms. Copps: —the Royal Botanical Gardens is one of them.

Mr. Deputy Speaker: Questions and comments on the speech by the Hon. Member.

Mr. Dick: That was not a speech.

Mr. Nunziata: Mr. Speaker, I would like to take this opportunity to thank my good friend and colleague, the Hon. Member for Hamilton East (Ms. Copps). I am very offended by the comments made by the Conservative Member to my right.

Mr. Deputy Speaker: The Hon. Member knows, of course, that the comments he makes must refer to the speech made by his colleague from Hamilton East.

Mr. Nunziata: During my colleague's speech, Mr. Speaker, certain comments were made by a Conservative Member. I will not comment any further. We know that a by-election will be held in Hamilton Mountain on July 20. As you know, Mr. Speaker, Elizabeth Phinney is the Liberal candidate there. We are very proud of her credentials. She is a local and lifelong resident in the Mountain. She is very concerned about the people in Hamilton Mountain.

We know that the New Democratic Party—

Mr. Deputy Speaker: The by-election is a long time away. Could we please get back to the speech made by the Hon. Member for Hamilton East?

Is the Hon. Member for Essex—Windsor (Mr. Langdon) rising on a point of order?

Mr. Langdon: Yes, Mr. Speaker. I hate to interrupt this paid political commercial, but it did seem to me that equal time should be given to the magnificent candidate, Marion Dewar who will win that seat for the New Democrats—

Some Hon. Members: Order.

Mr. Langdon: —and be another important addition to our caucus in the House.

Mr. Nunziata: You cannot find one of your own in Hamilton.

Mr. Deputy Speaker: The Hon. Member for Hamilton East will reply to the comments made by the Hon. Member for York South—Weston (Mr. Nunziata).

Ms. Copps: I am responding to questions and comments, Mr. Speaker. That is what I call one parachute propping up another parachute, a Windsor parachute propping up a Hamilton parachute and they are both destined for a fall. Nonetheless, I would like to respond to the question and comment raised by my colleague, the Hon. Member for York South—Weston (Mr. Nunziata).

Government Members have been casting aspersions on why I should be interested in the softwood lumber issue. I am interested not only because it is an issue of national sovereignty but also because what happens in the lumber industry portends very ill for what will happen in other industries in Canada. Being from a riding which is the most industrialized riding in Canada which depends upon the steel industry for bread and butter—

Mr. Gustafson: And foreign investment.

Ms. Copps: Foreign investment? Canadian made and Canadian built steel industry is the best in the world. We do not need foreign investments. Look to the south to talk about lack of competition.

In the steel industry, we are watching what is happening very closely in the lumber industry. We are concerned that if the Canadian Government is prepared to put up the lumber industry on the chopping block, what resource based industry will be next? We are very concerned about saving Canadian jobs in the steel industry in Hamilton.

• (1710)

Mr. Nunziata: Mr. Speaker, seeing that no other Hon. Members are rising to ask a question of the Hon. Member for Hamilton East, I will take this opportunity to put a question to her. The Prime Minister (Mr. Mulroney) and the chief trade negotiator, Mr. Reisman, have indicated that a draft comprehensive agreement will likely be ready some time in the fall, notwithstanding the fact that there has not been a national debate of any significance on the subject of free trade. There was a one-day debate in the House of Commons but there was no general national cost benefit study. I would like the Hon. Member for Hamilton East to comment on the impending draft agreement and what she perceives to be the likely result of the negotiations that are taking place.

Ms. Copps: Mr. Speaker, the Hon. Member for York South—Weston (Mr. Nunziata) will no doubt recall that the press and the Opposition had to apply under freedom of information for the background documentation on what was happening in free trade discussions. In fact, my colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), brought a whole stack of documents received through application to freedom of information, and we in the Liberal caucus thought we would finally have a chance to look at the Government's agenda for free trade discussions. Lo and behold, to our great chagrin, when we opened up this package of documents, which stood about a foot high, we found that every second page was censored because the Government does not even trust the Parliament of Canada to deal with one of the most serious questions facing it that has been launched by the Government, the sell-out of the country.

We did not see the cost benefit analysis and we did not get the full story even in the documentation we received through freedom of information. It is quite clear that the Prime Minister wants to negotiate a cosy little deal, possibly have the House rise at the end of July and not sit until October so he can come out with trumpet and much fanfare in September or October with this terrific deal. We Canadians will be paying in consequence through lost jobs, lost sovereignty and lost integrity for many years.

We want to fight that and in order to fight it, we need to have all the facts on the table, but we are not getting the facts. The facts we are getting like the legislation before us, Bill C-37, simply show us that what is coming in free trade for Canada does not bode well for Canadian citizens.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my speech will devote itself to this Bill because it is a very important Bill which Canada should look at carefully. The precedent which has been set in this case is a sad and unfortunate one which the country should consider carefully. There are still many aspects of what is taking place in these negotiations that must be treated in a serious manner and not simply used for partisan purposes.

To begin, I must say that I am disappointed that while debating a Bill as important, controversial and full of ramifications for the sovereignty of the country as this one before us, we have not heard speeches from either of the Ministers who have been so vociferous in defending the Bill during Question Period, the Minister for International Trade (Miss Carney) and the Secretary of State for External Affairs (Mr. Clark). I must say as well that the Prime Minister (Mr. Mulroney), who took his share of the defence of this indefensible set of actions, is someone, I believe, who should speak to us to explain as we wind up our consideration of this piece of legislation why it is that the surrender was made.

This is a surrender which affects a great many people. It affects people right across the country. In northern Ontario, 90 per cent of all wood cut is softwood and 6,000 people are directly employed in the industry. In British Columbia, over 40,000 people are employed in this industry. In Alberta, over 5,000 people are employed by 220 lumber companies. One would not perhaps think of Saskatchewan as a crucial contributor, but one nevertheless finds that there are over 8,500 people there directly affected by this Bill. In Manitoba, there are close to 13,000 affected by it. In Ontario itself, something like 19,500 people in total are affected and in Quebec, over 27,000 people are affected. New Brunswick employs 3,500 people in the industry, Nova Scotia employs close to 1,900 people in the industry, and even in Prince Edward Island, something like 140 people are employed in the industry. In Newfoundland, over 11,000 people are directly employed in forestry jobs.

I am quite prepared to state that there was a genuine effort on the part of the Government to find a solution to the problem, but sadly, that effort went badly off the rails at many points throughout the process. As my colleague explained earlier, we ended up with an agreement that is very, very detrimental to the people of Canada.

The agreement is also detrimental to our sense of propriety. A cabinet Minister in the British Columbia provincial Government actually bargained behind the back of the federal Minister while these discussions were taking place. What is more, as Mr. Kempf has now admitted, Premier Vander Zalm himself was aware of this and had approved of it. That kind of behind the back under-cutting of our country's efforts must be recognized. Frankly, I am sure everyone in the House, including British Columbia Members and the Minister for International Trade, would join in condemning that kind of lack of solidarity at a time when serious negotiations are taking place.

After some years have gone by and we are looking back at this piece of legislation and this episode in our trade history, what will strike us most is not so much this behind the back dealing in British Columbia nor the job risks which were taken by the Government but the broader implications that cut right across the concerns of Canadians for our freedom and our future sovereignty.

• (1720)

I think it is necessary to read into the record yet again exactly what U.S. Commerce Secretary Malcolm Baldrige and U.S. trade representative Clayton Yeutter say is their understanding of this export tax. They said:

> The U.S. government will monitor closely the operation of this agreement to ensure that the amounts collected through the export charge or replacement measures are not returned to or otherwise used to benefit producers or exporters of Canadian softwood lumber.

How can a country possibly accept that kind of incursion on its sovereign right to shape future policy governing its forest industry? They continue:

> —it is the understanding of the U.S. Government that the U.S. Government would have to approve any changes in the export charge or calculation of the value of any replacement measures. Any changes made without U.S. Government approval would be considered a violation of the Understanding.

Let us just stop and recognize what we have here. This is a statement that a foreign Government—and regardless of our friendship with the U.S. it is a foreign Government—will have an effective veto power over our future policy towards replacing this export tax. If this Parliament chooses to do something which runs counter to that U.S. understanding, the U.S. will be able to say that it is a violation of the agreement and it considers the agreement null and void. That, of course, would have terrible consequences for Canadian lumber producers. We have, therefore, succeeded in putting a very large axe over the heads of Canadian lumber producers.

This action also affects remanufacturing firms right across this country, including my own constituency. The number of jobs has gone up and down in those companies as a direct result of what one can either consider ignorance or a direct sell-out of their interests by the Government in response to U.S. demands. As we all know, in the final stages of negotiation of this agreement many parts of the remanufacturing industry which had been excluded were suddenly included. That has to be seen, unfortunately, as one more of far too many examples of trade failure on the part of the Government. We have had trade failure with respect to the oil industry, the steel industry, the potash industry, the fish industry, indeed covering a whole range of products including shakes and shingles, raspberries, and pork, which again is of importance to my constituency. Yet this sorry record is nowhere surpassed than in the course followed with respect to softwood lumber. On the basis of their failure to speak I can only conclude that those Ministers who have the responsibility for this exercise share that sense of inadequacy and shame over the course of action which was followed in this case.

This was a case where, in 1982, American lumber companies unsuccessfully brought countervailing duty action against Canadian softwood. At that time the International Trade Commission ruled that any subsidy which might be found was so small as not to warrant tariff action. American lumber producers were not satisfied and made another effort. If at first you do not succeed, try again. Before the ITC had an opportunity to even rule on the petition, Ottawa offered a 10 per cent tax surrender on September 13. On October 16 the ITC made a preliminary ruling involving a 15 per cent duty. I hope we all know the way U.S. trade law works. It requires agreement between the ITC and the Department of Commerce with respect to damage to a given industry. On December 23, 1986, the ITC reported that lumber prices were rising, as they have continued to rise for much of the time since then, and that Canadian industry was not hurting the U.S. industry severely. That was the conclusion reached by the ITC report at that stage. That led anyone who followed the case closely to conclude that it was likely that we would win the ultimate ITC decision on whether or not there was damage being done to the U.S. industry. The Canadian lumber industry was unanimous in saying it wanted to reach that stage in trying to fight the issue. That was the stage at which it wanted to confront and at which it felt very strongly it could be successful.

• (1730)

Before that stage was reached, on December 30, 1986, a Memorandum of Understanding was signed which accepted the 15 per cent export tax which this Bill puts into law.

I do not know how any thinking Canadian could conclude other than that this has been a story of surrender and giving up before necessary, dare I say a Tory story of giving up before it was necessary?

It is the story of a path that should not have been followed. However, the Government followed it, took these steps, and now we are beginning to pay the price. The United States building industry was buoyant for the first period of this year

but has begun to lose some of that buoyancy. Consequently, we are beginning to see this 15 per cent tax cut into margins, cut into reinvestment hopes and therefore ultimately cut into jobs.

We must conclude that it has been a disaster but one that I hope will never be repeated in this country. I hope it will lead Canadians to draw the conclusion that the Government's trade policy is fundamentally bankrupt and unacceptable to Canadians who believe in Canada, and fundamentally unacceptable to those who care about full employment in the future.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

• (1740)

(*Division No. 130*)

YEAS

Members

Bertrand
Binns
Blenkarn
Blouin
Bradley
Brisco
Caldwell
Clark (Yellowhead)
Clinch
Comeau
Cook
Cossitt
Côté (Lac-Saint-Jean)
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Desjardins
Dick
Domm
Dorin
Duguay
Fennell
Ferland
Forrestall
Friesen
Gagnon
Gormley
Graham
Guilbault (Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Harvey
Hawkes
Holtmann
Horner
James
Jardine
Johnson (Bonavista—Trinity—Conception)
Joncas
Jourdenais
King
Lawrence
Layton
Lesick
Lewis
Lopez
MacDougall (Timiskaming)
Malone
Mantha
Martin
Mayer
Mazankowski
McCrossan
McDermid
McKinnon
McLean
Mitges
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Porter
Price
Redway
Reid
Ricard
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria—Haliburton)
Scowen
Shields
Sparrow
Stackhouse
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner (Ottawa—Carleton)
Vincent
Warner
Wilson (Swift Current—Maple Creek)
Wilson (Etobicoke Centre)
Wise
Witer—92

NAYS

Members

Allmand
Althouse
Axworthy
Baker
Benjamin
Blackburn (Brant)
Blaikie
Caccia
Copps
de Jong
Dingwall
Fulton
Garneau
Gauthier
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Jewett
Kaplan
Keeper
MacLellan
Manly
Marchi
McDonald (Broadview—Greenwood)
Mitchell
Nicholson (Trinity)
Nystrom
Parry
Prud'homme
Robichaud
Robinson
Young —33

• (1750)

Mr. Deputy Speaker: I declare the motion carried.

Bill read the third time and passed.

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.59 p.m.

HOUSE OF COMMONS

Thursday, May 21, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

COMMUNICATIONS AND CULTURE

PRESENTATION OF GOVERNMENT'S RESPONSE TO THIRD REPORT OF STANDING COMMITTEE

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, pursuant to Standing Order 99(2), I have the honour to present the Government's comprehensive response to the third report of the Standing Committee on Communications and Culture, in both official languages. That report was made on January 29, 1987, and was entitled: "Federal Policy Concerning Museums".

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-1918, 332-2037, 332-2052, 332-2077 to 332-2081 inclusive, 332-2150, 332-2188, 332-2198, 332-2429, 332-2430 and 332-2436.

* * *

[*English*]

STRIKING COMMITTEE

PRESENTATION OF TWENTIETH REPORT OF STRIKING COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have the honour to present the twentieth report of the Striking Committee. If the House gives its consent, I intend to move concurrence in this report later this day.

* * *

PETITIONS

RIGHT TO LIFE OF THE UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I have the honour and duty to present a petition to the House signed by a number of citizens of The Battlefords—Meadow Lake constituency. This is one of a series of petitions signed by individuals who protest the killing of thousands of unborn Canadians each year whose only crime is the crime of being unwanted.

The petitioners humbly pray and ask this Parliament to consider passage of M-37, which is the motion under the name of the Hon. Member for Grey—Simcoe (Mr. Mitges) which asks the Government to ensure the right to life of the unborn in Canada.

This petition does meet the requirements of Standing Order 106.

[*Translation*]

OPPOSITION TO CLOSING OF POST OFFICES IN SMALL MUNICIPALITIES

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, today I have a petition signed by a large number of residents in my riding who are opposed to the closing down of Post Offices in small municipalities.

[*English*]

REQUEST FOR APPOINTMENT OF ARBITRATOR—SETTLEMENT WITH FRED TURNER

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have a petition signed by 33 people from the City of Yellowknife, duly certified by the Clerk of Petitions, in respect of the Fred Turner and Turnair matter.

The petitioners seek the appointment of an independent arbitrator to adjudicate the case which Mr. Turner has with the Government of Canada and the Canadian Transport Commission.

Holidays Act

HOLIDAYS ACT

MEASURE TO AMEND

Mr. John Reimer (Kitchener) moved for leave to introduce Bill C-256, an Act to amend the Holidays Act (Dominion Day).

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

Some Hon. Members: Agreed.

Mr. Reimer: I rise to introduce for first reading a Bill to amend the Holidays Act, to substitute " Dominion Day" for "Canada Day". The purpose of the Bill is to call July 1 "Dominion Day", to more faithfully reflect the original intent of the Fathers of Confederation in their selection of the name "Dominion of Canada" as a vision of a sovereign nation extending from sea to sea. It is important that all Canadians, whatever their ancestry, be united under the conviction that ours is and always must be a sovereign nation.

• (1110)

Surely no title better captivates the historical and political realities of Canada than "Dominion Day".

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

* * *

STRIKING COMMITTEE

CONCURRENCE IN TWENTIETH REPORT OF STRIKING COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, with the consent of the House, I move that the twentieth report of the Striking Committee, presented to the House earlier this day, be concurred in.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

ADDRESS OF PRESIDENT MITTERRAND TO BOTH HOUSES OF PARLIAMENT

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, this next motion pertains to the visit of His Excellency the President of France, François Mitterrand, to Canada next week. The motion is as follows:

That notwithstanding any Standing or Special Order of this House, when the House adjourns on Friday, May 22, 1987, it shall stand adjourned until 11 o'clock a.m., on Tuesday, May 26, 1987.

That the Address of His Excellency François Mitterrand, President of the French Republic, to be delivered in the House Chamber on Monday, May 25, 1987, at 3 o'clock p.m., before Members of the Senate and Members of the House of Commons, together with all introductory and related remarks, be printed as an appendix to the *House of Commons Debates* of Tuesday, May 26, 1987, and form part of the records of this House; and

That media recording and transmission of such Address, introductory and related remarks be authorized pursuant to guidelines for this occasion issued by the Speaker of this House pursuant to consultation with the Parties' House Leaders, dated March 31, 1987; and

That Monday, May 25, 1987, be deemed a sitting day for the purpose of the Office of the Clerk being able to receive Order Paper notices.

Mr. Speaker: Does the Hon. Parliamentary Secretary have the unanimous consent of the House to move his motion?

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the arrangements mentioned by the Parliamentary Secretary were discussed by the Parties, and we are pleased that this formula will enable the House to receive the President of France in a manner equivalent to the reception it gave the President of the United States, and we therefore give our consent.

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, we too are in agreement. It will be interesting to see our Senators come into an elected Chamber.

Mr. Lewis: Mr. Speaker, I am tempted to make a comment with respect to decorum, in view of the remarks of the Hon. Member for Churchill (Mr. Murphy); but I will refrain from so doing.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

MULTICULTURALISM

WITHDRAWAL OF ESTIMATES AND REFERENCE TO STANDING COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, my final motion, which again has been the subject of discussion among the House Leaders, deals with the estimates of the Multiculturalism Directorate. The motion is as follows:

That, notwithstanding the order made on March 2, 1987, the operating expenditures of the Multiculturalism Directorate under Vote 1 of the Main Estimates for the fiscal year ending March 31, 1988, of the Department of the Secretary of State in the amount of $5,536,000, together with the grants made by the said Directorate under Vote 5 of the Main Estimates of the said Department in the amount of $14,505,000, as well as the contributions made by the Directorate under the same vote in the amount of $3,262,000 be withdrawn from the Standing Committee on Secretary of State and be deemed referred to the Standing Committee on Multiculturalism pursuant to Standing Order 82(15).

Mr. Speaker: Does the Hon. Parliamentary Secretary have the unanimous consent of the House to move his motion?

Mr. Rod Murphy (Churchill): Mr. Speaker, the Hon. Parliamentary Secretary to the Government House Leader does have our consent to proceed with this motion. We would hope that in the future this would be the prescribed form for those particular Estimates; that is, that the estimates in respect of the Multiculturalism Directorate be automatically referred to the Standing Committee on Multiculturalism, rather than having a special order passed year after year.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions on the Order Paper be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

• (1120)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—ALBERTA ECONOMY

Mr. Ian Waddell (Vancouver—Kingsway) moved:

That this House expresses its disappointment with the Government for its failure to deal effectively with the severe economic recession in Alberta which has resulted in, among other things:

(1) Alberta having the worst performance of any provincial economy in Canada which the Conference Board of Canada has estimated will shrink in over-all terms for the second consecutive year;

(2) a loss of 50,000 direct and indirect jobs in the oil and gas industry;

(3) leaving Alberta farmers with 23 per cent of Canada's outstanding farm debt;

(4) causing on average 600 new families per month to be placed on welfare; and

(5) Alberta having the highest per capita suicide rate in Canada.

He said: Mr. Speaker, the resolution deals specifically with Alberta, but I suppose more generally the debate today is on western Canada. It will be focused upon Alberta and hopefully expanded to the economic plight and difficulty of people in western Canada.

The Prime Minister (Mr. Mulroney) has just returned from western Canada. While he was there, he was reported to have said that his Government had made some mistakes. I guess that makes it unanimous now; even the Prime Minister agrees, as does the whole country.

The resolution is based upon the report of the Conference Board of Canada, a non-partisan group with a good history. If anything, it is fairly small, conservative and business-oriented. Its report was published the other day. It is really a sad report for western Canada, but for Alberta in particular.

The Conference Board indicated that the Alberta economy will have the worst performing provincial economy in Canada and that growth will be down for the second consecutive year. Last year it was down .7 per cent; this year it will fall by 1.1 per cent. I will return to that issue in a minute and deal with some of the details of the performance of the Alberta economy.

However, I should like to indicate how we in the New Democratic Party feel. We think now, more than ever, that we must rise in the House to present motions and to ask questions on behalf of ordinary Albertans, because Alberta is not being very well represented by the silent 20. I used to call them the silent 21, but one of them spoke out.

At a time when a Member of the House, Mr. Bissonnette, is under investigation by the RCMP for allegedly profiting from a land deal in his riding; at a time when another Member, Mr. Stevens, the Member from York, has been at the centre of a major conflict-of-interest hearing; and at a time when another Member, Mr. Gravel, faces 50 charges of influence peddling and breach of trust, it is the Hon. Member for Edmonton—Strathcona, (Mr. Kilgour), who gets booted out of the Conservative caucus. Western Canadians, Albertans in particular, wonder about the standards which that caucus is observing. Perhaps we will hear about that today. No doubt we will hear from the chairperson of the Alberta caucus.

Mr. Malone: Mr. Speaker, I rise on a very valid point of order. I have been in the House for 13 years and I know that the Hon. Member for Vancouver—Kingsway (Mr. Waddell) has been in the House for a significant period of time. He knows clearly and factually that he is not to make a reference to Members of the House of Commons by their names. He has just gone through a list of three or four of them. He knows that is inappropriate; he is experienced enough to know better. I ask the Chair to ensure that he refrains from doing what he knows to be unparliamentary.

Mr. Speaker: I will hear the Hon. Member for Vancouver—Kingsway (Mr. Waddell) on the point raised by the Hon. Member for Crowfoot (Mr. Malone). I just want to assure him that this will not count as debating time.

Mr. Waddell: Mr. Speaker, I take it that the Hon. Member is right. I was trying to put it in terms which people who do not know the seats of Members could understand.

Let me rephrase it. One Member from Quebec, from the Saint-Jean area, is under RCMP investigation for a land deal.

Another Member from Toronto has just been the subject of a conflict-of-interest hearing. A third Conservative Member, a Member from Quebec, faces 50 charges of influence peddling. However, who is it that the Conservatives kick out of their caucus? It is the Hon. Member for Edmonton—Strathcona (Mr. Kilgour). I find that to be very strange behaviour. I invite the chairperson of the Alberta caucus to rise to his feet to explain that to us.

Incidentally, I hope the Hon. Member for Edmonton—Strathcona will be able to take part in the debate. I for one—and I think it is the case with many other Canadians, especially westerners—would like to hear what he has to say.

I want to talk about the Alberta economy, and I think it will be a little more non-partisan. The facts speak for themselves. I already mentioned what the Conference Board indicated about economic growth. It also indicated that while economic growth will be up in Ontario and Quebec, especially in the Golden Horseshoe area of Ontario, it will be down—indeed it will be negative—next year in Alberta. This means problems for Alberta and problems for Canada. There has also been a loss of 25,000 direct jobs and 25,000 indirect jobs in the oil and gas industry last year.

While in the upstream the exploration and development revenues of the oil industry fell by 64 per cent in 1986 over 1985, the revenues from the refining operations of the major integrated oil companies increased by 110 per cent. While the small Canadian-owned oil and gas companies which operate almost exclusively in Alberta were squeezed, the major oil companies which operate in the downstream, that is, in refining, wholesaling, and retailing, at the gas pumps, were able to make money.

The economy of Alberta is still based upon the oil industry. That is its number one industry. I think oil and farming are the keys to the Alberta economy, and the oil industry is down. The major, largely foreign-controlled oil companies are making money because they have outlets in Ontario, Quebec, and other places; they are making enough money to buy out and take over other companies, and we are already seeing that happening to small Alberta oil companies which, in many ways, are the backbone of the oil economy. They are the efficient ones which actually explore to a greater extent than the major companies.

In 1986, as opposed to 1985, moneys spent on takeovers and acquisitions in the oil and gas sector rose by nearly 60 per cent, from $2.2 billion to $3.5 billion. There have been takeovers of oil companies and so on. That does not help the Alberta economy and is one of the reasons it is down. The money is largely wasted on takeovers, not used usefully and productively in the sense of getting out there and exploring for more oil.

Of course the oil industry is tied to the world price, and that is the key to the recovery of the oil industry. It is also another reason the Alberta economy is down.

There is a heritage fund in Alberta. Many Canadians think that Alberta is loaded with money, that it has it all socked away in the heritage fund. However, that fund is tied up in loans to other provinces and therefore not easily tapped by the provincial Government for needed revenues. In short, Alberta is not awash in petro-dollars from the 1970s and early 1980s when its economy was booming.

Those are some of the reasons the Alberta economy is in trouble, but there is a double whammy. Earlier I mentioned the farm economy. Average land values have fallen by 50 per cent in Alberta between 1981 and 1986. Alberta farmers had $5.06 billion in outstanding loans at year end, 1986. Alberta farmers owe 23 per cent of Canada's outstanding farm debt. In 1986, 800 farm families had to abandon their farms. In 1983, the figure was only 300. The realized net income from farming declined by 39 per cent in 1987.

I am from an urban constituency in Vancouver, but I had the opportunity to listen to the emergency debate on farming which the New Democratic Party requested and to which the Speaker agreed. It was the second longest debate in parliamentary history. A lot of good material was brought out. Through that debate and through a visit to a farm in Carstairs, Alberta, as well as talking with farmers in rural Alberta, I learned something about farming.

I hear the Hon. Member laughing. I do not pretend to be an expert. Probably he is an expert on farming or cattle ranching. I will be pleased to hear from him. What I am trying to say is that as someone from an urban riding like mine in central Vancouver I am beginning to see that farmers are faced with an incredibly difficult problem. We have a farm crisis and I have recited the figures.

• (1130)

There is a problem with the world economy and, as I recall from a recent debate, I think that wheat prices were down last year 20 per cent, and they will be down another 18 per cent in the upcoming year. We have a subsidy war between the European Economic Community and the United States. Farmers in other countries have their prices subsidized, but our treasury is not bottomless. That makes for further difficulty. There is a double whammy to the Alberta economy. World oil prices are down and world farm prices are down, especially grain prices. Farmers and small oil companies are experiencing great difficulties.

Statistics just out indicate that the unemployment rate for Alberta has risen from 10.8 per cent in April, 1986, to 11 per cent in April, 1987. Alberta used to have a low unemployment rate. Now it has a high rate and an unacceptable one. It is extremely difficult for young people between the ages of 17 and 25 to get jobs. In that age group the unemployment rate is 17.5 per cent. Young people are leaving Alberta and that is not good for families.

Alberta has the highest annual suicide rate per capita of any province in Canada at 16.9 per 100,000 people. Farm suicides in Alberta, I am told, have risen from 15.1 per 100,000 people in 1983 to 40.6 per 100,000 people in 1986. In short, the Alberta economy is in trouble on the oil front and on the farm

front, and this is reflected in high unemployment and in turmoil evident among the population of Alberta.

What has been the reaction of the Progressive Conservative Government, Mr. Speaker? First, let me quote from the *Calgary Herald* for January 22, 1987, under a column entitled "Priorities? Really?" It reads:

> In comedy, it's timing. In business, it's location. In politics, it's priorities.
>
> Calgary North MP Paul Gagnon has managed to fail on all three counts. One short week after his government rejected the Syncrude loan proposal, the MP returned to his constituency to utter these telling words: "Certainly REAL Women is a No. 1 priority for the Alberta caucus."
>
> With priorities like this, is it any wonder that the Syncrude proposal fell flat?
>
> And with priorities like this, it sure would be a good time to be an opposition candidate in Calgary North.

Those were not my words, Mr. Speaker. That was an article from the *Calgary Herald*.

In an editorial written in *The Edmonton Journal* for January 23, 1987 we read:

> It is fortunate that Paul Gagnon doesn't set the agenda for Alberta's 21-member federal Tory caucus.
>
> Pithy issues such as softwood lumber tariffs, federal support for Syncrude, assistance for farmers and polls which show Mulroney's government is on the skids don't furrow his brow. No, the Conservative MP for Calgary North has a more important item on his mind—federal funding for a anti-feminist lobby group.

Other Alberta MPs have expressed their concerns about women in submarines, I believe—or is it gay people in submarines? I cannot quite remember which one it is. That seemed to be one of the priorities affecting a couple of Members of Parliament from Alberta. It seems to me that their priorities are misdirected. They should stick to bread and butter issues.

On May 19, this week I asked the Prime Minister about the Conference Board of Canada's report. I said:

> The Conference Board of Canada indicated today that the Alberta economy was one of the worst in the country. It predicted a drop in Real Domestic Product of 1.1 per cent for 1987.
>
> —I ask the Prime Minister to name one positive measure he is prepared to take today to help the sick economy in Alberta.

The Prime Minister replied:

> What truly crippled the economy of Alberta was the National Energy Program.

He then proposed that the New Democrats had voted for the National Energy Program. I just want to take a minute to deal with that; first, with respect to what crippled the economy. Yes, the National Energy Program hurt the economy for various reasons. We in the NDP at that time opposed the National Energy Program.

Some Hon. Members: Oh, oh!

Mr. Waddell: That is true. Members can make up myths. I just ask them to listen to me. I was the critic at the time and I will tell them why we opposed it. It is on the record.

We opposed it because the program would shift exploration out of the western sedimentary basin, that is basically Alberta, to the frontiers. There was a war between then Prime Minister Trudeau and Premier Lougheed over power. The frontiers were controlled by the federal Government, but in Alberta control was by the provincial Government. That was one of the reasons for the program. There are various others. I suggest Members read a book written by Professors Toner and Doern who wrote about the National Energy Program.

With respect to voting, there were 15 Bills. I asked the Library of Parliament to prepare a list; it was prepared on April 11, 1985. The Library wrote:

> As requested, please find enclosed a table showing the voting record of the three political parties on fifteen Bills, passed during the First Session of the 32nd Parliament, which implemented the National Energy Program.

The fifteen Bills were the following. The first was Bill C-48 on the offshore exploration. Conservatives and NDP voted against it. Next came a Bill on the excise tax which was passed by a voice vote, then a Bill on the National Energy Board also passed by a voice vote. Then we had Bill C-75 on home insulation, passed by a voice vote. Another home insulation Bill was passed by a voice vote. Bill C-77 on oil substitution was passed by a voice vote. National Energy Board amendments and Bill C-87 was passed by a voice vote. Bill C-101 to increase Petro-Canada's power, the NDP voted for it and the Conservatives voted against it. That is one. Next came Bill C-102 which dealt with the Department of Energy. Both the Conservatives and NDP voted against it. Bill C-103, the Petroleum Administration Act, the Conservatives and NDP voted against it. Bill C-104 concerning the Petroleum Incentive Program, the PIP grants, the Conservatives and NDP voted against it. Bill C-105, the Business Corporations Bill, the Conservatives and NDP voted against it. Bill C-106, the Energy Monitoring Bill, the Conservatives and NDP voted against it. Bill C-107 the Motor Fuel Bill, the Conservatives and NDP voted against it, and Bill C-108, amendments to the National Energy Board, the Conservatives and NDP voted against it.

I would like the Page to take this list and give it to the chairman of the Alberta caucus so he can see the truth.

Actions by the Government have been band-aid actions. For example, when was removal of the Petroleum Gas Revenue Tax done? It was done just before the Pembina by-election. That looked like a reaction to a strong NDP challenge which people recognized in Alberta. Another example is the loan guarantees to Syncrude, largely symbolic, but important for the West. It is important that those guarantees be given even after they were hinted at and almost promised. People were disappointed about that.

Then there is a certain degree of stupidity. The Minister of Energy, Mines and Resources (Mr. Masse) is spending most of his time on matters that are irrelevant to Alberta. He is bringing Francophones into his department, something which needs to be done, but that is not the top priority. We have an oil crisis in Alberta. The Minister has instituted a $3 million study on energy. Who is going to do it; apparently a Mr. Tom Kierans, a former associate of the Big Blue Machine in

Ontario, a Toronto businessman. Western Canadians, specifically Albertans, do not want Toronto businessman studying their oil industry. They have made lots of suggestions to the Government.

We have raised the matter of Dome Petroleum, an important issue with which the Minister of Energy is dealing. We New Democrats have opposed the Amoco take-over of Dome. We think this is a backward step. Just when the west is trying to get out of a dependant relationship with eastern Canada and the United States, the Government, in contradiction to previous policies, reduces the level of Canadian ownership from 50 per cent to 40 per cent with this one deal. That means when the oil glut ends in the 1990s the multinationals will again be the beneficiaries, and the ordinary Albertan and the small oil companies will lose out.

How much time do I have left, Mr. Speaker?

• (1140)

The Acting Speaker (Mr. Paproski): Your time has just expired. Questions or comments? Debate.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I thought I had more time. I realize that you were signalling that my time was up but I thought, as lead-off speaker, that I had more time. Perhaps I could ask permission of the House to have two minutes to sum up? I want to sum up by making positive suggestions.

The Acting Speaker (Mr. Paproski): Does the Hon. Member have two minutes to sum up his remarks?

Some Hon. Members: No.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I say to the Hon. Member that when I conclude my remarks I will be more than happy to entertain at least two minutes of questions from the Hon. Member so that he can complete what I thought was a very useful and intelligent description of some of the important issues facing this House.

In the last three or four months this House has had the occasion, mainly through opposition resolutions, to address a series of motions dealing with the issues facing western Canada. We introduced a resolution in December and one in the new year. There was a three-day farm debate and now we are dealing with a resolution presented by members of the New Democratic caucus.

In each of those debates we attempted to describe a deteriorating situation in western Canada, to provide some clear warning of the consequences for the entire country, and to prescribe some responses to it.

I must say that what we have received from the Government in return has not been particularly rewarding. The only result we have seen so far is the latest tour of the Prime Minister (Mr. Mulroney) who went to western Canada for a three-day shopping centre visit where there were controlled crowds, with limited exposure. There was no real attempt to come to grips with the issues by dealing with the problems that exist there.

While we could go over the many statistics that the Hon. Member for Vancouver—Kingsway (Mr. Waddell) has just provided, I think it is perhaps much better to look at the situation as one would look at a series of pictures, to more graphically illustrate the kinds of difficulties people are facing in Alberta and western Canada.

I was struck by an article that appeared in the *Calgary Herald* on May 18. It is entitled: "Idle Nisku shocks Tory tour". It describes how a group of Tory Members of Parliament from other parts of Canada visited Alberta and found just how bad things were in the oil service industry. The article states:

> "I thought it was a lot better than that", Jean-Guy Guilbault, MP for the central Quebec riding of Drummond, said after a brief tour around the depressed Nisku industrial park.

Mr. Schellenberger: Your National Energy Program crippled that park.

Mr. Axworthy: Now we hear from the Members of Alberta the time honoured refrain that it was the NEP that did it. Let me pose an interesting question to the Hon. Members from Alberta. Why was there far less drilling activity last year than there was in 1983, 1984, and 1985 when the National Energy Program was in effect? If their policies were so brilliant and insightful, why had the oil industry, which had a capital investment of over $9 billion in 1985 when the NEP was still in effect and just beginning to be dismantled, failed by $4.5 billion by the next year?

I suggest to the Hon. Member for Wetaskiwin (Mr. Schellenberger) that when the National Energy Program was in effect there was $9.5 billion of capital investment going into the oil industry. When his Government came to power and began to dismantle that program, the result was 50 per cent less drilling activity and $5 billion less in capital investment in that industry. The Member shakes his head, but those are the facts.

Mr. Schellenberger: Not all the facts.

Mr. Axworthy: Perhaps we can see the problem. The Hon. Member for Vancouver—Kingsway properly pointed out that Tory Members of Parliament, with one or two exceptions, are incapable of seeing the facts. They do not have the capacity to remove their ideological blinders that have so mesmerized them over the years. Their problem is that they made the worst political mistake by believing their own propaganda, therefore ignoring the reality in the region they are supposed to represent. Consequently, they try to find scapegoats, try to blame others, and try to find external reasons for the problems, such as something in the past, rather than facing up to the reality that after two and one-half years in Government the resource commodity economy in western Canada is in a serious slump and has been decoupled from the economic growth in the rest

of Canada. They have failed to realize that a solution to these problems requires an effective and imaginative response.

We hear the same refrain, that the NEP is at fault, each time there is a downturn in the oil industry. Those Conservative Members express the school yard, juvenile addled pratter, "The devil made me do it". They are not prepared to accept their responsibility as a Government and come to grips with the real problem. They are trailing in the polls in western Canada because western Canadians are discerning and know when they are being given a con job. They know when the Government is not prepared to fulfil all those promises it had made.

Let us consider agriculture for a moment. There was an interesting article in *The Western Producer*, written by a very distinguished journalist whom I believe all Members would admit is someone with much integrity. Mr. Barry Wilson pointed out that when the Conservatives were trying to gain power in 1983-84 they said they would far surpass the record of the Liberals in developing the agriculture export field. They cancelled Canagrex because they said they had a better way to proceed.

As Mr. Wilson pointed out in his article in *The Western Producer* on May 7, agriculture exports are way down. He said:

> —instead of an $11 billion increase in farm export values, government officials now predict the value of exports in 1987 will be almost $1 billion below 1984 exports of close to $10 billion.

An Hon. Member: It is the price of grain.

Mr. Axworthy: Of course there is a problem in the international export market. Of course prices are down. However, what is the Government doing about it? The farm groups have been saying for months that they need a substantial cash flow in order to make up the difference and enable them to stay on the farm. Mr. Mulroney goes out and says—

Mr. Malone: Order.

Mr. Axworthy: I am sorry, the Prime Minister. I think I can be excused if at times the gentleman who occupies the post of Prime Minister is not seen that way in my eyes or in the eyes of most Canadians, because he does not adequately fulfil that responsibility.

As an example of the pleas coming from people in Alberta, let me refer to a group from the Lethbridge area, comprised of municipal councillors, reeves, members of the farm review boards and members of agricultural organizations. They came to Ottawa to try to persuade the Government to respond. They received a five-minute meeting with the Minister of Agriculture (Mr. Wise), and that was the extent of his commitment to those farmers representing 20,000 farmers in that area. They said they needed a clear commitment of a deficiency payment so that they could tell their bankers they were able to stay on the land. They said they needed some restructuring of the farm debt credit problem. What did they receive? They received a visit from the Prime Minister. One of those people gave me a message to bring back to the House of Commons. Don't send the Prime Minister, send cash instead.

• (1150)

It is not a matter of deciding who is to blame. We know that the commodity industry, the backbone of the western Canadian way of life, is bleeding heavily. If that is allowed to continue, if the economic base of western Canada shrinks further, then it will never recover. The Government has the responsibility of responding to that problem. It is not someone else's responsibility. There is not another Government around. There will be in about two years but right now the problem is—

Mr. Scowen: Dream away.

Mr. Axworthy: Anyone who is standing at 23 per cent in the polls has nightmares, not dreams. I am sorry, the governing Party of Canada is now at 26 per cent and running third in western Canada. That is a great accomplishment.

I again plead with the Government to look at the facts and the consequences. It is not a matter of statistics or just saying the industry is in trouble. Look at what is beginning to happen. We had an announcement this week from the Alberta Minister of Health that as a result of the downturn the province is going to cut back on medicare payments. What is it that the province will not pay for anymore? It is podiatry treatment. Who uses podiatrists? Old people. That enlightened Conservative Government of Alberta says it is no longer going to provide support for the medical treatment of older people who have problems with their feet. What does the federal Minister of National Health and Welfare (Mr. Epp) say? He has been given the responsibility for health in this country by legislative mandate. He says that is okay; why not? We have to look at that in human terms. We have older people who no longer feel they have the right to get proper medical treatment. Why? Because of the abdication of responsibility by various levels of Government.

Let us look at another issue which was not included in the Hon. Member's resolution, but which should have been and I understand why it was not. The NDP position is to abolish the Senate. They do not believe in it. The fact is that a majority of westerners, I would say, have come to the conclusion that the only way they will ultimately get the kind of attention they deserve and a fair deal in Confederation is through Senate reform. Senate reform has been endorsed by the Conservative Government of Alberta, by my Party, and a wide variety of groups. The federal Conservatives are conspicuous by their absence from that coalition but, nevertheless, it is now clear that the thrust towards Senate reform may be in jeopardy.

The ability to bring about the kind of constitutional amendment necessary may have been put in peril. The fact is that the Government has decided to pass control of a federal institution to the provincial Premiers. That will substantially alter the nature of this federation. It means that a federal

institution reflecting the interests and concerns of the regions has been put in jeopardy.

It is striking that the kind of questions raised on that issue by my Leader and others have not been raised by Conservative Members from the west. You would think they would want to make sure that we have a proper opportunity to examine constitutional proposals in this House, that we have a committee determine whether the proposals ensure that we have meaningful Senate reform.

Once again I echo the words of the Hon. Member for Vancouver—Kingsway who said that this is a story of the silent 20—perhaps the silent 40. When the time comes to fulfil their responsibility to their constituents to raise issues from a national perspective they are found silent and wanting. Instead they play with trifles. They find all kinds of extraneous issues with no relevance to the real meaning of what is happening in western Canada today.

We have heard now for six or seven months, I suppose, that one day the great economic diversification plan for the west will be revealed. The Deputy Prime Minister (Mr. Mazankowski) put a group of 20 civil servants in the abandoned science building in Winnipeg, which the Government closed down even though it would have given Canada the most up-to-date robotics research centre in the world, to develop a diversification program.

There is a certain irony there that even Tory Members might be able to understand. The Government was going to come up with this grand blueprint. However, it will not have any money attached to it. It will be a grand balloon. I suppose the Government is going to do what it did with free trade, put out a fancy colour pamphlet and put it in the shopping centres along with *The National Inquirer* and *People* magazine to tell everyone what a wonderful blueprint it has for delivering the goods. Except there will be nothing meaningful in it.

I see the Minister of Employment and Immigration (Mr. Bouchard) sitting there in all his glory. The unemployment rate in Alberta has gone up 3 per cent or 4 per cent since the Government was elected, but the amount of job-creation funds has not changed. The amount of money going to training programs has been cut back. That is the Government's response. There is effective Government for you! There you really see a Government that knows what it is doing! The Government likes to stand logic on its head.

Mr. Malone: When you point your finger at—

Mr. Axworthy: Unfortunately the Hon. Member cannot point a finger at his head because it is too pointed. Every time he does so he misses.

The real issue—

Mr. Bouchard: Everyone remembers when you were the Minister!

Mr. Axworthy: They do remember. As someone said when the Government brought in its refugee program, I was the last Minister to have control over my own department.

Mr. Bouchard: We had the worst rate in Canada with you.

Mr. Axworthy: The last one to have control over his department. Now we simply have a cipher who does not know what he is doing, but brings in the worst refugee program in the western world. He hardly should be shouting from his seat about grand accomplishments.

• (1200)

Let us talk about what the ultimate result of this should be. It is very clear that there must be announcements dealing with the agricultural crisis. We do not want Ministers responsible for trade and the Wheat Board holding press conferences to say how they will solve the long-term problem. Keynes once said that in the long term we will all be dead. The fact of the matter is that the problem exists in this crop year. It is necessary to have an announcement on deficiency payments now in order for farmers to plan their crop year.

There must be something more than a Kierans-type review on oil and gas policy and that will be addressed by my colleague, the Member for Cape Breton—East Richmond (Mr. Dingwall), later in this debate.

Most important, there must be a real economic development plan for the west which is worked out with westerners rather than in an isolated think-tank of civil servants which the Deputy Prime Minister has put together.

Finally, the ultimate test for the people of Alberta and those of us on this side of the House will be when the Government is prepared to say that it is committed to true Senate reform which will recognize the necessity for the regions to be equally represented on the national level, not from provincial Governments.

Mr. Waddell: Mr. Speaker, that was an excellent speech. I think the Member is right that the Conservatives are fighting yesterday's battles. We have to fight today's battles in the west. The Government could offer aid to the Husky up-grader. It could plan the next tar sands development with private or public companies or a combination. The Government has all these tools. It could aid small oil companies with a price regime which would help them. It could ship Alberta coal, which is cleaner burning, to Ontario.

The federal Government as well as the Alberta provincial Government could stop squeezing the domestic demand in Alberta. We learned from British Columbia that when restraint is put on when the economy is going down it only accelerates the worsening of the economy. Therefore, there are lots of things that could be done.

Peter Lougheed, former Premier of Alberta, and the late Grant Notley, former Leader of the Opposition there, spoke about using Alberta capital and economic diversification. I

believe that the key for western Canada in the long run has to be in economic diversification.

Does the Member not think that perhaps the focus on Senate reform, institutional reform, will take away from the economic reforms which are needed in western Canada? How does he see the two relating? Does he not think perhaps that the emphasis should be on economic reform, economic diversification, using the tools which we presently have rather than focusing on institutional reform of the Senate?

Mr. Axworthy: Mr. Speaker, I do not see economic reform and political reform as being contradictory. In fact, I see them as integral and connected parts of the same plan. The federal Government is a major reason for development in western Canada, and it has been historically from the time of the first railroads to the development of infrastructure programs, including highways, airports and others.

We are now into a new generation of reform which requires the federal Government to invest in science centres and research and development. It must provide the opportunity for western Canadians to become part of a new kind of economy based upon electronics, science, and various forms of high technology fields.

Unfortunately we in western Canada do not have the corporations to do that for us, aside from some of the big oil giants. Most of the economic base in western Canada is concentrated in small and medium-sized businesses. They do not have the resource capacity to have huge research laboratories. We do not have huge General Electric or General Motors plants in the west. Therefore, public sector investment has always provided that kind of support.

In order to make that happen there must be a clear willingness and ability by the federal Government to make those investments, to ensure that there is an equal distribution of procurement and investment in the scientific and technological facilities. There must be political will here in Ottawa to ensure that that takes place. I do not think that will exists, regardless of which Party is in power. We have one House comprised of seats based upon population. With the geography we have in Canada it is not always possible to ensure that there is equity in that system. That is why every other federal system has an effective second Chamber to ensure that there is balance in the distributional role of the federal Government.

I see the two as being very closely tied, as do most westerners. The matter was brought to a head with the CF-18 decision. There is no doubt that that had incredible importance in western eyes because they saw it as an unfair political decision against the proper and rational reasons why that major facility should have come west. They see it that way and they realize that those kinds of decisions are less likely to be taken if there is a second Chamber with elected and more equal representation to ensure that the political balance wheel is not out of whack.

We know that Senate reform is a long-term solution but it is symbolically very important for westerners to see that the rest of Canada is prepared to respond to what they see as a major system of disadvantage at this time. We know that psychology and symbolism are very important in politics. I do not think any Member of this House wants to see the emergence of a western separatist party. We want to argue these issues out among national parties, but if the national parties are seen not to care over a period of time about one region of the country, that will provide the stimulus for a separatist movement to emerge. It would be tragic if that took place in this country. That is why I believe that an economic reform plan and a political reform plan must go hand in hand.

Mr. Kilgour: Mr. Speaker, I am sure the Member read the editorial in the Winnipeg *Free Press* on the Meech Lake Accord and what it does to the prospects of an elected equal Senate. Does he subscribe to that editorial? Would he give us his thoughts on what he thinks the Meech Lake Accord does to the prospect of an elected Senate?

Mr. Axworthy: Mr. Speaker, rather than referring to the editorial in the *Free Press*, which I do not normally treat as a source of my opinion, I refer the Hon. Member to the speech given by the Leader of the Opposition (Mr. Turner) in this House during the debate. He said that when the exact language is put forward and we, hopefully, have the opportunity to have an active examination of it in this House, we will want to know whether the proposed amending formula, which in a sense provides for a unanimity principle, will provide a major blockade to the achievement of Senate reform.

I also raised the question of whether the proposal that the provincial Governments nominate Senate appointees may also provide a certain blockage. Once provincial Governments get used to the idea of having their own nominees it is less likely that they will be inspired by Senate reform based upon election.

Therefore, those items in the Accord must be very carefully examined. I want people who understand constitutional implications to appear before a committee of this House to give their expert opinion on whether the outcome will be as the *Free Press* predicts, that we would not have Senate reform if it proceeds. It is certainly a question which is in the mind of our caucus.

• (1210)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I guess my initial reaction to reading this motion is one of amazement. I am absolutely amazed at the gall, the nerve of the socialist party, with the support of the Liberals, apparently, from the last speech, to make that kind of motion. Where have those Members been if they do not realize that whatever problems exist are the result of the policies and programs of the previous Government supported by the socialist party?

I have been around here for a while. I remember the summer of 1973 very well when David Lewis who was propping up the Trudeau minority Government said, "You had

better do something about inflation or I won't be able to support you anymore". On September 8, 1973, Mr. Trudeau gave a speech. He did something about inflation all right, he put a price freeze on oil and wheat. That is what he did. He said, "We are going to fight inflation by freezing the price of products produced in the west", and David Lewis said, "That's good enough for me".

Then we had the energy wars, the price freeze and the export tax, where the Government said, "Don't worry, we are going to return it to the producers who own it". Then the Government said, "Well, we are only going to return half". Then it said, "We are not going to return any of it at all".

I remember the famous Budget of the Right Hon. Leader of the Opposition (Mr. Turner), then Minister of Finance, on May 8, 1974. The former Minister said, "By cracky, we are going to put those westerners in their place, those oil tycoons", and he made royalties non-tax deductible and the oil industry came to a grinding and screeching halt. I remember the applause from David Lewis and the Hon. Member for Oshawa (Mr. Broadbent). I remember that very well.

Then there was a little sanity for a period when Donald Macdonald took over as Minister of Energy. We had a little sanity for a few years and some growth. Then we had Allan MacEachen and Marc Lalonde who brought in that great new piece of national policy, the National Energy Program, which confiscated private resources by way of the back-in, which introduced the Petroleum and Gas Revenue Tax, the natural gas and gas liquids tax, the petroleum compensation charge, the special compensation charge, the Canadian ownership charge and the export tax, *ad nauseam*.

Where were the socialists? They said, "Good for you. We have to put those multinationals in their place. We have to put a stop to this abuse". They brought the west to its knees. An economist at the University of Calgary estimated that over the period from 1974 to 1984, $50 billion was drained out of the western economy as a result of policies which the socialist party supported every step of the way. I was here and heard those debates.

We were elected on a promise made to the whole country that we would remove the National Energy Program and we would restore world prices, and we did. The best year ever was 1985. Yes, world oil prices collapsed in 1986, but we acted. We accelerated the removal of the rest of the PGRT and introduced the small producers program.

What about the people who work in that industry? What do they have to say about it, the people who know? How about the Canadian Association of Oilwell Drilling Contractors, which is in the service sector, and members were just talking about its difficulty? What does it have to say? In a letter dated March 31, 1987, it states:

> The announcement by the Hon. Marcel Masse on March 25, 1987, proved that the Government of Canada was aware of industry's plight and was prepared to act very decisively to create a program of assistance through renewed investor interest.

The people who know say we have done the right thing and applaud us. The socialists and the Liberals, who do not have a clue about what is going on out there, say we have not done anything. How about SEPAC, the Small Explorers and Producers Association of Canada? In a letter of March 27, 1987, it states:

> Mr. Masse's program meets or exceeds all of SEPAC requirements. More importantly however, the package reintroduces fairness and equality into our system.

That is what people who know are saying about the programs we have introduced. Compare that to the Grit-socialist record. People out there have not forgotten. That is why in Alberta we talk about polls but the polls the NDP talk about do not exist in Alberta because Albertans know that this Government has acted.

The point was made by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) that we should not look at the past but to the future. He asks us what we are today. Let us look at today. I was born and raised in Alberta and for as long as I can remember, and according to my teachers and parents for as long as the province has existed, there have been three burning issues in the west; there have been three major complaints about what it was getting out of Confederation. The first is resource policy, because when the provinces were formed they were not given the constitutional responsibility for resources. That only came in 1935 as a result of a Conservative Government. The energy policies, as we know from the NEP and the policies which preceded it—that David Lewis insisted on—still enabled the federal Government to abuse the resources of western Canada when it so chose and it chose to do it during that period, with the support of the socialists.

There are the other two issues of particular relevance today. For as long as anyone in the west can remember the complaint has been about the trade situation in the country, that everything the west produced had to be sold at world prices and everything we bought had to be at higher than world prices from behind tariff protected laws. The demand for fairness in that trade situation *vis-à-vis* the rest of the world has been a constant demand in the west since the provinces were formed in 1908. We are acting on that. This Government is acting through these free trade negotiations. We are addressing an historical Albertan complaint, but where do the socialists and the Liberals stand on this historic Albertan complaint? They stand on the other side, all the while claiming they are concerned about the west, and Alberta in particular. What hypocrisy.

There is another issue which goes back to the formation of the province and has been there as a burning and frustrating concern to westerners, and that is transportation. The transportation system made it very difficult if not impossible for western industry to compete, because of the set of regulated rail rates and so on. Everything was f.o.b. Alberta if we were exporting and f.o.b. Toronto if we were purchasing. The rates made it impossible to compete. That is being addressed with Bill C-18 and Bill C-19 by this Government. Where is the

socialist party on this issue? It is opposed. It is with the CPR, for crying out loud.

This historical 80-year old issue for western Canada is being addressed by the Government and the socialists are opposed, all the while claiming they are interested in the west. What absolute utter hypocrisy. They do not have a clue what westerners want or what Albertans want. They do not have a clue about what is going on in Alberta today. Are they aware that 35,000 jobs were created in Alberta since the election? Are they aware that the unemployment rate was 12.1 per cent in September of 1984 and it is now 10 per cent? The unemployment rate in Alberta has dropped to 10 per cent. Total unemployment fell by 26,000 since September, 1984. Are they aware that the value of building permits in the first month of 1987 was up 29.3 per cent compared to the same period in 1986 and up 7.2 per cent compared to 1985 and up 12 per cent compared to 1984? The value of building permits is up. Are the socialists aware that housing starts in 1986 were up 5.5 per cent compared to 1985 and up 22.4 per cent compared to 1984 during the National Energy Program activity? Are they aware that last month there were more houses sold in Calgary than at any time in the history of that city, and that prices are rising?

• (1220)

Mr. Althouse: They are all leaving.

Mr. Andre: Are they aware of that fact? Are they aware that retail sales in Alberta, on a per capita basis, are the highest in the country, higher than in Ontario? Are they aware of that fact?

Comparing 1986 to 1981, are they aware that there was a much smaller reduction in farm families in Alberta in 1986 than in any other province of the country? Comparing 1986 to 1981, there was a drop of .5 per cent in the number of farm families in Alberta in 1986. In Ontario, the figure was 11.8 per cent; in Nova Scotia, 15.1 per cent; in British Columbia, 14.7 per cent. There was a smaller reduction in farm families in Alberta than in any other province of the country in that period.

Are they aware of those facts? Hardly. Had they been aware of them, they would not have had the nerve to introduce this motion.

Mr. Waddell: What about the Conference Board?

Mr. Andre: Mr. Speaker, they simply have not a clue about what is going on in Alberta, or the rest of the country. I have read a statement of the Leader of the New Democratic Party (Mr. Broadbent) to the effect that the jobs we have created have had no regional impact; that 94 per cent of the jobs created were in southern Ontario, around Toronto.

An Hon. Member: Absolutely false.

Mr. Andre: That is what the Leader of the New Democratic Party has said.

An Hon. Member: NDP distortion.

Mr. Andre: If he had any clue about what was going on, he would realize that that is nonsense. In fact, something in the order of 40 per cent of the jobs created were located in Ontario, with 28 per cent being in the Province of Quebec and 23 per cent in the west. In fact, the distribution of new jobs equates approximately to the distribution of the population of the country.

The Prime Minister (Mr. Mulroney), and every spokesman for this Government, recognizes that in fact regional disparity in this country remains a problem. But, it is not helpful to have the dauphin, the heir apparent, the guy who is buying the Gucci shop in anticipation of his move to 24 Sussex, going around making these absolutely false statements.

And talking about false statements, I heard the Member for Vancouver—Kingsway (Mr. Waddell) state in his speech that if Amoco takes over Dome, there will be a drop in Canadian ownership of the oil and gas sector to 40 per cent. Again, I urge the Hon. Member to learn some facts before making statements in the House.

An Hon. Member: The NDP do not know facts.

Mr. Andre: In 1984, ownership of the oil and gas industry stood at 42.5 per cent Canadian, with control at 40.5 per cent. As of today, the ownership level is at 47 per cent, with control being at 48.4 per cent. In the event that the Amoco deal goes through, the ownership will be 43.7 per cent—still higher than in September, 1984; and the control will be 41.1 per cent, again higher than the level in 1984.

The statement by the Hon. Member for Vancouver—Kingsway that in fact we are reversing things somehow from that great wonderful period when we had the Liberals and the NDP in their coalition, is simply false. It is simply false, Mr. Speaker.

Mr. Althouse: The notion of a coalition isn't exactly true either.

Mr. Andre: What the Hon. Member for Vancouver—Kingsway says is simply not the situation at all.

Let us look at what this Government has done for western Canada. We have had all of these false statements from the Opposition as to what the situation is today—

Mr. Althouse: We are simply quoting the figures of the Conference Board of Canada.

Mr. Andre: The Conference Board is trying to predict the future.

We have had all of these false statements about what the situation is today, and how we got to that situation. The explanations given by both opposition Parties were false and misleading. Let us have a look at what in fact this Government has done. Let us look first at the energy sector, in terms of over-all figures.

In 1983, the federal Government collected directly by way of taxes from the oil and gas industry, primarily located in Alberta, $4.7 billion. That was in direct taxes. Additional billions were lost as a result of the paying of less than world price. But directly by way of taxes there was an extraction from that part of the country of $4.7 billion. In 1986, that was down to about $400 million, or a reduction of approximately $4.3 billion.

Mr. Waddell: Where did all the money go?

Mr. Andre: That money is staying in Alberta, producing, among other things, the record housing sales that are now being experienced. It accounts for the high level of retail sales in Alberta, a level higher than anywhere in Canada. House sales in Alberta last month were the highest in the history of that province.

Let us look at the agriculture sector. In 1983, federal contributions to farmers amounted to some $300 million. In 1987, it is estimated that federal contributions will be $2.5 billion, an increase of roughly seven to eight times the 1983 level.

How can anyone in their right mind, Mr. Speaker, say that under the Liberal-NDP coalition, the west was doing well; that the west was getting favoured treatment from Ottawa, and it is only under the Tories that the west is being abused?

These are the same Tories who have raised the farm support from $300 million to $2.5 billion; these are the same Tories who cut back on taxes from the oil and gas sector from $4.6 billion to $400 million.

The list goes on and on, Mr. Speaker. I do not think I will have time to go through the entire list.

Western Grain Stabilization Act payments are estimated to be $859 million this year, and last year amounted to $522 million. We had crop assistance payments of $150 million and $60 million in respect of emergencies and disasters. We also have the new grain deals with the U.S.S.R, Brazil, and Egypt.

Just this week we have had evidence from the OECD of the success that this Government has achieved in respect of the problems of western Canada. For the first time the OECD is looking at agriculture subsidies, and the rest of the world recognizes that this examination by the OECD flows from a Canadian initiative. It was the Prime Minister of this country who raised this issue at the Tokyo Summit; it was the Prime Minister of this country who instructed his Ministers to ensure that the question of agricultural subsidies be placed on the agenda of the GATT meetings.

It is under this Government that these long-standing problems, problems which had been left to fester, are finally being addressed. The members of the Opposition know in their souls that this is happening. Under the previous Government, it would have cost $11 a tonne to ship grain, in comparison to a cost last year of $6 a tonne.

The list of programs we have put in place is of such length it is difficult to know where to start. The establishment of farm debt review panels is but one example.

The members of the Opposition talk about agricultural debt. Yes, indeed, there is a lot of debt; and yes, indeed, the degree of debt has been a problem for agriculture across the country. As is apparent from the statistics, a lot of farmers have gone out of business all around the country as a result of farm debt and interest rates, but less so in Alberta than in the other province of the country. We have done something about this problem. Interest rates are down, and the consequent savings to the farmers are enormous.

The Hon. Member for Vancouver—Kingsway notes the high percentage of debt in his motion. Given the high percentage of debt, he ought to recognize the tremendous benefit accruing to debt holders as a result of the reduction in interest rates.

Mr. Althouse: I suppose the reduction in grain prices is a big help, too.

An Hon. Member: There he is, the Saskatchewan Rhodes Scholar.

Mr. Andre: The socialist opposite says it is the fault of the Mulroney Government that grain prices have gone down.

Mr. Althouse: No. You were talking about what has gone down. You put interest rates on an open-market basis, and they went down. So did grain prices. Open market!

The Acting Speaker (Mr. Paproski): Order. The Minister of Consumer and Corporate Affairs (Mr. Andre) has the floor.

Mr. Andre: Mr. Speaker, on the one hand they say we do nothing; on the other hand, they attribute to Prime Minister Mulroney the incredible power to control the world economy in grain.

Mr. Althouse: You are taking the credit for the fall in interest rates, a world situation.

Mr. Andre: We will take responsibility for all of our actions, for all of those matters over which we have control, and we will put our record of performance in terms of helping those hurt by events beyond our control against that of any other Government or Party.

• (1230)

If the Hon. Member were concerned about farmers, he would have been supporting free trade and amendments to the Transport Act. If he were concerned about the west, he would have supported those issues.

We refuse to take responsibility for rain on weekends or for the policies of the EEC, because we have no control over those policies.

Albertans know very well that the Government has been very responsive. Yes, indeed, things have been tough with the

collapse in grain prices. I should mention parenthetically that the livestock industry is doing fairly well these days, and it is an important part of Alberta agriculture. Yes, indeed, the oil industry is hurting as a result of the collapse in oil prices in 1986. However, the people in the industry know that we have done as well as could be done. If we compare the damage in Calgary with the damage in Houston, for example, we see that in fact we have actually done considerably better, relatively speaking, because of what the Government has done.

If we look at the facts on farm incomes, individual incomes, jobs, and so on in terms of Alberta, we have actually not done bad as a result of the actions of the Government, given the circumstances. If the opposition Parties would be less obstructive and would co-operate in terms of free trade, transportation, and energy policies, we could restore to the west and provide for the west the kind of future which the people and resources out there are capable of producing. If it is not with the co-operation of the Opposition, then it will be in spite of the opposition of the Opposition, because we are determined to do it.

Mr. Gormley: Mr. Speaker, I have a brief question for the Minister. However, by way of preface I should like to thank him for his excellent remarks in respect of the motion. As a Saskatchewanian I have a particular interest in what the Opposition was saying about western Canada.

The thrust of my question to the Minister is, can the NDP, in suggesting this motion, be trusted in Alberta and trusted in western Canada?

As a western Canadian one sees three bizarre contradictions among many others in NDP policy. Those of us in the west who have historically been discriminated against by tariff barriers and who want free trade as an economic salvation to western Canada find ourselves blocked by the NDP and its big labour partners in Oshawa, those unions and people who wish to hold western Canada back.

If we look at foreign investment and what it has done for the oil patch in Alberta and in Saskatchewan and the thousands of jobs it has brought, there again the NDP tries to fight jobs and development for western Canada.

A point to those of us who are concerned with the farm economy is that when we have difficulty with the grain handlers we hear the NDP bleating and whining. We have to point out that there are seats on the NDP executive which are occupied by the Canadian Labour Congress. It becomes very difficult to deal with the NDP inconsistencies in labour policy when we look at the grain handlers who have often jeopardized the very life-blood of the Saskatchewan economy.

Given those three bizarre contradictions, my question to the Hon. Minister is, who would trust the NDP in western Canada?

Mr. Andre: Mr. Speaker, only the most gullible. The Hon. Member is absolutely right.

I have often wondered how the Leader of the New Democratic Party manages to straddle the policy issue when he applauds the investment of foreign-owned General Motors in Oshawa and says that it is good for Canada, that it means jobs, but when it comes to investment by a foreign company in the oil industry in Alberta he says that it is terrible for Canada. Why is it that a job with a foreign-owned company in Oshawa is in the national interest, but a job with a foreign-owned oil company in Calgary is somehow not in the national interest? I wonder if some day the socialists could explain that to me in a way that I can tell an employee in Calgary that the Leader of the NDP has a clear view of the country. I would like to be able to do that some day.

As the Hon. Member said, how does one base trust? How does one decide whether to trust? We can do so on one's past performance and one's performance today, but we take a risk on the future.

Referring to their past performance, we know that during the period from 1972 to 1974 when the energy war started David Lewis was there propping up Pierre Trudeau. David Lewis supported the then Minister of Finance who is now Leader of the Opposition in that disastrous Budget of May 8. We know all that. The history is there. We know their performance in the National Energy Program. We know what they did, how they sat by and in fact applauded for all kinds of "national noble reasons" while the west was having the boots put to it.

However, we know that today the west wants free trade and deregulated transportation to address historical problems which have been a bane to development in the west since the formation of the provinces out there. On these two vitally important issues to the west, we know where the NDP is—it is opposed, opposed and opposed. Perhaps it is because Shirley Carr told them to be. I do not know, because it does not make any sense. I do not see how anybody who has concern for the west can be opposed to those two initiatives.

Mr. Malone: Mr. Speaker, I want to direct a question to the Hon. Minister who comes from Calgary Centre. Bearing in mind that members of the NDP, putting on their mask and being great pretenders—

Mr. Waddell: I rise on a point of order. Mr. Speaker, I wonder whether you intend to recognize any opposition Members or other party Members in this period.

Mr. Gormley: Are you questioning the Speaker?

Mr. Waddell: Yes.

The Acting Speaker (Mr. Paproski): Yes, I hope to, if time permits.

Mr. Malone: I might say parenthetically, Mr. Speaker, that you are a fine gentleman, but it is pretty hard to see people who do not stand up.

I want to ask the Hon. Minister about these great pretenders who pretend to defend Alberta and the west. I should like to refer to a direct quotation from their policy resolutions. The Leader of the New Democratic Party said that they stand by all of them and will not change their mind to court public opinion. How will the following resolution help the good City of Calgary and western Canada, "The phasing out of all oil exports to the United States and a ban on the export of current supply of natural gas"? What would that do to Calgary? What would that do to western Canada? What would that do to Canada?

Mr. Andre: Mr. Speaker, obviously that would be an utter disaster to western Canada. Presumably it would make the people in Oshawa feel more comfortable to have the west remain a kind of sump or storage tank for oil and gas, so his constituents in Oshawa would never have to worry about supply.

The jobs of people who explore for oil, do the drilling, the geophysical work, the geological work, the pipeline work, and so on, are not real jobs! I mean, a real job is working on an assembly line in a foreign-owned automotive company! Those are not real jobs out there? They are supposed to find enough and keep it in a storage tank so that the people in Oshawa, apparently, will not have to worry about security in the future, but if people in Alberta are put out of work because of those policies, too bad! They will show their sincerity by introducing absurd motions, all the while adopting policies at their conventions which would make the statistics real, which would cause that loss of 50,000 jobs.

The Acting Speaker (Mr. Paproski): The Hon. Member for Vancouver—Kingsway (Mr. Waddell) wishes to make a comment and ask a question.

Mr. Waddell: Mr. Speaker, I have a short comment and a question. I must say that this performance is beneath the Hon. Minister. It is full of half-truths and hypocrisy. It pits one segment of the country against the other. It shows a complete misunderstanding of the Auto Pact which forced reinvestment. It is a disgusting performance.

If the Albertan people, as the Minister claims, know very well what the Government is doing, why did they reduce the Government's majority in the Pembina by-election from 35,000 to 232 votes? Why did they do that?

• (1240)

Mr. Gormley: Who did they elect?

Mr. Waddell: Why did they do that?

Mr. Gormley: Who did they elect? They elected a Tory.

Mr. Waddell: Is he calling the Conference Board misleading? The Conference Board said that economic activity in Alberta in the last year fell; that economic activity decreased by .07 per cent. Is the Minister disputing that fact?

I know the Minister loves the past, I guess he wishes he were in opposition, he loves it. He remembers that time, but we are dealing with the here and now, not yesterday. What is his position on the Husky upgrader in Lloydminster? What is the Minister going to do about that? What is the Minister's position on the Amoco takeover of Dome Petroleum?

Mr. Andre: Very quickly on the question of the facts, Mr. Speaker. Yes, indeed, the collapse in oil prices and the collapse in grain prices have had an effect. There is no denying that. But the question is, has the Government reacted to that? Has the Government introduced programs? Has the Government responded favourably and impressively?

Mr. Gormley: The answer is yes.

Mr. Andre: The answer is yes. The numbers are there. The facts are there. If the Hon. Member and his Party were being honest, they would recognize that. They apparently feel there is no partisan advantage in being honest.

As to the Amoco takeover of Dome, I am very pleased that there is bidding for Dome. This is very bullish news for the industry. Dome has a large land position, as the Hon. Member might know but probably does not. He might know that in the oil and gas industry most plays, drilling of wells and so on, are joint ventures. Many companies have joint venture arrangements with Dome, and that has effectively sterilized lands because Dome is in no position to participate and take up its share. If there were an active owner of Dome that could manage those properties, like an oil company, rather than doing what Dome has done in the last couple of years, of trying to survive, it would be very bullish news for the west—

Mr. Gagnon: It would create jobs.

Mr. Andre: It would create thousands of jobs. The question which the New Democrats have to consider is whether they are willing to sacrifice those thousands of jobs that would be created through a successful takeover of Dome because of their concern over the foreign ownership provisions. That is the question. If we were to follow NDP policy and say no to this takeover, we would be putting in jeopardy thousands and thousands of jobs as well as many little companies in the service sector about which the Hon. Member expressed concern. That is what the Hon. Member has to bear in mind.

It is marvellous to sit in opposition in great sanctimony and to wax eloquent on these questions of foreign ownership, of Amoco and so on, and at the same time worry about jobs but not make the intellectually honest connection between the two. You cannot have it both ways.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Skeena (Mr. Fulton).

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to speak in this debate. We have just learned graphically why the

Minister and other Conservatives from Alberta are now known as the pathetic Conservatives in western Canada.

I was born in Alberta. My mom and dad were born in Alberta. My grandparents lived in Alberta. I have lots of aunts, uncles, cousins and all kinds of relatives who live in Alberta, most of whom used to be supporters of the Conservative Party, provincially and federally. They are not any more, almost to a one, and for good reasons.

The speech just given demonstrates clearly why Albertans are sick and tired of the rhetoric and malarkey coming from that Minister and the Alberta Tories. They go around saying, "Socialist this, red scare that. The socialists would do this or they would do that or did that." The old stories of fright and fear mongering do not work among Albertans any more. Albertans are much more intelligent, much more understanding and caring about Alberta and western Canada than the Tory Members want to give them credit for. Albertans now place their support as third for Conservatives. They place Liberals higher in their esteem than they do the Tories and they put New Democrats at the top, and I think for good reason.

Mr. Malone: In Alberta?

Mr. Fulton: Let me give an example of why Albertans are suspicious of where the Tories are coming from. Alberta has the lowest per capita acreage of parkland of any province in Canada. What are the Tory's response to that? They come to Cabinet and say "You should turn over the national parks to Alberta so that Alberta can have a parkland base". That is the kind of lack of vision that we have seen decade after decade after decade from the silent 20, as they are known in Alberta. What happens when one speaks out? What happened to the Member from Edmonton who spoke out? He got thrown out of caucus. But what happens to Tory Members who are involved in land deals or influence peddling or anything else? They get to stay in caucus. They get to hang around and continue to participate, but we know that if a western Tory tries to say the Government is not dealing with this or that bread and butter issue and speaks out, he gets bounced down the road.

Let me deal with the park issue for a moment because it is important to look at the silence of the Alberta Tories on issues related to the environment, on important national issues, such as parks. We have to understand that Albertans have a great love for the land, for the farmland, the foothills, for Jasper, Banff, for Wood Buffalo and other areas in the province. Why has there not been a single Alberta Tory Member talking about the national park system? Why have they not been a little more sensitive to this crazy idea of simply turning over the national parks so that a Don Getty and others can go around and crow saying, "Now we have all these marvellous provincial parks".

Why hasn't that Government with the Heritage Fund, and through other means, gone about acquiring some of the grasslands, acquiring part of the foothills, acquiring part of the Peace River, acquiring those areas of natural beauty so that Albertans can have a sound provincial and regional economic base in terms of tourism? I suggest it is for a simple reason that Albertans have now finally recognized. Tories have managed to get elected and re-elected. They have said that the reds are coming, that there is a socialist scare, that the socialists will take over the oil patch. They are going to do this and that, quoting from policies, 10, 15, 20 or 30 years ago. I do not stoop to that kind of stupidity, dragging out all Tory policies from the 1930s, 1940s or 1950s. That is the kind of low gutter politics which Tory MPs love to practice, going around telling half truths, saying, "Keep us in Government because if you had the New Democrats they would do this or that". As I said, Albertans are tired of the fear mongering. They have recognized that the silent 20 have become known in Alberta and in all of western Canada as the pathetic Conservatives.

Albertans have looked and they know what happened in Saskatchewan in the years of Tommy Douglas and Allan Blakeney. They know what good Government can bring at the provincial level. They saw what happened in British Columbia which brought in insurance policies and all kinds of other things that were good for individual ordinary Canadians in British Columbia. That is why the New Democrats are the Official Opposition in the Legislature of Alberta. After the next federal election they will hold a substantial majority of the seats in Alberta, I am quite convinced.

Mr. Malone: That is what you said in the last election and the election before that.

Mr. Fulton: We hear them crowing over there. Why is it that the 20 government Members have never brought forward any days of debate on the Alberta economy? Why is that, Mr. Speaker? Why is it that the Prime Minister (Mr. Mulroney) has sneaked out once since the election and sneaked through Alberta to a couple of specially selected meetings and then sneaked back out of Alberta and into British Columbia? The Tory caucus says "Brian, don't come to the west. Put Maz up. Put Joe up. Don't bring the Prime Minister out here".

Mr. Jelinek: That is not true.

Mr. Fulton: "We know that our popularity will simply go down, down, down. We know what kind of a Government you bring us".

Let me just use some of the figures that were used by the Minister for Consumer and Corporate Affairs (Mr. Andre). Statistics Canada pointed out that of the real new jobs created since the last Budget, there were almost zero in Alberta; 137,000 were created in all of Canada, with 132,000 of them in southern Ontario. Five thousand were speckled and scattered throughout the rest of Canada, with very few in the west.

The Minister says that they have created all these jobs in Alberta, but we are talking about net job creation. For every 10 about which the Minister was talking having been created in Alberta, nine were lost. That happened in almost every

single sector. The Minister pooh-poohs what the Conference Board of Canada has reported this week, that Alberta will have the worse performing provincial economy in Canada. Growth will be down for the second consecutive year, last year by .7 per cent and this year that is expected to almost double to a free fall of 1.1 per cent. The oil and gas sector has lost 25,000 direct and 25,000 indirect jobs in the last 12 months.

• (1250)

The Minister can go around Alberta and crow, saying this is marvellous, 50,000 jobs have disappeared, it is the bread and butter workers, the roughnecks, the people constructing pipelines and providing various kinds of technology to the oil patch, who know they are not taking home a pay cheque. They know they have the silent 20 here in Ottawa who are not addressing the problem on a daily, weekly or monthly basis.

Where is this famous western initiative fund? Where are all these famous proposals by these supposedly great Albertans who are standing up against the socialist hordes? The Conservative Government has the largest majority in Canadian history and it is unable to do anything in the west. It has no interest. Its only interest is in continuing to be re-elected.

Let us take another look at the oil patch. While upstream exploration and development revenues fell by 64 per cent in 1986 compared to 1985, revenues from the refining operations of the major integrated oil companies increased 110 per cent. The top five were all in the 90 per cent to 110 per cent range, with Texaco leading the way. At the same time the small Canadian-owned oil and gas companies that do most of the exploration were squeezed, in many cases squeezed out.

For decades Conservative MPs have returned to Ottawa time after time after time saying, "Give us a chance. When we are in Government we are going to do X, Z, and Y". I talk to Albertans all the time. I go to weddings and all kinds of things there. Most of my family still lives in Alberta. I am proud to say I was born an Albertan. As you probably know, I was born in Canmore, a small coal mining town just outside Banff, and many of my relatives still live there. I know what those people are saying.

In 1986 compared to 1985 the money spent on takeovers and acquisitions in the oil and gas industry rose by 60 per cent, from $2.2 billion to $3.5 billion. We know what is happening with respect to the Conservative investment policy. They love to sell out to the lowest bidder. If the Americans want to buy, come on in and buy all you want. Let the minnows take over the whales, let the whales take over the minnows. It is not creating any new jobs and in the future Canadians will reflect on this massive majority Conservative Government elected on September 4, 1984, and massively crushed in 1988, particularly in Alberta. Albertans are not fooled by the bombast of Ministers like the one who just spoke. Not anymore. You can drag all this socialist rhetoric out but Albertans drive to Saskatchewan. They know what Tommy Douglas and Allan Blakeney did. They know what good was done in British Columbia during the days of Dave Barrett.

Mr. Malone: Oh, oh!

Mr. Fulton: They know and put trust in what Ed Broadbent has to say. They know he has some vision of the west and how the country can really work. They know why medicare is good.

How many Conservatives in this House or in Alberta go out and tear up their medicare cards? We have the great socialist scare. All the Tories were saying this is terrible, the doctors will all leave and we will not be able to get our toe-nails clipped. Everything is going to collapse. B.C. brings in an insurance corporation and Alberta Tories say this is the end, free enterprise is finished. People who were buying car insurance, though, said this is not bad. Their insurance went from $800 a year to $400. They said these New Democrats seem to know what they are talking about. They are able to get insurance prices down and we like that. It is great to have free enterprisers running around saying you have to have free enterprise and pay twice as much for your car insurance or your fire insurance. Ordinary working Canadians are not fooled by that kind of claptrap and nonsense anymore.

Let us take a look at the farm economy. My colleague from Humboldt—Lake Centre has pointed out many times realistic ways of assisting farmers. We know about the U.S. Farm Bill. We know about the battles with the EEC. We know how you buy four bushels of wheat from them and you get one free. We know it is a serious problem for our farmers but we come forward with realistic solutions.

When it came to planting time we asked the Minister of Agriculture (Mr. Wise), the Minister of State for the Wheat Board (Mr. Mayer) and the Prime Minister whether they were prepared to give some kind of basic understanding to our farmers so that there would be some kind of additional funding at the end of this year. Do the Tories respond? No, they talk about the money given for the last crop year. They never want to deal with the real concerns of farmers.

Let us look at what has happened to farmland in Alberta. The average land value has fallen 50 per cent over the last five years. What does that mean to a farmer trying to get a loan to buy new equipment or fertilizer, trying to decide what to plant and where to plant, what to leave fallow? It does not help them. Albertan farmers had $5 billion in loans outstanding at the end of last year, 23 per cent of Canada's outstanding farm debt. In 1986, 800 farm families had to abandon their farms. In 1983 the figure was only 300. The Minister gets up and says, "We great Conservatives have brought down interest rates and we should take all the credit for that". We know our interest rates are a reflection of the international market, particularly the U.S. If the Government wants to take credit for falling interest rates, then it has to take some responsibility for the international market for grain. You cannot just say that is the international market-place. They say they will take credit for the good things but when it is bad, no, no, that is the NDP or the U.S. or the world, or because the moon rose on the wrong side of the earth.

That kind of pathetic and dishonest political reasoning is why Albertans are getting tired of the kind of claptrap they are always getting from their Tory MPs, whether from Crowfoot or Calgary or anywhere else. They are tired of the Tories always dragging out an old NDP policy and saying this was just printed. This is Ed Broadbent's latest position. That is malarkey. That kind of dishonesty is beneath what I would expect of any Member of this House, and not just here in Ottawa but as they travel around Alberta. Albertans are not dumb and they are tired of being treated as mushrooms.

Realized net income from farming declined by almost 40 per cent last year in Alberta. Serious steps have to be taken by this Parliament to deal with the real concerns of Albertans. Some 600 families are added to the welfare rolls in Alberta every month. That gives you some kind of indicator of what is happening in that economy. Unemployment is at 10.5 per cent. For those between the ages of 17 and 25, it is 17.5 per cent. That is almost one young person in five. That is totally unacceptable.

A country as wealthy as Canada simply cannot allow that to go on when large corporations, the great friends of the Tories, the great financiers, owe more than $30 billion in unpaid taxes from last year. The deficit was only $29.5 billion. Why does the Government not collect from those corporations? Why is it always going after the farmers with special tax audit teams, or the small business people or individual workers in Alberta?

We know the silent 20 from Alberta have not been speaking up for their constituents. Sadly enough Alberta now has the highest annual suicide rate of any province at 16.9 per 100,000. That is a true reflection of an economy in crisis. There is crisis in the family, violence in the family. People have given up all hope of ever finding a place in society. Farm suicides in Alberta rose from 15.1 per 100,000 four years ago to 40.6. It tripled in three years.

Let me deal with an issue which has been before this House for a long time and has never been dealt with in any way effectively by the Government despite the fact the Deputy Prime Minister (Mr. Mazankowski) has tried to get some publicity and take the lead. What about Alberta and B.C. coal? It is clean low-sulphur coal and can be shipped along those unused back-haul lines to Ontario.

Mr. Malone: Why don't you pass Bill C-18 and Bill C-19 so we can do that?

Mr. Fulton: Why does the Government support buying dirty American coal to increase the amount of SO2 and NO2 emissions in Canada?

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, the Hon. Member will have four minutes left in debate plus 10 minutes for questions and comments when we return.

It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

S. O. 21

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

AWARDS AND DECORATIONS

RAOUL WALLENBERG AWARD FOR HUMANITARIAN SERVICE AWARDED TO CANADIAN, MR. JOE STERN

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, it was with great pleasure that I learned today that Mr. Joe Stern, Chairman of the Refugee Advisory Committee for Canada, has been awarded the Raoul Wallenberg Award for Humanitarian Service. This is a very distinguished award for a very distinguished Canadian.

In my esteem there is no one in this country who deserves this honour more. As Chairman of the Refugee Advisory Committee, Mr. Stern has brought judgment, wit and, above all, compassion to one of the most difficult tasks performed by any public servant in Canada. He is responsible for deciding the fate of the homeless of this world. In that role he has represented Canada with understanding and care that know no equal.

At a time when the prevailing view seems to be to close our doors and get tough with refugees, Mr. Stern has provided the opposite example. He cares deeply about people and has won the admiration of all those who work in the refugee field.

There is a saying from the Talmud, "He who saves one life saves the world". Joe Stern is a living example of that philosophy. I hope he will be in a position to continue his service to refugees and to Canada in the years to come. I pay tribute to him today for a remarkable achievement by a very worthy person.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SUPPLY AND SERVICES

SUPPLIERS—INFORMATION SESSION ORGANIZED AT MONSEIGNEUR-MARCOUX CENTRE IN QUÉBEC EST RIDING

Mr. Marcel R. Tremblay (Québec Est): Mr. Speaker, I welcome this opportunity to bring to the attention of the House an event organized by the Department of Supply and Services that will take place in the beautiful riding of Québec-Est at the *Centre Monseigneur-Marcoux* on Friday, May 29. I am referring to an information session for suppliers in the Quebec City area which will concentrate on the anticipated requirements of various departments for goods and services and on purchase procedures.

I would like to point out that more than 450 businesses have already said they will attend, and I also would like to say that those who are interested may be registered locally with the federal Government's central file.

As the Member for Québec Est, I am anxious to make suppliers, both in my riding and Quebec City aware of federal purchasing requirements. My Government appreciates regional input, and the department's visit cannot be other than beneficial to the business community. The more the Government buys in our region, the more we have to produce and the more jobs we will create and preserve. Mr. Speaker, I am sure you will agree this is an excellent initiative.

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[*English*]

COMMITTEES OF THE HOUSE

INVITATION TO PREMIER OF NOVA SCOTIA TO APPEAR BEFORE SPECIAL COMMITTEE ON ACID RAIN

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, it appears that the Premier of Nova Scotia, Mr. John Buchanan, is going to refuse the invitation of the Special Committee on Acid Rain to appear before it to explain why Nova Scotia is the only province of those which were committed to entering into an acid rain abatement agreement with the federal Government which has yet to do so.

We should all realize that the fact that Nova Scotia has not yet come to an agreement with the federal Government is a blight upon the Canadian record. We want to be able to say to Americans, whom we want to act on acid rain, that Canada has its federal-provincial act together with respect to acid rain. Nova Scotia holding out in the way that it is is jeopardizing the Canadian position in this regard.

The committee only wanted Premier Buchanan, if he has justifiable reasons for holding out, to explain those reasons to the committee. His colleague, the Premier of New Brunswick, did that and I do not think it did him any harm. I think Premier Buchanan should reconsider his refusal and come before the Special Committee on Acid Rain on behalf of Nova Scotia.

* * *

HEALTH

PRESENCE OF TOXIC CHEMICALS IN NORTHERN FISH AND ARCTIC SEA MAMMALS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the distribution of chemical residues is a world-wide problem. Recently a Yellowknife conference was told of the presence of organochlorine compounds and alarmingly high concentrations of toxaphene, a now banned chemical formerly used in Texas cotton fields, found in fish livers from the lower Mackenzie River.

In addition, PCBs, DDT and other harmful substances have been discovered in the fatty tissues of sea mammals in the Arctic Ocean which, of course, is a source of food for the local inhabitants. Although the levels are generally lower than those considered to be dangerous to human life, these problems cannot be ignored. The Departments of Health and Welfare, Fisheries and Oceans, and the Environment, are to be complimented on their work to date and urged to continue with yet more diligence so that dangers to health might be averted.

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• (1405)

THE MEDIA

INACCURATE REFLECTION OF MEMBER'S VIEWS ON SOLIDARITY IN POLAND

Mr. John Nunziata (York South—Weston): Mr. Speaker, a Canadian Press story today regarding my recent visit to Hungary, Poland, and East Germany is not a fair and accurate reflection of my views of these eastern bloc countries.

The story says that, in my view, support for the trade union Solidarity is mainly from "Polish yuppies". This is simply not accurate.

In fact, I found that while support for Solidarity appears to have diminished since martial law was lifted in December, 1982, the movement continues to have widespread support in Poland in spite of the fact that it is outlawed.

The article erroneously leaves a negative impression of my views of Solidarity. While some people suggested Solidarity was not as relevant as it was in the past, in my view it has been and will continue to be the driving force behind the democratization and economic reform of Poland. Solidarity epitomizes the struggle of the Polish people for freedom and the recognition of human rights.

I have the greatest admiration and respect for Polish people and I am pleased with the direction in which the Polish Government is moving.

In this respect, I support the position that the Secretary of State for External Affairs (Mr. Clark) has taken, that even though the Government of Poland is more liberal than one might expect, the Government of Canada still has an important role to play in encouraging greater economic and political freedom.

THE ECONOMY

GOVERNMENT MEASURES TO ASSIST ECONOMY IN ALBERTA

Mr. William G. Lesick (Edmonton East): Mr. Speaker, the Alberta economy has long been dependent upon its natural resources as the major source of income. As a result, Alberta is vulnerable to shifts in world resource or commodity prices. As we are all aware, today the agriculture and oil industries are suffering.

However, our Government has been sensitive to the needs of Albertans. We dismantled the National Energy Program and eventually the PGRT. The Minister of Energy, Mines and Resources (Mr. Masse) recently announced a major cash incentive program that will substantially boost employment, investment and activity in the oil and gas industry.

This program will provide approximately $350 million a year in direct assistance to the industry. The Canadian Government will provide cash incentives of up to 33.33 per cent of exploration and development expenses in Canada, up to a maximum of $10 million in spending per company each year.

In agriculture, we have made support of western farmers a priority. This year alone, they will receive direct federal assistance worth over $2.5 billion, up from $2.2 billion in 1986. Alberta has been and will continue to receive a major portion of government agricultural assistance.

I am proud to be part of a Government that not only listens to the needs of Albertans, but is actually doing something about answering those needs.

* * *

MINES AND MINING

POSSIBLE CLOSURE OF RUTTAN MINE AT LEAF RAPIDS, MAN.

Mr. Rod Murphy (Churchill): Mr. Speaker, at this time 500 employees of the Ruttan Mine at Leaf Rapids, Manitoba, face the prospect of losing their jobs by September. If the mine closes at that time, the 1,800 residents of the northern community face the prospect of having to leave their homes, and their town.

The loss of the mine will deal a major blow to northern Manitoba's mining industry, which has had to exist precariously for several years in the face of slumping world prices for base metals. The loss of Leaf Rapids would force the relocation of 1,800 people and would adversely affect northern Manitoba's economy.

Whether one looks at the human cost or simply the economic consequences, the closure of the mine would be a tragedy for all.

The future of the mine and of the town itself depends on the successful negotiation of the sale of Ruttan to Hudson Bay Mining and Smelting Company.

S. O. 21

I call upon the federal Government to co-operate fully with the Province of Manitoba in considering any request for assistance, and to do anything it possibly can to ensure that Leaf Rapids has a future.

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[*Translation*]

THE CONSTITUTION

POSITION OF NEW DEMOCRATIC PARTY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Leader of the NDP in Quebec disagrees with his national leader.

Now that the 10 Premiers of Canada's 10 provinces and this Government have reached a constitutional accord, the NDP is still wondering about Canada's identity.

It is hard to imagine a member of the NDP in Quebec automatically becoming a member of the national party, because an NDP member who lives in Quebec does not seem to see Canada in the same way as a member who lives elsewhere in Canada.

This attitude is typical of all members of this Party and of all the NDP Members in this House. Not one of these comrades has taken a clear and unambiguous stand on the Constitution, on national defence or on the economy.

This bunch of radicals consists of a group of extremists: comrades, communists and socialists.

The only thing they have in common, Mr. Speaker, and this includes their provincial Leader in Quebec and their national leader, is that they are all prepared to prostitute themselves to take power.

* * *

CANADA POST CORPORATION

NEED FOR GOVERNMENT TO ENSURE POSTAL SERVICES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, first it was the members of the Conservative caucus who wanted to call out the army to deliver the mail. Then it was the President of Canada Post who said: Strike or no strike, we will deliver the mail. Now the Minister responsible for Canada Post is supporting these confrontation tactics. The Conservative Government is so anxious to follow Uncle Reagan's example that it is doing everything it can to have a postal strike, so it can lay off 60,000 postal workers.

Instead of being concerned about restoring to Canadians the postal services they have cut and about the fact that they are still depriving Canadians of these essential services, they are fanning the flames so there will be a postal strike in Canada. They should stop making irresponsible statements and concentrate on providing services.

S. O. 21

• (1410)

[*English*]

AGRICULTURE

RED MEAT INDUSTRY OF WESTERN CANADA

Mr. Bob Porter (Medicine Hat): Mr. Speaker, Canada's initiative to host a meeting of the Cairns Group of Agricultural Exporters reflects the lead role the Government is taking in seeking solutions to the serious agricultural trade situation facing the world today. As well, bilateral negotiations between Canada and the United States are important to Canadian agriculture if we are to secure U.S. markets and eliminate trade barriers.

As an Albertan and a producer of grain and livestock, I can assure you, Mr. Speaker, it is essential to the long-term viability of the red meat industry that western Canada have access to the markets in the Pacific northwest and California. Because of distance, changing markets and transportation costs, the flow of products is shifting in western Canada markets to the south. Canadian livestock producers have proven they can compete and in fact have a balance of trade in livestock and meat products in our favour.

Canada is a trading nation, in fact one of the world's great traders. We export more per capita than any of the world's major industrialized nations. The United States is our most important trading partner. Our trading relationship provides growing economic opportunities and work for millions of people on both sides of the border.

* * *

CHARTER OF RIGHTS

REFUGEE STATUS CLAIMANTS' RIGHT TO ORAL HEARINGS

Mr. Dan Heap (Spadina): Mr. Speaker, the Supreme Court of Canada ruled two years ago that under the Canadian Charter of Rights and Freedoms every person in Canada who claims to be a refugee from persecution in his homeland must have an oral hearing, that is, he must be present to have his credibility and facts judged by those who will decide his fate. However, the Minister of State for Immigration (Mr. Weiner) keeps declaring publicly that every claimant will be heard and seen by a refugee board member at the port of entry and will thereby receive his oral hearing as guaranteed by the Supreme Court.

That is not true according to the Minister's Bill C-55. For example, a claimant who comes from a so-called non-refugee producing country will never be allowed to tell his story to the board member. Again, a claimant who passed through a so-called safe country will never be allowed to state his claim to the board member.

The Minister's statements in public are plainly contradicted by the words of Bill C-55. His assurance that everyone will have an oral hearing as guaranteed by the Supreme Court is false. I call upon the Minister to withdraw Bill C-55 and bring forward a new Bill which obeys Canada's Constitution and Charter of Rights and Freedoms.

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[*Translation*]

ACID RAIN

SPECIAL COMMITTEE IN ROUYN-NORANDA—REQUEST OF INTERVENING PARTIES

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, on Tuesday, May 19, the Special Committee on Acid Rain went to Rouyn-Noranda to meet municipal authorities, the Chamber of Commerce, the Regional Council for Economic Development, the Environment Committee and the regional UPA. These groups made the committee aware of an environmental problem that is specific to Abitibi—Témiscamingue, namely the serious deterioration of our forests, lakes and land, as well as the fact that our maple trees are dying and acid rain is having an impact on human health. These same groups asked the Special Committee on Acid Rain, which is to go to Washington in a few weeks, to put strong pressure on the American Government and urge it to adopt concrete measures to reduce the air pollution that is a major source of acid rain in Abitibi—Témiscamingue.

The committee was very receptive to the various statements and promised to make the necessary representations.

I would like to take this opportunity to thank all the members of the Committee who agreed to go to Rouyn-Noranda and all the organizations who attended this meeting and who through their testimony are trying to improve the quality of life in Abitibi—Témiscamingue.

* * *

• (1415)

[*English*]

MEMBERS OF PARLIAMENT

MEMBER'S COMMENT ABOUT HAMILTON—APOLOGY REQUESTED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, yesterday in this House the Hon. Member for Mississauga North (Mr. Horner) made a comment about Hamilton which was not only derogatory but insulting to Hamiltonians.

The Hon. Member suggested that if one were to visit our fair city, one would have to wear a gas mask.

I find this remark offensive, and so do the people of Hamilton.

Hamilton is a beautiful city. In fact, there are several students here from Hamilton today who will attest to the fact that Hamilton is the centre of economic and cultural opportunity in one of Canada's most populous regions.

We Hamiltonians are proud of our city and of our accomplishments in the fields of arts and entertainment and sports. We are proud to bear the name "Steel City".

The Member's remark was not only unprofessional but insulting to one of Canada's finest cities.

On behalf of Hamiltonians and the Liberal Party, I would ask that the Hon. Member for Mississauga North apologize to the people of Hamilton.

Some Hon. Members: Hear, hear!

* * *

INDIAN AFFAIRS

BRITISH COLUMBIA NATIVE EDUCATION CENTRE—INCREASED FEDERAL FUNDING SOUGHT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, on May 14, the Minister of Indian Affairs and Northern Development (Mr. McKnight), in a press release, stated that education and training are his important priorities for developing self-government and economic self-reliance. Yet, in the name of self-government, his department is terminating a $125,000 grant for the B.C. Native Education Centre in Vancouver, which has an outstanding record.

This centre, Mr. Speaker, has been operating for 20 years, is native-run and operated, and not only helps native people to find a new life through education but has many cultural and high-tech training programs as well.

I would ask the Minister to confirm his commitment to Indian education and self-government by reinstating and increasing the federal grant to this important native-run education centre in Vancouver.

Some Hon. Members: Hear, hear!

* * *

THE DISABLED AND THE HANDICAPPED

RICK HANSEN—MAN IN MOTION TOUR SURPASSES RESEARCH FUND TARGET

Mrs. Mary Collins (Capilano): Mr. Speaker, it is with great pleasure that I rise in the House today to pay tribute to the outstanding efforts of a great Canadian, Rick Hansen.

Some Hon. Members: Hear, hear!

Mrs. Collins: Tomorrow in Vancouver, as we all know, Rick completes his round-the-world odyssey. I am sure he was buoyed by the news this week that his Man in Motion tour surpassed its original goal of raising $10 million for spinal cord research, rehabilitation, and wheelchair sports.

I know that Rick's determination and education have served as a source of inspiration for all who met him during his 26,000 mile tour. He has shown the depths of human spirit and endurance to the citizens of 34 countries along his path.

Almost two years ago, Mr. Speaker, I stood in this place and wished Rick the best of luck as he embarked on his dream. Now it fills me with great happiness to be able to say: Welcome home, Rick. You have been a source of hope and pride to all Canadians. To you and Amanda go our appreciation, our love, and our best wishes for the most wonderful future, a future you both deserve.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—INVESTMENT BY U.S. IN CANADA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, when the Prime Minister lost his cool yesterday in responding to my questions about unlimited American takeovers of Canadian industry, I was suspicious that perhaps something was wrong, and now I know that something was wrong.

Yesterday afternoon, after Question Period, the chief Canadian negotiator told reporters that President Reagan personally had asked the Prime Minister for unlimited access by American investment in Canadian companies and Canadian business.

The Prime Minister did not tell Parliament of that request. The Prime Minister did not tell Canadians of that request. What is worse, the Prime Minister did not say no to that request.

I ask him, therefore, why not? Why didn't he tell President Reagan that Canadians will never allow the United States to have a total unfettered right to buy up any Canadian business they want, at their will?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): I didn't tell the President that because it was never raised, Mr. Speaker. Those words were never used—unlimited access, total unfettered rights. That is a falsehood.

Mr. Turner (Vancouver Quadra): I will not recite for the record what Mr. Reisman has said, as reported by a number of daily newspapers, but I will table the necessary documentation to back that up.

The recourse the Prime Minister has may not be with Parliament, if that is so, but with his chief negotiator. We are entitled to have a response on whether or not the President raised that issue directly with him.

[*Translation*]

AMERICANS' DEMANDS—CANADIAN CULTURE—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in any case, the Prime Minister did not make the slightest show of strength to protect Canadian sovereignty. Since this Government came to power, it has approved takeovers proposed by the Americans without further ado. From their list it is pretty obvious the Americans want to have the right to buy our newspapers, our television stations, our radio stations and our publishing companies, so my question to the Prime Minister is: Why didn't he at least have the courage to say no to this incredible demand? Why doesn't the Prime Minister start protecting Canadian culture instead of just pretending to?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the statement by the Leader of the Opposition is laughable and entirely false into the bargain. I would also like to say, in reply to his first suggestion, because in his supplementary he wondered whether the President had raised the question of investment with me: Yes, the answer is yes. Absolutely, but did the President use these terms:

[*English*]

—unlimited access, total and unfettered access, buying up Canada? The answer is an absolute no.

REPORTED DEMAND FOR WIDE OPEN INVESTMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Mr. Reisman is quoted as saying "Ronald Reagan told Prime Minister Mr. Brian Mulroney that U.S. demands for wide open investment"—call it wide open investment, don't call it unfettered—"must be included in the talks". Then there is a direct quote supporting that statement.

Of course today we now have in the supermarkets of Canada 200,000 copies of this new book which should be called "Sell-Out Canada". It has been distributed across the country.

Why is it that Canadians have to endure a gutless Government? Why is it that the Prime Minister did not give the President a final and categorical no to the American request for unfettered, wide open access to any Canadian business they might want to buy?

Right Hon. Brian Mulroney (Prime Minister): The Leader of the Opposition is losing his cool, Mr. Speaker. Now there has been a change. Now it wasn't unlimited access, total and unfettered purchasing. Now it is wide open investment pursuant to trade related investment—

Mr. Turner (Vancouver Quadra): That is not what he said.

Mr. Mulroney: —which has always been the case. Perhaps the Leader of the Opposition, apart from making these preposterous statements that he knows full well are preposterous, could tell the House: If there is a request for foreign investment which creates jobs in Sydney, Nova Scotia, in North Bay, in Esterhazy, is he opposed to that foreign investment? Is he going to stand up and say that he is? Is he opposed to that investment in Oshawa, the largest single foreign investment that has taken place?

The statement was made, quite properly, that Canada now is open for business, but Canada is not for sale.

We are attracting foreign investment to create jobs. If the Leader of the Opposition is opposed to that, let him tell that to the people of Timmins, of Sydney, of North Bay, and of Esterhazy, because they are going to have some questions to ask him.

Some Hon. Members: Hear, hear!

INVESTMENT CANADA REPORT—TAKEOVERS OF CANADIAN BUSINESSES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question as well for the Prime Minister. He has just said that the purpose of foreign investment, in his view, is the creation of jobs. If that is the case, I wonder whether the Prime Minister could tell us why his own agency, Investment Canada, pointed out in its recent report that from June, 1985, to December, 1986, 94 per cent of a total of $22 billion invested in Canada went into acquisitions and takeovers of existing Canadian business. It did not go into new jobs or new business; 94 per cent of it went into acquisitions and takeovers. If that is the case, Mr. Speaker, why are the Prime Minister and this Government considering further American proposals for wide open investment which will only result in much broader, more massive takeovers of Canadian business? That is the result of your investment policy, takeovers of Canadian business, not the creation of new jobs.

• (1425)

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I can only say, as the Prime Minister said, that in place of politics we have put Investment Canada which provides new opportunities and new jobs for Canadians. That is why our record since 1984 is so attractive not only for foreign investors but as well for most Canadians because it means economic growth in Canada. That is what the Government is looking for.

PRIME MINISTER'S MEETING WITH UNITED STATES PRESIDENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I pose a question to the Prime Minister or to the Minister of Regional Industrial Expansion. You have the record, by your own agencies—

An Hon. Member: Address the Chair.

Mr. Axworthy: —that 94 per cent of foreign investment coming to this country has resulted simply in taking over companies with existing Canadian jobs, not creating new work, not creating new enterprises but existing takeovers. That is why we want to know, when the Prime Minister met with the President and received a request for a broader interpretation of investment rules, why didn't the Prime Minister just say no?

Right Hon. Brian Mulroney (Prime Minister): Let us get down to it, Mr. Speaker. When the question of investment is raised, is the Hon. Member for Winnipeg—Fort Garry saying that when a request from an American or foreign company comes to invest $35 million in Brandon that the answer should be no?

Mr. Guilbault (Saint-Jacques): A takeover of a Canadian company.

Mr. Mulroney: If the question is for Versatile, a tremendous investment by Americans in western Canada, in Winnipeg, and in Manitoba, should the answer have been no? When the question is in regard to foreign investment in the smaller centres—

Mr. Axworthy: You have not said no yet. You have approved every application. Why don't you reject them? What kind of a program is it?

Mr. Mulroney: The Member is asking me should there have been a rejection. I ask him should we have turned down Versatile? Should we have turned down that investment in Manitoba?

An Hon. Member: Yes.

Mr. Mulroney: Should we have turned down that investment in Saskatchewan?

An Hon. Member: They fired the employees.

Mr. Mulroney: The Liberals cannot have it both ways. You have to tell the people where you stand, both of you.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Essex—Windsor.

Mr. Axworthy: You are selling off this country.

Mr. Mazankowski: Stop asking silly questions.

Mr. Axworthy: We will keep asking questions until you guys are out of power.

Mr. Mazankowski: You are just as phoney as your speech.

Mr. Axworthy: They are firing right now.

Mr. Speaker: I would like to remind Hon. Members that both yesterday and the day before, while Question Period was, of course, a model of decorum, not very many questions got asked. I would hope that Hon. Members who wish to exchange their views, other than through the Chair in this Chamber, would remember today that there are other Hon. Members waiting to ask questions properly which Ministers are prepared to answer.

An Hon. Member: Properly.

Mr. Speaker: I think that asks and demands of all Hon. Members a certain co-operation—one Hon. Member has just said properly. Of course, in this Chamber, all questions are asked and answered properly.

The Hon. Member for Essex—Windsor.

GOVERNMENT'S MINERAL AND METAL POLICY—CANADIAN EQUITY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to direct a question on this same subject of free trade to the Prime Minister. I have here a document issued this week by the Government with respect to mineral and metal policy in Canada in which the Government states:

> —the government has set aside the practice of seeking 50 per cent to 60 per cent Canadian equity in new non-fuel mineral resource projects.

• (1430)

Why has the Government given up this practice? Is this not simply another giveaway to the U.S. in return for nothing?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, the Hon. Member should know that measure has been in effect for well over a year as part of Investment Canada's regulations. It is an indication to the mining industry that we welcome foreign investment. Let me tell the Hon. Member that this country's mining industry is in no danger of being taken over by foreigners. It is between 60 per cent and 70 per cent Canadian-owned and operated.

When the mining industry came to us they said they had gone through very difficult times. They needed new equity and new investment. They did not need this kind of restrictive investment decision by the Government of Canada. We listened and acted.

Mr. Langdon: So in fact it was a surrender with absolutely nothing in return.

[*Translation*]

PRIME MINISTER'S MOTIVES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, about this booklet with all the false points it tries to make, about this propaganda, why did the Prime Minister decide this time it was all right to publish it at the public's expense? Why?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we believe that publishing this booklet was entirely appropriate and will be useful in helping Canadians make an objective value judgment on this major national issue.

[*English*]

I think it should be noted that I was in Oshawa when General Motors put $2 billion of foreign investment in Oshawa. I have been to Windsor, the other area held by the NDP, a tremendous area of prosperity and the lowest unemployment in Canada, and largely because of foreign investment. What we are getting now is the privileged and selfish view of the NDP that foreign investment is good for them but bad for Bathurst and Kelowna and other areas across Canada. You cannot have it both ways.

Some Hon. Members: Hear, hear!

Mr. Shields: Ask another one.

Mr. Langdon: The Prime Minister has shown his complete ignorance of Canada and of Windsor by saying it has the lowest unemployment rate of any place in Canada. Anyone who wants to check will find that is simply not the case.

REPORTED OPPOSITION BY PROVINCES TO FREEDOM OF INVESTMENT BY UNITED STATES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Governments of both Ontario and Quebec have now expressed opposition to freedom of investment by the U.S. Will the Prime Minister now state clearly that his Government completely rejects the U.S. demand for a completely free investment policy in this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend places in doubt the statement that there is the lowest unemployment rate in Canada in southern Ontario.

Some Hon. Members: In Windsor.

Mr. Mulroney: Windsor is in southern Ontario. My hon. friend is following his Leader who said in a statement of May 8, I believe to the CBC, that 94 per cent of the jobs are created in only one small area. He was referring to Toronto and southern Ontario. That statement is false as well. Some 46 per cent of the jobs created were in Ontario, 28 per cent in Quebec, 22 per cent in western Canada, and so on.

I hope my hon. friend will agree with me that the prosperity he knows full well exists in southern Ontario has been brought about in very substantial measure by foreign investment. The degree of prosperity and economic opportunity for our young people that exists in southern Ontario we want to see repeated elsewhere, from Newfoundland to British Columbia. Surely that is fairness for all Canadians.

TAX REFORM

SCHEDULED TABLING OF WHITE PAPER

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance to whom I gave notice. When he tables the White Paper on June 18, is he going to table only a White Paper, a proposal or, as the Chairman of the Standing Committee on Finance and Economic Affairs said, a maxi-Budget? More precisely, will he be announcing tax changes which will take effect either immediately or before a formal budget speech?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to thank the Hon. Member for giving me notice of part of the question.

Some Hon. Members: Oh, oh!

Mr. Gauthier: Give us only part of the answer.

Mr. Wilson (Etobicoke Centre): I will give him only part of the answer. It will be a White Paper. It will be a prime time White Paper.

Some Hon. Members: Oh, oh!

[*Translation*]

INQUIRY WHETHER TAX AMENDMENTS WILL TAKE IMMEDIATE EFFECT ON JUNE 18 OR AT A DATE PRECEDING OFFICIAL BUDGET

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, playing with words is all very well, but I would like to say to the Minister of Finance that lately, he has been using press releases to announce changes in the Canadian tax system. And I probably don't have them all! I would like to say to the Minister that this time, we on this side of the House will be very reluctant to accept tax reform without a Budget, in other words, tax reform by press release.

Once again, I would like to ask the Minister, and I don't want to play word games: On June 18, will there be any tax changes that will become effective immediately or on a date preceding an official budget speech?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not intend to bring down a Budget. The Minister of Finance will present a bulky White Paper on tax reform, and I think it will be very important for Canadians.

* * *

[*English*]

POLITICAL PARTIES

AMOCO CANADA OFFICIAL'S FUNDRAISING FOR PROGRESSIVE CONSERVATIVE CONSTITUENCY ASSOCIATION AND MINISTER

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. I have here a copy of a letter from Mr.

Sherrold Moore, Vice-President of Amoco Canada Limited, dated May 8, 1987, raising money for the Minister and his constituency association. It says among other things that the PCs have made the energy industry a high priority.

Will the Minister undertake to remove himself from any decision of his department or Cabinet regarding the proposed takeover of Dome Petroleum by Amoco?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have in my association, as the Hon. Member has in his, I am sure, people who campaign and raise money on my behalf. It is part of the democratic process. All of those people have day jobs. I do not understand the implications the Hon. Member is putting forward. If he is somehow suggesting that there is something improper in volunteers helping a political Party in this way, and that somehow I am not allowed as the Member of Parliament for Calgary Centre to have people who happen to work in the oil industry working on behalf of my association, I simply disagree.

Some Hon. Members: Hear, hear!

Mr. Waddell: The Minister will know I am not suggesting that. I am simply trying to ensure that there is no conflict or even an appearance of a conflict.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: The CLC made you say that.

Mr. Jelinek: Either make an accusation or shut up.

* * *

ENERGY

DOME PETROLEUM—QUERY CONCERNING CABINET DECISION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my supplementary question is directed to the Prime Minister. Would he indicate whether it was a cabinet decision not to get Petro-Canada involved in the bidding for Dome Petroleum? Were any of his Ministers involved in that in any way other than the Minister of Energy, Mines and Resources?

• (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend knows full well that no Prime Minister or cabinet Minister comments on the substance of private discussions in Cabinet.

[*Translation*]

VIA RAIL

INQUIRY WHETHER GOVERNMENT CAN JUSTIFY DECISION NOT TO FOLLOW PRINCIPAL UNANIMOUS RECOMMENDATION IN HORNER REPORT

Hon. André Ouellet (Papineau): I have a question for the Minister of Transport, Mr. Speaker. Last week, the Forget report on unemployment insurance was thrown out. This week, the Horner report on the future of VIA Rail was also thrown out, although it cost about a million dollars.

Can the Minister justify not following up the main and unanimous recommendation in the Horner report that VIA Rail should purchase new rolling stock or otherwise close down?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, much of what was recommended in the Horner task force report has been implemented. This House has already heard that an additional $361 million will be spent on VIA Rail over the next five years for a total of $2.5 billion.

Some Hon. Members: Hear, hear!

Mr. Ouellet: Mr. Speaker, those expenditures are excessive because the Minister has been dragging his feet and because of mismanagement at VIA.

THE CANADIAN—TRANSCONTINENTAL TRAIN SERVICE

Hon. André Ouellet (Papineau): Mr. Speaker, is the Minister now aware that one-third of the service of the transcontinental train, The Canadian, will be cut? How can the Minister justify such a cut when this train is normally sold out during the busy summer months?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I explained yesterday that the transcontinental train is not going to be shortened this summer, it is simply not going to be lengthened. One of the reasons for that is that more refurbished cars are needed. Up to 200 cars will have air-conditioning installed and will have their heating systems changed from steam to electric. We will not have this problem after they are refurbished.

INVESTMENT IN NEW CARS—MINISTER'S POSITION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of Transport. The Government has preached financial competency and fiscal responsibility since it was elected. Yet in the case of VIA Rail it has shown that it is not interested in either fiscal responsibility or, apparently, in a real future for passenger rail in Canada.

Why was the Minister of Transport unable to convince his cabinet colleagues to invest in new rail passenger cars which would not only pay for themselves in seven years but would put

VIA Rail in a very good financial situation thereafter, or did he even try?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, my activities behind the scenes have to remain secret of course. I can assure you that you would find them very interesting were I to expose myself to your gaze while engaged in them.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Save yourself the trouble.

Mr. Crosbie: With regard to this question, I regret that we are not in a position to go any further at this time with VIA Rail. We believe that the steps we are taking will considerably improve service, improve comfort and convenience for passengers, and help VIA to be on time more and more in the future. It involves the purchase of new locomotives and the refurbishing of equipment. I think the hon. gentleman will find a considerable improvement. The question of new cars will still have to be dealt with at some time in the future.

Mr. Angus: Mr. Speaker, we have heard that line from many, many Ministers.

EFFECT OF DECISION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, why did the Minister's Government not take into consideration the impact of this decision on the workers at CanCar in Thunder Bay and Bombardier in Montreal? Why did it not take into consideration the fact that not going ahead with the contract would cost the taxpayer, including the UIC fund, upwards of $30 million to protect the workers whose jobs will be lost as a result? Why did the Government not consider those matters when it discussed the question?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the work which we are now providing VIA Rail with the funds to do will involve 8,000 person-years of work in the construction and manufacturing sectors. We are not forgetting that.

The hon. gentleman should ask the companies which he mentioned whether they were keeping that problem in mind when they submitted their prices to do this work. The cars came in at hundreds of thousands of dollars in excess of what had originally been estimated.

The hon. gentleman might well ask them why they did not sharpen their pencils and come in with a price which we might have found sustainable rather than one $100 million in excess of what was originally envisaged.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM INDIA

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery today of a parliamentary delegation from India led by Mr. Sat Paul Mittal, Member of Parliament, Chairman of the Parliamentarians Action for Removal of Apartheid.

Some Hon. Members: Hear, hear!

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[*Translation*]

CANADA POST CORPORATION

REQUEST FOR REINSTATEMENT OF CERTAIN POSTAL SERVICES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister responsible for Canada Post, who was in the House earlier, or to whomever is prepared to answer on his behalf. Since it came to power, the Conservative Government has cut postal services by installing its so-called superboxes and by closing down post offices in rural areas. Soon, Canadians will have no postal services at all, thanks to the irresponsible attitude of the Minister responsible for the Post Office, and this may bring about a strike. Could the Minister or his surrogate inform the House why the Government keeps using confrontation tactics with its workers instead of being concerned about restoring the postal services this Government has cut, while it continues to deprive Canada of essential services?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Minister has just left the Chamber for a minute. I will take notice of the question and get back to him.

Mr. Speaker: I will recognize the Hon. Member again later.

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AGRICULTURE

OECD AGREEMENT TO REDUCE GRAIN SUBSIDIES—EFFECT ON CANADA

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Minister of State responsible for the Canadian Wheat Board. In response to the OECD agreement to reduce grain export subsidies the U.S. Assistant Secretary of Agriculture Amstutz has said that U.S. proposals to reduce subsidies in step with Europe will take 10 to 13 years to achieve.

Is it a requirement of this understanding that Canadian subsidies such as the Special Grains Program must be dropped immediately, or can Canadian subsidies be reduced over the extended phase-out period?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the agreement reached at the OECD meetings last week in Paris was good news in that for the first time there was unanimous agreement that agriculture should be given top priority. The language of the communiqué, which I am sure the Hon. Member has looked at, is certainly encouraging.

We have no intention of doing anything which would damage our farmers other than to act, if we are satisfied, in total concert with other countries to ensure that collectively we can bring some action to bear which will resolve this very serious international question.

CANADIAN POLICY

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, could the Minister inform the House of what, if any, concrete commitments have been made by the Americans and/or the Europeans to put on the table for the OECD meetings?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, it is more of a question of the progress that we can make at the over-all GATT discussions which are presently under way. There is good potential, as I understand it, to have proposals tabled during the summer and to have discussions on those proposals under way early in the new year.

As the Hon. Member will recall, the last time GATT meetings were under way at the Tokyo Round it took over four years for these types of discussions to begin. We are on a very much shortened time frame and the proposals which will be put on the table will certainly be at the GATT for discussion and not in this kind of a forum.

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CANADA POST CORPORATION

PROVISION OF SERVICE—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I will try to combine my two questions into one now that the Minister is in the House. Canadians are dissatisfied with the Government's reduced postal service. Canada Post employees are also dissatisfied with the cut in service policy of the Government. Why is he doing everything he can to shut down Canada Post with his irresponsible statement?

• (1450)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as a matter of fact, service is being increased over the next—

Some Hon. Members: Where?

Mr. Andre: Over the next four years there will be 6,000 new—

Some Hon. Members: Where?

Mr. Andre: Apparently the Hon. Member is not prepared to listen to my answer.

Mr. Speaker: I have asked Hon. Members to consider carefully that there are a number of questions yet to be asked in the Question Period. We have had two days that have gone very slowly, and it is the exchanges across the Chamber that contribute to that. The Hon. Minister.

Mr. Andre: As I was indicating, Mr. Speaker, it is the intention of Canada Post to open 6,000 new postal outlets in the next four years in an effort to improve the service. What it is endeavouring to do now through management changes, through efficiency, through new productivity and new capital investment, is to ensure that there is dependable service to all Canadians, service in which they can have confidence.

An independent, outside auditing firm that will report to Parliament on a quarterly basis has been hired so that we will have that type of independent source of information to see whether the improved service for which the Post Office is striving will in fact be the result.

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VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—GOVERNMENT OFFER OF COMPENSATION

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Minister responsible for multiculturalism. He is aware that his offer to the National Association of Japanese Canadians of $12 million for a community fund has been rejected by the Council of the NAJC this past weekend. Does he intend to go to this meeting with the NAJC on June 1 ready to negotiate seriously with the association in the attempt to arrive at a genuine redress package, and to take seriously their responses to his first offer?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, it goes without saying that that has been my approach and my attitude since the beginning. It will continue to be my approach and attitude.

RESOURCES ALLOCATED BY GOVERNMENT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my supplementary question is directed to the Prime Minister. Will the Prime Minister, whose Government has found resources of up to a billion dollars at a time to meet important national needs, ensure that the Minister responsible for multiculturalism can go to the meeting on June 1 with the resources to

carry on serious negotiations and keep the promise which the Prime Minister made to the Japanese Canadian community and to the Canadian people?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, I am sure the Hon. Member is aware that I speak for the Government in all of these matters and, as always, the Prime Minister has been supportive.

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EMPLOYMENT

JOB CREATION IN TORONTO AREA

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In a recent, well publicized statement, the Hon. Member for Oshawa, the Leader of the New Democratic Party, stated that over the last two and one-half years over 95 per cent of all of the jobs created in Canada were created within a radius of 160 kilometres of Metropolitan Toronto. My constituents find that a little difficult to comprehend. Will the Minister advise the House and my constituents whether that is correct?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I am very pleased to have the opportunity to correct the so-called NDP statistics that were used. In the last year, 21.5 per cent of the jobs created in this country were in the Toronto area.

My hon. friend from Notre-Dame-de-Grâce—Lachine East also said that 95 per cent of jobs were created in Ontario. That is absolutely false. The fact is that 35 per cent of jobs were created in Ontario and Ontario represents 38 per cent of the labour force in this country. It is not a shame to create jobs in Ontario.

* * *

INDUSTRY

HAWKER SIDDELEY CAR WORKS IN TRENTON, N.S.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The workers and their families at the Hawker Siddeley Car Works in Trenton, Nova Scotia, are frustrated and disappointed at the Government's inability to provide meaningful leadership to assist the workers and to provide stability to that community.

Will the Minister indicate to the House, to the workers, and to the municipal representatives of Trenton, Nova Scotia, what concrete action his Government has taken with regard to providing employment opportunities in that region of Nova Scotia?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I think everybody in the region knows that the Canadian Government has made a commitment to ensure that the Trenton plant will be sold as an operation and a going concern. Mr. Speaker, we obviously have to look at several alternatives. There have been discussions with various business people and companies that might be interested in acquiring the plant. Since these talks are confidential, Mr. Speaker, you will understand that I cannot really elaborate.

[*English*]

GOVERNMENT DECISION—TIMING OF ANNOUNCEMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I say to the Minister with great sincerity that discussions, meetings and consultations are no substitute for concrete specific action by the Government of Canada. I ask the Minister, on behalf of those workers and their families, when will he put a positive proposal on the table so that workers and the people of Trenton, Nova Scotia, will understand something about their future? In all decency, I ask the Minister to give us a date as to when he will make a decision on their future.

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, we are doing our utmost to provide a future for the workers of these regions, as we have done for all workers in the eastern provinces. That is why we have created so many jobs since 1984, and the hon. gentleman knows it.

Mr. Speaker: I want to advise Hon. Members that our routine is a little out of order. I will recognize the Hon. Member for York South—Weston, then return to the New Democratic Party.

* * *

ADMINISTRATION OF JUSTICE

CORONER'S INQUEST INTO MURDER OF CELIA RUYGROK

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Solicitor General. It concerns the coroner's inquest into the murder of Celia Ruygrok. During the course of the inquest the federal Government was accused of "buck passing, using a big stick, and intimidation". Will the Solicitor General explain to the people of Canada why the federal Government refused to co-operate fully at the coroner's inquest? What was it hiding, and why has the federal Government not assumed full responsibility for this tragedy?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I want to assure the Hon. Member that I have been following the inquest very closely and have taken everything that has been said very seriously. Having said that, I want to

assure the Hon. Member and every Member of the House that the Ministry of the Solicitor General has co-operated fully in that inquiry, has had absolutely nothing to hide, and in fact has hidden nothing.

Mr. Nunziata: The Minister knows that that is absolute nonsense. He knows that that tragedy could have been avoided and that the criminal justice system failed in a very miserable and tragic way in this particular case.

MEASURES TO PREVENT SIMILAR TRAGEDIES

Mr. John Nunziata (York South—Weston): Mr. Speaker, what measures has the Solicitor General taken to ensure that this type of tragedy does not happen again?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, unlike the hon. gentleman I prefer to wait until the report comes out, and then assess the facts, assess the recommendations and address them as well as possible. I do not like to try to condemn people and come to judgments before I know what the report will contain.

* * *

REFUGEES

CASE OF FRANCESCO PIPERNO SENTENCED BY ITALIAN COURT FOR TERRORIST CRIME

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is directed to the Solicitor General. On June 2, 1986, I stated in the House my serious concern over the abuse of the refugee system by one Francesco Piperno, who was wanted in Italy in connection with the murder of Aldo Moro.

We know the Piperno case is now before the refugee appeal board, awaiting a decision, and therefore nothing further can be said on that subject. However, on Monday Mr. Piperno was sentenced in absentia to 10 years in prison by the Italian authorities for helping to establish an armed terrorist group. Will the Minister tell the House what precautions the Government has taken to ensure that this individual poses no security threat to Canadians while he uses our refugee system?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the Member is correct that the case is before the Immigration Appeal Board and it would be inappropriate to comment on such a matter. I understand the Member's concern and would ask him to await the decision of that quasi-judicial body.

• (1500)

ABORTIONS

COMPILATION OF DATA BY STATISTICS CANADA

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Supply and Services, who is also the Minister responsible for Statistics Canada. As she knows, recently Statistics Canada changed the time space for the collection of data on abortion statistics to three years rather than an annual collection. This has seriously undermined the scientific research into the high incidence of adolescent pregnancies, a matter about which I am sure she is very concerned.

Will the Minister take immediate steps to revert to the original data base from hospital reports which was reliable, provided increasing detail and was published annually, so that we can get at this very serious problem?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, as I said in the House before, I am of course very concerned about the statistics on abortion. As soon as I became the Minister responsible for Statistics Canada, I asked for a review, to ensure that the statistics we shall be compiling are real statistics, which take into account private clinics in Quebec. In co-operation with the provinces, we have been able to set up a program which, I think, far better reflects the real situation regarding statistics on the abortion rate in Canada.

[*English*]

PROVISION OF INFORMATION ON ANNUAL BASIS

Ms. Margaret Mitchell (Vancouver East): Through you, Mr. Speaker, does that mean that the Minister will make available this information on an annual basis which is absolutely essential? We want prevention; that is why it is so important.

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, being a federal agency, Statistics Canada also has to conform to budget restrictions, and after assessing the program, we agreed that we could make a comprehensive assessment of the program every three years, since the statistics fluctuated very little. In fact, the improvement we have made in the annual statistics has vastly improved the whole program, and I am very satisfied with what is being done today.

[*English*]

ADMINISTRATION OF JUSTICE

CORONER'S INQUEST INTO MURDER OF CELIA RUYGROK

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Solicitor General. I would like to return to the answer he gave to my colleague, the Hon. Member for York South—Weston, because I could not believe my ears. Did the Minister actually say that nothing has been done following the killing by Sweeney at the halfway house in Ottawa and that he is waiting for the report of an inquest before taking any action at all, in spite of the obvious evidence that procedures needed to be corrected and tightened up to prevent a murderer in a situation like that from being delivered to a halfway house with no warning? Surely something was done and the Minister should correct the answer he gave that he was waiting for an inquest report.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, the Hon. Member has made an incorrect assumption. What I said is I have naturally not answered the evidence brought out at the inquest because I have not seen the jury's recommendations in that regard. Obviously, I cannot do anything until they come out. However, in anticipation of that, I have already asked my Deputy Minister to review the recommendations immediately and report to me once they come.

I can assure the Hon. Member that immediately following the death there was an immediate investigation carried out into the procedures at that halfway house. A number of recommendations were made and they have been and were acted upon immediately.

MEASURES TAKEN BY GOVERNMENT

Hon. Bob Kaplan (York Centre): Mr. Speaker, with an incident as serious as this, I think the House is entitled to be told, and the question to be answered, what was done as a result of that tragic death to tighten up the system.

Mr. Gauthier: What did you do?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I am quite prepared to list, and I will obtain for the Hon. Member, the recommendations which were made as a result of that inquiry, and the measures we took. I do not have them with me today but I will be quite glad to furnish them immediately to the Hon. Member.

Mr. Speaker: The last question will be from the Hon. Member for London—Middlesex (Mr. Clifford).

CANADA POST CORPORATION

DESECRATION OF VETERAN'S PLAQUE IN HIGHBURY POST OFFICE, LONDON

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, my question is addressed to the Minister responsible for the Post Office. The Minister is aware that a veteran's plaque located in the Highbury Post Office processing plant in London was recently desecrated, defaced and trashed. Will the Minister undertake to the House to investigate this incident and install the restored plaque in a prominent place in the Dominion Building in downtown London?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I did ask the Post Office to conduct an investigation, which it is doing. It assures me it was not on anyone's orders from management. It still has not determined who in fact did take the plaque down and who desecrated it but, indeed, it is the intention to have that plaque properly restored to a position of honour.

Mr. Speaker: There are several questions of privilege which the Chair will now hear.

* * *

[*Translation*]

POINT OF ORDER

CORRECTION TO ANSWER GIVEN DURING QUESTION PERIOD

Hon. Benoît Bouchard (Minister of Employment and Immigration): On a point of order, Mr. Speaker.

Mr. Speaker: The Minister of Employment and Immigration (Mr. Bouchard) on a point of order.

Mr. Bouchard: Mr. Speaker, this is just to correct the answer I gave earlier about 21.5 per cent of the jobs created in Toronto. This should be for three years, not just for one year.

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, since it relates to the same point of order raised by the Minister, I have the April statistics from Statistics Canada which indicate that the unemployment rate in Windsor, contrary to what the Prime Minister (Mr. Mulroney) said, is 9.9 per cent compared to 9.8 per cent nationally and compared to 4.5 per cent in the City of Toronto.

Mr. Speaker: Hon. Members, of course, appreciate factual representations and we are indebted to the Hon. Member for Essex—Windsor (Mr. Langdon). However, I think we are getting into debate.

I have several notices of points of order and questions of privilege. I want to assure Hon. Members that the Chair will recognize each Member who wishes to rise, but the Chair cannot recognize them all at the same time.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, perhaps the Parliamentary Secretary to the Hon. Government House Leader could answer the business question today and tell us what the Government intends to bring before the House in the coming days.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased to advise that tomorrow will be an allotted day. On Monday special provisions have been made for the visit of President Mitterrand of France. We are presently looking at what might be done on Tuesday. I think if negotiations go well, we will be able to tell the House either tomorrow or the next day.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also on House business. The Parliamentary Secretary would be aware that yesterday at the House Leaders' meeting I raised the possibility of knowing as soon as possible when we could expect that the Government might be calling Government business for the Private Members' hour. We have a Private Members' Bill in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald) and I would appreciate very much if the Parliamentary Secretary could tell us when we might expect the vote on that particular Bill.

Mr. Lewis: Mr. Speaker, that will depend on what day Government business is called. It would appear that if Government business is called on Tuesday, then normally the Private Members' hour would follow and the last hour of debate, I believe, on the Hon. Members' Bill would take place then and the vote would proceed that evening.

At this point I am not able to suggest whether or not Tuesday will be an allotted day or a day for Government business. However, I appreciate that the Hon. Member and other committee members have business to do, and as soon as we know we will certainly communicate with the Hon. Member's House Leader's office.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I would like to pursue this discussion on House business. I believe I have to say, and all Members will recognize, that the answer which has been given to us is absolutely useless. We all know it is an allotted day tomorrow. We all know the President of France is coming next Monday. Now we are being told that the Government does not know what it is going to do Tuesday or Wednesday. In fact, we are receiving a non-answer. I would like us to get back to the tradition of the Government giving this House its agenda for a week, which has been the practice in the past.

• (1510)

Mr. Lewis: Mr. Speaker, I appreciate the comments of my hon. colleague. At the present time, there are certain matters that we are discussing and negotiating. We hoped to have heard from my colleague's office with respect to certain matters this afternoon. I do not wish to negotiate House business on the floor of the House. We are certainly prepared to meet with representatives of both Parties to discuss these matters just as soon as they are in a position to advise us of their views.

Mr. Speaker: The Chair will hear, first of all, from the Hon. Minister of Consumer and Corporate Affairs (Mr. Andre) on a question of privilege, followed by the Hon. Member for Laval-des-Rapides (Mr. Garneau), again on a question of privilege, following which the Chair shall hear from the Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

* * *

PRIVILEGE

ALLEGED BREACH OF CONFLICT OF INTEREST GUIDELINES

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I rise on this question of privilege with some regret, but out of a feeling that it is necessary to address the issue, as it is an issue that goes to the fundamental rights, not just of myself as a Member of Parliament and a cabinet Minister but of all Members of Parliament.

The implication in the question raised by the Hon. Member for Vancouver—Kingsway (Mr. Waddell), and it was a direct implication, an accusation, is that because a member of my riding association is an employee of Amoco Canada, I either might be or am in conflict of interest in terms of acting in any way in respect of the potential takeover of Dome by Amoco Canada.

Let me indicate the dilemma for me, Mr. Speaker, and for every Member of the House, if that implication is allowed to stand unchallenged. Mr. Sherrold Moore is guilty only of being a concerned citizen, a citizen who participates in the political process by giving voluntarily of his time to our Party, both at the provincial and federal levels. That is his only sin, so to speak. It is an activity that all Members of this House depend upon in order to maintain our associations. It is absolutely vital to the success of our political Parties and to the political system in which we function.

I would not be surprised, Mr. Speaker, if some members of my association worked for Dome. I know that has been true in the past. I know there is at least one other employee in my association who works for Amoco. I have others in my association who work for other oil companies.

The implication, Mr. Speaker, that I would be in conflict of interest when it comes to the energy sector because there are volunteers working for my riding association who are employed in that sector is one that goes to the root of our democratic process, and it is one that must not be allowed to stand.

I suggest that there are in this Chamber over 100 Members who have farmers as members of their associations but who nevertheless regularly participate in agricultural debates and vote on agricultural measures. I submit that there are at least 30 Members opposite whose association memberships include union executives, and yet they regularly participate in discussions and votes pertaining to labour matters. In no such instance would it occur to me to suggest a conflict of interest. It would not be appropriate for me to suggest that a Member of Parliament absent himself or herself from discussion, debate or vote on a question because some member of his or her volunteer riding association happens to be employed by a union, or an oil company, or carries on a farming operation.

The question raised by the Member for Vancouver—Kingsway was prefaced with a request that I absent myself from any discussions having to do with the Dome/Amoco deal because a member of my executive, a member of my riding association, is an employee of Amoco. He then went on to ask the Prime Minister (Mr. Mulroney) whether in fact I had ever discussed the role in this of Petro-Canada.

I can tell the Hon. Member that there are members of my riding executive who work for Petro-Canada. What does that imply? Is no one allowed to participate in the political process as a volunteer worker for political Parties if in fact his or her employer, at some time, might have business of interest to the Government of Canada, or vice versa?

While there was no accusation of conflict of interest, a conflict of interest was clearly implied. I suggest to the Hon. Member that the honourable thing for him to do would be to rise in his place and acknowledge that there is no conflict of interest; or, alternatively, to accuse me of a conflict of interest and have the matter referred to the Standing Committee on Elections, Privileges and Procedure so that it might be adjudicated by a panel of this House. Otherwise, I am placed in an impossible position, as would be every other responsible concerned Member of this House.

We are going to have to examine the credentials of those who volunteer to work on our respective riding associations, those who choose to work as volunteers in the democratic process. It is an impossible position to be in.

I deeply resent the implication that Mr. Sherrold Moore might have been doing something improper. All he is guilty of is good citizenship.

Some Hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I appreciate the Minister raising the matter. It is, I think, an important matter.

Let me just say to the Minister that I have not accused Mr. Sherrold Moore of doing anything wrong, of committing any sin, as the Minister put it. I have not accused him of being guilty of anything. I have not made any such accusation, nor do I intend to. Nor have I accused the Minister of a conflict of interest. As a matter of fact, I think I pointed out in my question that I specifically made no accusation of conflict of interest.

It is my duty as a Member of Parliament to ask tough questions. Tough questions do not necessarily lead to a matter of privilege. It is a tough question. At the time of the biggest corporate takeover in the history of this country, the corporate takeover of Dome by Amoco Canada, a very controversial takeover, the Minister has on his riding executive an employee of Amoco Canada.

Insofar as the takeover itself is concerned, the Government seems to be standing on the side, with the Opposition calling for a Canadian solution. We all know the debate. There is a lot at stake for the companies involved, for the country, for the political process. Given that situation, I am entitled to raise the question I raised.

This is not an ordinary member of his executive. He is a fund raiser, and he is raising funds at a time—

Some Hon. Members: Oh, oh!

Mr. Waddell: Well, I have to point that out. There can be a difference.

The Minister has confirmed that Mr. Moore is a fund raiser, an individual who is raising money at this particular time, a time when the proposed takeover is such a hot issue in the country.

In my question, I asked the Minister about the possibility of the appearance of a conflict of interest. Should the Amoco takeover go through it is a matter that will come before the Cabinet. I therefore asked the Prime Minister (Mr. Mulroney), without alleging any conflict of interest, whether there had been a decision affecting the role of Petro-Canada in terms of whether or not it could bid against Amoco for Dome. That is something the Government has in its power, and it is part of the issue in this debate. For that reason, I put the question to the Prime Minister, and it was a proper question.

I am not accusing the Minister of anything. In my view, and I think this would be the view of the Canadian people, this would be an inappropriate time for the Minister to have on his riding executive a fund raiser who has a high position in Amoco Canada. The Hon. Member, as Minister for Consumer and Corporate Affairs (Mr. Andre), might have to deal with this question at some point, either within his Department or within Cabinet.

It seems to me that I am entitled to ask the question, and I do not think it leads to a question of privilege.

Mr. Speaker: I shall hear the Hon. Member further, but I would ask that the Chair be extended the courtesy of being sent the letter which was quoted when the question was asked. If there is a copy available, I should like to see it.

I will continue to hear from the Hon. Member.

Mr. Waddell: Mr. Speaker, I shall arrange to have the page deliver the letter to you.

There really is not very much more that I wish to say. I was merely trying to set the context in which the question was asked.

To summarize, I am not accusing the Minister of any conflict of interest. I want to know what the Minister's involvement in the process was—

Mr. Shields: Just by innuendo.

• (1520)

Mr. Waddell: Mr. Speaker, my submission is that it is a perfectly proper question. The Minister answered the question, and his viewpoint was that he would continue. I thought the answer was that he would continue to sit on committees and deal with this matter. My feeling and that of my Party is that he should not, if he is a fund raiser who is involved intimately with the company in such a direct and open way as this. I think it could cause the appearance of problems, and I put that to the Minister. He may disagree, and he is entitled to disagree. I happen to think that most of the Canadian public might think the way I do.

Mr. Andre: Scum bag.

Mr. Waddell: Mr. Speaker, the Minister is now yelling "scum bag". I do not think that—

Mr. Andre: I retract that comment.

Mr. Waddell: Thank you. The Minister has kindly withdrawn that comment.

We may have different views. It may be a tough question. However, I have not accused the Minister of any conflict. I have raised the matter. I have an answer. I disagree with the answer. I will pursue it further. It is a tough question, but it is not a question of privilege.

Mr. Shields: It is sickening innuendo.

Mr. Speaker: Perhaps the Hon. Member for Vancouver—Kingsway (Mr. Waddell) could further assist the Speaker in considering this matter which, as I indicated a few days ago on a somewhat similar case, I take seriously.

I have read the letter from which the Hon. Member for Vancouver—Kingsway quoted in his question. I would just like to be sure that I fully understand the Hon. Member's position. Is there anything in the letter itself, in the substance of the letter, which causes the Hon. Member any difficulty, or is it just the question that Mr. Moore who is in the oil industry is also a member of the constituency organization and a fund raiser for the Hon. Minister? In other words, is the letter itself in any way a source of concern for the Hon. Member for Vancouver—Kingsway, or is it the fact that a fund-raising effort is being made?

Mr. Waddell: Mr. Speaker, there is nothing in the letter which concerns me. As the Minister said, a Canadian is entitled to exercise his or her political rights. What I am concerned about, what I raised in the question, was the fact that the fund raiser is a Vice-President of Amoco Canada, a senior executive, at a time when the Government may be called upon to make a huge decision about this corporate takeover, with competing Canadian companies, including a government company. That is what I am concerned about. I say that it could cause the appearance of difficulty for the Minister, and that is why I put the question to him.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I rise on the same question of privilege. While I agree with the Hon. Member for Vancouver—Kingsway (Mr. Waddell), though I do not think it is a question of privilege, I think it is an important point. The same information was made available to me. I spoke with the party about this. I asked a few questions on the basis of the information. It seems that this party, the Vice-President of Amoco who is involved in the constituency association of the Hon. Minister of Consumer and Corporate Affairs (Mr. Andre), has been in this capacity for at least two years.

There was no proof that these letters were sent out using the frank. There was no indication which this person could give me that any undue influence was being applied or that anything other than the letter was being used. I think it is important to relate this information to the House.

While it is important that all Members be perceived as being above any kind of unscrupulous, subversive, or clandestine activity, we must draw a line. I agree with the Minister of Consumer and Corporate Affairs that members of oil companies are entitled to be members of his organization.

The facts in this case speak for themselves. I, on behalf of the Liberal Party, feel that everything is quite in order.

Some Hon. Members: Hear, hear!

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Minister has made his case very well. As everybody knows, he is no stranger to the House and can hardly be expected to need my assistance.

However, I wish to draw to the attention of the House Your Honour's words on a previous occasion, as reported at page 5127 of *Hansard* for April 14, 1987, as follows:

> However, I think the point the Hon Minister is making, as a result of which his privileges have been breached, is that the effect of the innuendo carried by the questions was to slander him. The innuendo was an accusation or an assertion that the Hon. Minister was in breach of the guidelines.

Nobody in any Party is afraid of tough questions, whether they are placed in the House or at committee. One does not get into this business if one is afraid of tough questions. However, we are afraid of the phrasing of questions which slander within the walls of the House not only the Minister but innocent people out there.

When my hon. colleague in the Liberal Party rose, I was not at all surprised to hear him say what he said. I hold him in

high esteem. However, I say to the House that we are privileged in here because we can say what we want to say within the walls of the House. We abuse the privileges of the House, as well as the privileges of the Minister, if we say things in the House that we will not say outside because, as my hon. colleague who is a lawyer knows very well, an inference is drawn when somebody works as a volunteer for an organization, is employed with an oil company, and asks for money on behalf of the Minister and the Minister is asked whether he was involved in any decisions. The Hon. Member knows very well that that is innuendo and slander by innuendo.

When one does that, one abuses not only the privileges of the Minister but all volunteers out there working in our riding associations. Every volunteer out there who works for me or for other Members of the House is slandered when a Member uses his ability in the House to say something which cannot be acted upon.

I know this matter has been raised as a question of privilege. If you find, Mr. Speaker, that it is a question of privilege after listening to the argument, I would be prepared to support my hon. colleague in framing the motion to send the matter to the Standing Committee on Elections, Privileges and Procedure.

Mr. Waddell: Mr. Speaker, I do not understand how it can be slander if I am not accusing the Minister of conflict of interest. How can it be slander if I specifically said the contrary in the question?

I believe as strongly as the Hon. Minister that people should be active in the political process, and I agree that oilmen have to be active in the political process for all Parties. Surely I am entitled to ask tough questions in respect of the Minister's involvement in these decisions, whether government companies have been involved, and whether the Minister may want to take steps to make changes. His fund raiser, while the matter is possibly before the Government, may not want to do it and may want to have someone else do it for a while.

Mr. Andre: Why?

Mr. Waddell: Not to give the appearance of any conflict of interest to the Canadian public. That is where the Minister and I differ on the particular matter.

Mr. Andre: You are making an accusation.

Mr. Waddell: I repeat once again that I have not made any accusation of conflict of interest.

Mr. Shields: An innuendo.

Mr. Waddell: I have not made any innuendo. I have asked a tough question, and I think I am entitled in the House to ask these kinds of questions.

Mr. Andre: To slander anybody you want!

Mr. Speaker: Sometimes there is a temptation to argue such cases directly between and among Members and not through the Chair. This gives the Chair some difficulty, as Hon. Members can understand.

The Chair's responsibility in this regard is to hear the complaint and to hear very carefully the defence. It is very important for the Chair to know exactly what position the Hon. Member for Vancouver—Kingsway is taking in the argument, because that of course affects the approach the Chair takes when delivering a ruling in answer to a complaint brought to the Chair. With the greatest respect to all Hon. Members, it does not assist the Chair to have comments tossed around in the Chamber and not put through the Chair, especially when the Hon. Member for Vancouver—Kingsway (Mr. Waddell) is making his defence. I think this tends to make it more difficult for the Chair rather than easier.

• (1530)

As I say, I heard the Hon. Parliamentary Secretary quoting one of my own rulings of a few days ago to which I have just referred. I assure all Hon. Members that the Chair does take this kind of problem very seriously. It is also the reason that all argument ought to be very carefully heard and not interrupted.

The Hon. Member for Yorkton—Melville (Mr. Nystrom).

Mr. Lorne Nystrom (Yorkton—Melville): I will be very brief, Mr. Speaker. I just wanted to express the opinion that regardless of whether or not the Minister may feel he has a legitimate beef, disagreement or complaint, what was contained in the question of the Hon. Member for Vancouver—Kingsway (Mr. Waddell) I do not think in any way makes it a question of privilege.

What you are seeing here is a disagreement. The Hon. Member for Vancouver has said that he is not accusing the Minister of a conflict of interest or of wrongdoing. He was just asking whether or not it is proper that the Minister should now be involved in a potential cabinet decision when a fund raising letter just recently went out from a vice-president of Amoco, involved in the possible takeover of Dome, on behalf of the Minister of Consumer and Corporate Affairs. The question is whether or not that is appropriate. Surely to goodness that is a legitimate question. There was no implication that there might be a conflict of interest. The Member was asking whether or not it is the proper action by a cabinet Minister. I do not see any precedents in the rules of this place, and I have been here quite a while, where this could in any possible way be a question of privilege. I think it is a disagreement between two Members and nothing more than that, Mr. Speaker.

Mr. Speaker: The Chair will hear other Hon. Members in a moment.

It is the responsibility of the Chair in a situation like this to be sure that the issue is very carefully defined. I take it from what the Hon. Member for Vancouver—Kingsway (Mr. Waddell) and from what the Hon. Member for Yorkton—Melville (Mr. Nystrom) have said that there was no intent on the part of the Member from Vancouver—Kingsway to accuse

the Minister of Consumer and Corporate Affairs (Mr. Andre) of any wrongdoing. I take it that that is the position of the Member for Vancouver—Kingsway.

I also take it that the Hon. Member for Vancouver—Kingsway is saying, however, that under the circumstances he feels entitled to ask questions at least with respect to the fact that somebody in the riding association of the Hon. Minister is an employee of a company which is central in a lot of publicity and which company is important in terms of jobs to the industry and to Canada. I want to be absolutely sure that I understand exactly what the Member from Vancouver—Kingsway is saying.

As I have had to comment on other occasions, even lacking a complete charge, questions can be put in such a way that they do carry an innuendo of wrongdoing. What I want to be absolutely sure of is that the Member for Vancouver—Kingsway is saying to me that not only did he not charge the Minister with any wrongdoing but that he did not intend any innuendo of wrongdoing to carry.

Mr. Waddell: That is almost exactly correct, Mr. Speaker. I did not intend to cast any innuendo of wrongdoing. I am not accusing the Minister of wrongdoing.

I would adopt what you have said, Mr. Speaker, with the exception that at the end I would add that there is not just a question of jobs but a question of a major government decision either somewhere down the road or through Petro-Canada maybe having already been made.

Finally, since I forgot it last time, I would respectfully submit that this is a different case from the one referred to by the Hon. Deputy House Leader for the Government. He referred to *Hansard* at page 5127. I think that was an incident where there was an allegation that the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) on some personal matters was somehow breaching cabinet guidelines.

Mr. Nystrom: Conflict of interest.

Mr. Waddell: That is different from this case, Mr. Speaker.

Mr. Speaker: There is an old saying in the law courts among those who practise there that one should never extend one's defence too far if one has been doing fairly well up to that point.

Some Hon. Members: Oh, oh!

Mr. Speaker: I appreciate very much the Hon. Member's comments.

The Hon. Member for Peace River (Mr. Cooper) is seeking the floor.

Mr. Albert Cooper (Peace River): Mr. Speaker, I want to speak to this matter because I see it as being fundamental on two counts. First, I have been concerned for some time that there has been an evolving practice in the House of Commons of using names in here of people who are not Members of the House and, therefore, have no opportunity, no right and no chance to defend themselves. I think that is really crucial. If that happens and if there is either directly or indirectly an accusation, an implication, a presentation or an appearance of wrongdoing, that person is immediately put in a position of guilt with no opportunity for defence and no opportunity to clear or to protect their own good reputation or name.

If we looked back over *Hansard* for the last couple of years we would find that this is becoming a growing practice in this House. I would argue, Mr. Speaker, that in the very strongest terms we should come to grips with this problem. Whether it be an incident such as we have had this afternoon or whether it be other incidents that we have had in the past, people's reputations have been tarnished in the House of Commons either directly or indirectly, and those people are left outside these walls swinging in the wind with no chance to clear their names or to protect themselves.

We know of people who have been very badly hurt by these implications. I have made the arguments before, and I want to make them again, that we in this House have a special privilege. That privilege says we can make any statement we wish in here, and we can then not be sued in a court of this land because that is a privilege we need in order to have freedom of speech to represent fairly, clearly and as bravely as possible the concerns and the issues that we have.

I have argued in the past that with those privileges come responsibilities. One of those responsibilities is very clearly the responsibility to be very careful in the way that we treat other people, for instance, their names, their reputations and the kind of standards which they themselves live up to.

I want to refer to a case I had in this House in 1982-83 when I was in opposition in which the Speaker of the day ruled that I had a *prima facie* case of privilege. What was fascinating about that case is that it involved a member of the public who had done something which I felt was a breach of my privileges. The matter was raised in the House. The whole process of the arguments and the debates lasted about two to three weeks, but not once did that individual's name come up. That person's name, in my opinion, could not be divulged because the person had no opportunity to do anything until the Speaker found there was a *prima facie* case of privilege. That having happened, the House then sent the matter to a committee. The individual was then able to make a defence. Up until that point I never mentioned the individual's name. No one else mentioned it because there was a fundamental privilege involved of protecting the interests of people outside these walls.

I would argue that this is in fact very fundamental and important to the way this House works and to the privileges granted. If we abuse those privileges then we have no right to them and they should be taken away from us. We have responsibilities that go with privileges. We cannot do anything indirectly which we could not do directly. That is the fine line we are walking here today. If we are not careful we will come

right up against the privileges of Members of Parliament and, more important, of the very people we claim to represent.

• (1540)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I will be very brief. First, as we all know, political Parties in this country are based totally on volunteers. As soon as you imply that somehow a benefit flows to those who volunteer, then you call into question whether people are really volunteering their time.

There is no question, at least in my mind, that the questions asked by the Hon. Member for Vancouver—Kingsway (Mr. Waddell) were put in such a way as to impugn the motives of both the Hon. Minister and the other person involved. That is very unfortunate. As the Hon. Member for Peace River (Mr. Cooper) said, when you bring the name of someone into a discussion and that person has no idea that is going to happen, you automatically preclude that person from having any say in his or her defence. That also is very unfortunate. There is a practice that some of us in this House follow, that is, you never ever raise a person's name in the House without first clearing it with them. Doing that is very useful in protecting the privileges of people outside this House.

Second, as Government gets larger and larger it becomes virtually impossible to carry on activities which are isolated from what goes on in this place. To use myself as an example, I represent an agricultural constituency. Many of the people on the Progressive Conservative association in my riding of Portage—Marquette are farmers. Many of the people on my executive are farmers. Am I supposed to tailor my activities as a member of the Government to what goes on in my constituency so there can be no appearance of conflict of interest? The Government makes many decisions on behalf of farmers. When we set initial payments, is it supposed to be done at a time when there is no fund-raising or other activity going on in our constituencies so there can be no possible appearance of a link between the two? Setting the payment under the Western Grain Stabilization Act is a major event in the spring. Is that supposed to happen at a time when there is no constituency activity in my riding association?

The mere fact that the Hon. Member raised the question in such a way as to imply some kind of unfit conduct calls into question many other government activities. As unfair as it is to the Minister involved, it is also grossly unfair to those volunteers who support political Parties so that the system can function as well as it does. This has implications not only for the Minister but for the way all of us as Members gain support in our constituencies so that we are eventually elected to this place, and for the way Government functions.

Mr. Andre: Mr. Speaker, I will be very brief. The Hon. Member for Vancouver—Kingsway (Mr. Waddell) said there is no conflict of interest and he is not implying any conflict of interest. However, the thrust of his question was whether I would absent myself from any discussions concerning Dome and Amoco. The question to the Prime Minister (Mr. Mulroney) dealt with whether I participated in any such discussions.

There is only one reason why I would absent myself from any such discussions, and that is, in order not to be in a conflict of interest. The fact that he asked if I would absent myself is, *prima facie*, a suggestion that I am in a conflict of interest and must not participate in those decisions. While he says he makes no accusation of conflict of interest and does not mean to imply it, he asks that I do something which I would only do if I were in a conflict of interest. I humbly suggest that if he wants to be consistent he should withdraw the implied suggestion in his question to the Prime Minister that I must not participate in any discussions concerning Dome and Amoco. To do otherwise is to leave the implication that I am in a conflict of interest.

As a Liberal Member pointed out, the person concerned on my executive has been doing this for two years. He has been on the executive longer than that, but he has been on the fund-raising committee for the last couple of years. He is doing this year what he did last year, that is, his activity on the executive. The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) had the decency to talk to him before raising this matter and learned that it has nothing to do with any business transaction. He is simply participating as a volunteer in the same way that he has in the past and, hopefully, will in the future if he has not been totally turned off and soured by this experience.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, the comments just made by the Hon. Minister cover a good part of the points I wanted to make, so I will be very brief.

What I have to say flows mainly from the comments of the Hon. Member for Yorkton—Melville (Mr. Nystrom). Slander is an issue of privilege. Moreover, slander by innuendo is no less slanderous. On hearing the question by the Hon. Member for Vancouver—Kingsway (Mr. Waddell) no reasonable citizen would doubt the intent. He says he did not intend to cast an innuendo. I do not believe him because, as the Hon. Minister indicated, the Hon. Member did not seek facts, an analysis, or any specific information. He rose only to question the propriety of the Minister undertaking certain activities, on the assumption and perhaps even in the hope that something might have been amiss.

I think the only appropriate and proper thing for the Hon. Member to do is, as requested, to withdraw, as the Hon. Liberal Member did, to his great credit.

Mr. MacLellan: Mr. Speaker, I rose earlier because I had some information that the Hon. Member for Vancouver—Kingsway (Mr. Waddell) did not have. I did not mean to insinuate that the Hon. Member did not have the right to ask the questions he did. He said there was no innuendo intended, and I think all Members must acknowledge that statement and agree. I do not think it is within the realm of this House or any Member to cast aspersions on the statements of any Member

of Parliament. If he says he did not mean any innuendo, it is important that all Members take that as his position.

The Hon. Minister comes from a city where most people work in the oil industry. It is difficult not to have some kind of connection. However, there is a perception here and that is what it is. Whether it is within the realm of this House to deal with it, or if it is up to the Prime Minister (Mr. Mulroney) to talk to the Minister, I honestly do not know. However, I would not want to think that, while we do not want to cast aspersions on other Members, we do not have the right to ask questions. As one Member has said, we mention names in the House and by association cast aspersions on those other people. I do not think that is necessarily the case.

• (1550)

I honestly do not think this is a question of privilege, as I said initially. I do not think the Member for Calgary Centre (Mr. Andre) is in a situation of conflict of interest, mainly because of the information which I had. I honestly believe that this is a very, very important question because, on the one hand, Members of Parliament need to have the right to have certain people work for them without being worried about the connotation of their involvement. As well, it is important that Members of Parliament be granted the right to ask questions. Where the perception exists I think it would be wrong for the Chair to limit the scope of Members of Parliament.

Mr. Jim Fulton (Skeena): Mr. Speaker, I hesitate to enter this but I think something is being missed, that is that there would be no pith or substance to what we are talking about right now if there were not a couple of particular things going on in the country. First, the largest corporate takeover controversy in the country is the Dome-Amoco deal. I think the Minister would be the first to admit that when you have a large riding association you must question the appropriateness of having the Vice-President of Amoco sending out a fund-raising letter in the midst of such a controversy. That is the pith and substance of why this issue is being raised as a question of privilege, although I do not believe it is a question of privilege.

The organization in Calgary Centre could have had anyone else send out the letter. It is not only a fund-raising letter. As I understand, it also says that the PCs have made the energy industry a high priority. The Minister is in the particularly important position of being responsible for both corporate affairs and consumer affairs. If Mr. Moore wants to write and send out hundreds of such fund-raising letters, he should be fully aware that some of them may end up in a newspaper or coming to the public's attention. The fact that this particular person, who happens to be the Vice-President of Amoco, has written a letter about the energy industry, fundraising for a particular Member at a particular time when an issue is highly controversial, is really the pith of this issue.

Let us shift ground a little bit. Let us say it was a Minister in another portfolio, the Minister of Regional Industrial Expansion for example, and Chrysler and GM were vying to build a plant in a particular area and the vice-president of GM happened to send out, at a particularly controversial time, a fund-raising letter in that particular area.

We must gain some perspective from the portfolio of the Minister involved, why the question was asked, the timing of the letter, and the fact that the question of energy was raised, tying it to a major controversy in the country. It is important that the pith of this issue be kept in mind.

I am affronted by the comments of the Member for Crowfoot (Mr. Malone) who said that he simply does not believe the Member for Vancouver—Kingsway (Mr. Waddell). That in itself constitutes a breach of privilege. The Minister shouted "scum bag" across the House and then withdrew it. We must keep in mind that the Minister and some Members on that side may be embarrassed that this has been raised. I am sure Mr. Moore was fully aware, when he put his signature to this letter and sent out hundreds of copies, that there was a possibility that it would come to the public's attention.

Mr. Speaker: Before anything is added to the debate, keep in mind that it is not for the Chair to rule as to whether or not there ought to be some kind of guideline which spells out that people in a riding association of a Member of Parliament ought not do this or ought to do something else. That is not the issue which I have to determine. I have to determine whether the questions asked, and the context within which they were asked, injured the Minister sufficiently that his ability to function as a Member of this place and as a Minister would be diminished. That is the issue. That is what privilege is all about.

That is what I have to decide, and I would ask Hon. Members who have had the advantage of hearing some good arguments and wish to add something to this, to keep in mind that that is the issue. The issue is not whether or not there ought to be guidelines which cover this. The issue is whether the questions which were asked have damaged the Minister's ability to carry out the duties which he was sent here by the public to do.

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, my remarks will be very brief. Every citizen in this land has the right to do his work unencumbered by aspersions or suggestions cast upon him by Members in this House. He has the right to be presumed innocent until proven guilty, and that includes the Minister.

The question is not only whether or not he infringed upon the rights of the Minister without intending to. The fact is that he created a suspicion of guilt. It appears to me that he deliberately created an impression of suspicion. As long as that suspicion exists he has hampered the work of the Minister. Therefore, Mr. Speaker, it seems to me that there is a *prima facie* case that the Minister's rights have been violated by creating an unwarranted suspicion of the work of the Minister.

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, my remarks, too, will be brief. I listened with a great deal of interest to the presentation of the Member for Skeena (Mr. Fulton). It appeared to me that the innuendo was being repeated. I am not saying that the Member for Skeena is making an accusation and I am not for a moment suggesting that I will accept what the Member for Vancouver—Kingsway (Mr. Waddell) says when he says that he is not accusing the Minister of Consumer and Corporate Affairs (Mr. Andre) of anything. The fact is that the question, framed in that way, casts an aspersion, whether or not it is done knowingly. That is not the question. In my mind the problem is whether the question casts an innuendo, whether or not the intent is there. That is the problem we face.

I do not control the activities of the association in my riding. I suggest to you, Mr. Speaker, and to Members of this House that the Minister does not control the activities of the association which works on behalf of him in his riding. It is more than an arm's length transaction. In fact I asked my colleague, the Member for Peace River (Mr. Cooper), whether he controls his association and he said that the association controls him. The association determines its own timetable when it does a fundraiser.

My last point is that Mr. Moore, the Vice-President of Amoco, is not identified as such in the letter. The only way that this comes to anyone's attention is when it is raised in the House. In my view, the fact that it was raised in the House further underlines the innuendo, whether or not it was intended.

Mr. Speaker: Keeping in mind that this is an allotted day, the Chair has certainly been very much assisted by the interventions of all Hon. Members and for that I thank them. I will consider the matter and return to the House at the appropriate time.

[*Translation*]

NUMBER OF EMPLOYEES AT LAUZON SHIPYARDS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would also like to raise a question of privilege which, I hope, will not take as long as the one we just heard.

Yesterday, after Oral Question Period, the Hon. Member for Lévis (Mr. Fontaine) said that I had misinformed the House regarding the number of employees at the Lauzon shipyards. Mr. Speaker, during Oral Question Period, I said that "I learned over the week-end that there are only 400 workers left at the Lauzon shipyards". Mr. Speaker, it was obvious that in my question I was referring to organized workers who are paid by the hour in the shipyards and who are the first to be laid off when work is slack. I was not referring to the engineers and technicians, who usually are not laid off when there is a reduction in the amount of work.

This morning, to make sure, I also called the President, Mr. Jean Roch Brisson, to ask him how many employees were actually working at the shipyards, and he told me that tomorrow's payroll, dated May 22, would cover 433 employees working directly at the shipyards and paid by the hour. Mr. Speaker, if I did make a mistake, I was out by 33.

Mr. Fontaine: Mr. Speaker, yesterday after the Hon. Member for Laval-des-Rapides (Mr. Garneau) asked his question I wanted to check with the shipyard management, so I got in touch with the company public relations spokesman, Mr. René Hallé, who did confirm that the company has 750 employees, not 400 as stated by the Hon. Member for Laval-des-Rapides. Should the Chair so wish I would be in a position to produce the appropriate documents stating the exact number of employees and the source of my information. The House was well informed by the Member for Lévis.

Mr. Speaker: I would suggest that this may not be a question of privilege, but I thank the Hon. Member for Lévis (Mr. Fontaine) and the Hon. Member for Laval-des-Rapides (Mr. Garneau) for correcting *Hansard*. Thank you for your attention to the details of the debate.

• (1600)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—ALBERTA ECONOMY

The House resumed consideration of the motion of Mr. Waddell:

That this House expresses its disappointment with the Government for its failure to deal effectively with the severe economic recession in Alberta which has resulted in, among other things:

(1) Alberta having the worst performance of any provincial economy in Canada which the Conference Board of Canada has estimated will shrink in over-all terms for the second consecutive year;

(2) a loss of 50,000 direct and indirect jobs in the oil and gas industry;

(3) leaving Alberta farmers with 23 per cent of Canada's outstanding farm debt;

(4) causing on average 600 new families per month to be placed on welfare; and

(5) Alberta having the highest per capita suicide rate in Canada.

Mr. Speaker: When the House rose at one o'clock, the Hon. Member for Skeena (Mr. Fulton) had the floor. I advise the Hon. Member that he has approximately four minutes remaining.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to resume the debate. When we rose at one o'clock I was discussing the matter of using nice, clean British Columbia and Alberta coal for thermoelectrical production in Ontario rather than the dirty coal that comes in from the United States in enormous volumes.

This is an issue that has concerned Albertans and British Columbians for many years. When one considers the large numbers of rail cars that are available, particularly with the haul-back capacity on CN and CP lines from British Columbia and Alberta, one wonders why large volumes of coal are not coming from eastern British Columbia and southwestern Alberta to feed the electrical requirements of Ontario. One would have thought, with 20 Members from Alberta sitting on the government benches, that some efforts would have succeeded after two and a half years in Government in getting at least the occasional new carload of Alberta coal moving along those lines to provide good, clean electrical power to the Province of Ontario.

Even though we have seen occasional press releases and heard occasional murmurs from Alberta Members, including the Deputy Prime Minister (Mr. Mazankowski), nothing serious seems to be in the works. In fact, the Government seems to have buried the issue again. It is another example of Members on the government benches being strangely silent on an issue that could provide thousands of new jobs and new infrastructure in Alberta.

Other Members have raised the question with regard to the Husky upgrader at Lloydminster, which is a promise by the Tories that was heralded throughout Alberta during the election campaign but has not been fulfilled. The estimates are that some 5,000 Albertans could obtain employment in the development of that heavy oil upgrader at Lloydminster. Once again, government Members are strangely silent and incapable of making the Cabinet understand the importance of providing development initiatives in the West, particularly in Alberta.

Over the years the Government of Alberta invested a great deal of money in the Heritage Fund. However, those funds are tied up in loans to other provinces and therefore not easily tapped by the Government of Alberta in order to provide the required revenues to put people back to work. When the province was awash in oil money during the 1970s and early 1980s, one would have thought that a Government with some vision would have provided for a means of putting those funds into development activities.

As I stated at the outset of my remarks, tourism held one of the greatest potentials for Alberta. Considering the hundreds of thousands of tourists who come from the United States, Japan and elsewhere, perhaps greater initiative could have been taken with the Heritage Fund moneys to develop the kinds of facilities that would have attracted tourists to stay in Alberta longer, and to develop additional sectors within the Alberta economy in anticipation of the cyclical ups and downs that we all recognize occur in the energy sector.

No one expected such a prolonged downturn at this time, and certainly the diversification of the Alberta economy should have taken place during the good years so that these lean years would not have been so harmful as to force 600 additional families every month onto welfare in Alberta.

I am pleased to speak up for Albertans and let them know that there are Members in the House who are prepared to speak up on their issues and try to find solutions.

The Acting Speaker (Mr. Paproski): Questions and comments?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Drummond (Mr. Guilbault)—Agriculture—Marketing of incubated eggs—Government position; the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins)—Canadian National Railways—(a) Future of railway lines in Ontario and Quebec. (b) Reported abandonment of effort to attract new traffic; the Hon. Member for Humboldt—Lake Centre (Mr. Althouse)—Farm Credit Corporation—(a) Ending of moratorium on farm foreclosures. (b) Request that Government establish land bank rental system.

GOVERNMENT ORDERS

[*English*]

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(4) causing on average 600 new families per month to be placed on welfare; and

(5) Alberta having the highest per capita suicide rate in Canada.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, this is a long, dark day for the New Democratic Party. They began the debate with a resolution essentially based on innuendo, and have been continuing throughout the day on the same theme.

For a "peregrinatious" person such as the Hon. Member for Vancouver—Kingsway (Mr. Waddell) to raise the resolution

that he did, is a most perfidious act. The fact is that it is a mean-spirited resolution and one that is factually wrong.

The final comments of the Hon. Member for Skeena (Mr. Fulton) are factually wrong. He says that he and his Party will stand up for Alberta. I suggest that the New Democratic Party utters nothing but nonsense.

He said that 21 Members of Parliament from Alberta are silent and do not really care about the use of low-sulphur coal in Ontario. He wears the masks of theatre and is a great pretender. Now he raises the mask and says he cares for Alberta. That is false.

People on the Prairies, from grandfathers to children, know that there has been a history in western Canada of freight rate discrimination. Once that discrimination is removed, western Canada can have the industrialization of its raw products, of its coal and grain, and the industrialization of flour mills and meat-packing plants.

The great pretender would have others believe that he is speaking for Alberta. Yet the New Democratic Party opposed Bill C-18 and Bill C-19 which would end, forever, the discrimination that stops the very activities that could be good for the West. That is the Party which opposes that forward move.

• (1610)

The last time members of the New Democratic Party ever knew anything about oil and gas, they were using Brylcream. The New Democratic Party pretends it is interested in agriculture, but it is the political Party which stands against property rights in the Constitution of Canada. It is the political Party which, in its Resolutions Reference Book, has as a resolution that it will set up a commission in Canada to regulate the size of farms according to regions across Canada. That is NDP policy.

Mr. Fulton: Mr. Speaker, I rise on a point of order. If the Hon. Member for Crowfoot is going to quote this information, he might once in a while want to show us these documents from which he is always quoting as he travels around Alberta and so on. He knows it is absolutely wrong and false. I think the Hon. Member should avoid putting this information on the record.

The Acting Speaker (Mr. Paproski): The Hon. Member for Crowfoot (Mr. Malone).

Mr. Malone: Mr. Speaker, I am pleased by the invitation of the Hon. Member for Skeena. I will just pick up one of those documents. I see two Liberal Members in the House. They and members of the Progressive Conservative Party will know that the Liberal and Progressive Conservative Parties have Party constitutions which tells us that resolutions of our Parties are recommendations to the Party Leader and advice to that Party should it become government. That is not a part of the constitution of the New Democratic Party. Its constitution says that resolutions passed by its members are binding on the Party. I know that is in the NDP constitution, and so does the Hon. Member for Skeena.

He also knows there is a resolutions reference paper which, on its first page, says that while some of these resolutions were passed a few years ago, they are still binding. These are the resolutions which remain binding. I will read them for him. This is going to be great fun, Mr. Speaker, because one of the pretentions this pretending Party has about western Canada is that somehow the New Democratic Party would be the one which would serve the west. I will tell you, Mr. Speaker, how it would serve the west. I am not going to re-read the resolution on agriculture right now. I will come to that one in a moment. One resolution is the phasing out of oil exports to the United States and a ban on exports of our current surpluses of natural gas. Here is a political Party which really favoured PetroCan. It bowed and kneeled and said: "Oh, thank goodness", when the new Petro-Canada Building went up into the skyline of Calgary. Five hundred acres of red marble were cut in Finland. There was no one to polish it in Finland or in Canada, so it was shipped by boat to Italy to be polished. It was brought across to the St. Lawrence River and across the country by train. This enormous monument built by the previous Government of Canada did not create a dollar. The NDP did not care that it never became more than 40 per cent filled with office space. It was an enormous waste of money. But yet these members of the New Democratic Party say: "We are here to save western Canada". Do not believe them, western Canada. They are not about to do that at all.

Let us go through a few more of these fine NDP resolutions. The price of oil products should remain below world levels. Is that not an amazing and interesting fact? Would the Hon. Member dare to stand up and say that the automobile industry should produce cars for the rest of the country below world prices? Is he about to stand up and say that the steel and iron ore of Ontario should be sold at below world prices? No, that Party pretends it is defending western Canada today, and as for the product which essentially comes from western Canada, it says: "Western Canada, you sell your product at below world prices and all the rest of the country will sell its product at fair market value. You regional folks away out there, your products will be sold at below world prices". They are the great pretenders.

The NDP also espouses the expansion of Petro-Canada by its purchasing of Imperial Oil to increase the activity of the provincial Crown corporation from the creation of a co-operative energy company.

Earlier this morning in this debate there was talk about interest rates. The NDP said its Party should take no credit for that, it was just a world condition. Anyone who believes that the debt of this country has no relationship to our interest rates is dreaming in technicolour. That debt is there because of overspending. Who could overspend more than the New Democratic Party? Who wants to nationalize CPR? Who wants to nationalize all the airlines? Who wants to nationalize the banks? Who wants to nationalize Imperial Oil? That Party

is not really interested in the creation of jobs, the generation of wealth and the employment of people. What it is interested in is the intervention of the state so that the state can come into the homes and rooms of our citizens and tell us there is something called government which can run our lives better than we as individual Canadians can. That is where the great pretenders really fall flat because they should know, if they do not, that there is no place in Canada which has a more intensive spirit of enterprise than western Canada. There may be lots of places which are equal, but there are none which are greater. To pretend that somehow members of the NDP want the state to roll all over them is simply a fabrication of the imagination.

It does my heart good to see the Hon. Member for Regina West (Mr. Benjamin) right in bed with the sheets pulled up tight around him with the CPR with respect to Bill C-18 and Bill C-19. For generations we have cried for that change in the west so we could keep our packing plants, our flour mills, our crushing plants and all of the rest. But the Hon. Member for Skeena asks, why not sell more coal? But his Party says no to the method by which we could sell the coal. It does not want any part of those two Bills which will bring about some freedom of opportunity for western Canada to develop its infrastructure.

Perhaps I can take a look at a few other resolutions, about which the Hon. Member challenged me a few moments ago. He wants me to read some agricultural resolutions.

Mr. Fulton: Point of order.

Mr. Malone: Good. I will allow him his point of order.

Mr. Fulton: I wonder if this political giant from Crowfoot might have something to say about what he and his Government have done for Alberta. Or is he so simple-minded that he cannot possibly tell Albertans one thing he and his Party have done?

The Acting Speaker (Mr. Paproski): There will be time for questions and comments after the Hon. Member's speech. That, I think, is just debate. The Hon. Member for Crowfoot has the floor.

Mr. Malone: Thank you very much, Mr. Speaker. I might add that my neurons are not lonesome as might be the case elsewhere.

The Hon. Member for Skeena does not want me to finish reading his resolutions.

Mr. Fulton: That is because your Government won't do anything for Alberta, Arnie. Let's hear one thing.

Mr. Malone: The Hon. Member wants to hear one thing. I will not give him one thing. If you will allow me the time, Mr. Speaker, I will give him enough things which have been done for Alberta to fill the rest of the day and half way into the night.

Some Hon. Members: Hear, hear!

Mr. Fulton: Let's hear the best thing the Government has done for Alberta.

Mr. Malone: The Hon. Member for Ottawa Centre (Mr. Cassidy) and I were on a little chatter with CBC Calgary. I read out some of the NDP resolutions. What he said is on tape in Calgary. He said I was on a witch-hunt. I ask you, Mr. Speaker, what will the average citizen in Alberta think about a person who was the Leader of the Ontario New Democratic Party, who today is an elected Member of Parliament, who has a major part in influencing people about resolutions which are developed, who says, when you read his Party's resolutions as direct quotes in public so that Canadians can know about them, that I am on a witch-hunt? That is what the Hon. Member for Skeena is doing now. He does not like what I am doing. It must hurt.

Mr. Fulton: It is just that you have nothing to say, Arnie, you are a mental midget.

• (1620)

Mr. Malone: Here is what we get if we had an NDP Government: "the establishment of industrial plants to be co-operatively or publicly owned for the processing of food and the manufacture of farm supply items in the regions of production."

Well, now, isn't that interesting. Now they want the Government to own these farm machinery plants and the supply outlets.

And get this: "the establishment of a public commission to determine a formula for farm unit size on a regional basis."

Did you hear any farmer stand up, Mr. Speaker, and applaud that? Let us take a look at another one. That Party espouses "taking into pubic ownership some existing farm supply retail operations, farm machinery assembly plants, meat-packing plants and canneries".

Well, Canadian farmers, there you go. The NDP can give you all Polaris tractors. Would that not be a real thrill!

The Hon. Member opposite asks what it is I am quoting from. Well, here it is, the NDP Resolutions Reference book, dated October 1986. Here it states:

> This book contains those resolutions passed by New Democrats since 1961 which are still current today. That is, resolutions which have not been overtaken by events or superseded by subsequent resolutions.

There they are, Mr. Speaker. I can tell you, when I finish reading this book to Canadians, the New Democratic Party will be at 2 per cent in the polls and no higher, if people are made to understand all of the stuff that is in here.

Some Hon. Members: Hear, hear!

Mr. Malone: There are socialist Governments around the world, many of which are in northern Europe, but there is only one socialist Party in the whole western world that wants to get

out of NATO, and that is the New Democratic Party of Canada.

The Hon. Member opposite concluded his remarks in this debate by making the assertion that we have not done anything for tourism in western Canada. The first tourism sub-agreement ever signed with Alberta was one signed after we became the Government, involving an amount of $56 million.

It may be that the Hon. Member for Skeena does not know this, but we also committed $90 million to the second arm of the Trans-Canada Highway, the Yellowhead route. That should even benefit Skeena. But he closed his mind to that kind of information.

In the agricultural sector alone, 437 initiatives have been launched by this Government, to a total value of $5.88 billion. That is in the space of two years. I challenge the Hon. Member for Skeena or the Hon. Member for Vancouver—Kingsway to find any period in the history of Canada when that amount of money has flowed from the central Government of Canada to the regions, in this case to western Canada in large part—and they can index the money in any way they wish.

Under the Western Grain Stabilization Act, we have had record payments totalling $859 million. We had to pass two amendments to the Act in order to make those payments possible. This spring, there was $705 million allocated to interim payments; there was $210 million allocated to a drought assistance program. In addition to all of that, we introduced the $500,000 capital gains tax exemption.

Is it not interesting, Mr. Speaker, that while we were applauded all across the farming regions of Canada, the New Democratic Party, which pretends to be the great saviour of western Canada, came out in opposition to the $500,000 capital gains exemption, an exemption that is largely utilized by farmers and small business persons in Canada?

We have brought about a $100 million to $150 million savings on freight rate rollbacks. Had the formula put in place by the Liberal Government continued unchanged—and I know that conditions have changed—grain freight rates would be well over $11 a tonne today. As things stand, the freight rate barely touches $7 a tonne.

The fact of the matter is that the Hon. Member for Skeena has nothing to stand on at all when he tries to pretend that nothing is being done for western Canada.

In respect of regional development, we have had $370 million go to the western provinces. Three out of every four of the Alberta-listed companies have won federal government contracts, to a value of some $233 million: $50 million for the Yellowhead Highway upgrade; $50 million for agricultural processing; $40 million for northern development in the northern regions of the Prairies; $23 million for a federal forestry agreement with the provinces; and $22 million for the Lethbridge Animal Diseases Laboratory.

The federal Government also contributed 70 per cent of the $90 million cost of the Lloydminster upgrader research project.

The Hon. Member for Skeena has said this Government has not done anything. Well, if 70 per cent of $90 million is nothing, by golly, Sir, I want lots of nothing, because that kind of "nothing" sure is welcome in western Canada.

That is the kind of thing that this kind of tomfoolery that we are having in the House today—

Mr. McMillan: Watch it!

Mr. Malone: Mr. Speaker, I stand corrected by the Hon. Member for Hillsborough, the Minister of the Environment (Mr. McMillan).

As the Minister of the Environment, the Hon. Member looks after national parks, and I know that he will do a good job in that respect insofar as Alberta is concerned. He will help us improve our environment and help us in enhancing our national parks. In doing all of that, I can tell you that Tom is not foolery; he is very wise.

I want to thank the NDP, Mr. Speaker, for having brought this silly motion before the House. It allows us to put on the record during the course of this debate what this Government has done for western Canada, and what it has done has been very, very significant.

It also provides us with an opportunity to remind the citizens of this country that it was the NDP and the Liberals who closed the door to economic development in western Canada, and to bring to the attention of Canadians what it would be like to live under the oppressive policies of a New Democratic Government.

Let me end on a point that I consider to be critical. There has been too much talk about doom and gloom in the west. In fact, the talk of gloom and doom is bringing about some actual doom and gloom.

It is true, Mr. Speaker, that there are persons who are resisting investing in western Canada because of the perception that things are bad, when in fact there is much that warrants optimism.

If we look at the statistics, the truth of the matter is that drilling activity has increased. Over-all activity in the energy sector has significantly increased. The notion that agriculture is in the doldrums is overstated. The fact of the matter is, over-all income in agriculture has increased by more than 100 per cent since this Government took office. What has happened is that the grain sector has become greatly depressed.

The fact of the matter is, Mr. Speaker, that all of this talk of gloom and doom makes it more difficult for entrepreneurs and businesses in western Canada to attract capital. Even some members of the Alberta Government will admit that. Bearing that in mind, I ask people to act responsibly.

The Parties who are not in opposition drove $56 billion out of Alberta during the course of the National Energy Program, and they stand here today and complain that the Alberta Government is not looking after medicare in the way that it ought to. Well, had they left that $56 billion in the western Canada economy, the Alberta Government certainly would look after the needs of medicare.

They say that we are not doing enough for agriculture. Again, had the $56 billion that was taken out by the NDP and the Liberals been left in that economy, a lot more could be done.

I see that my time is up, Mr. Speaker. I have a great deal more that I would like to say, both in terms of what the New Democratic Party is and what we have done for the west. I shall conclude for now, but Canadians will be hearing more from me.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): The Hon. Member for Yorkton—Melville (Mr. Nystrom), on a question or comment.

Mr. Nystrom: Mr. Speaker, the comments of my hon. friend from Crowfoot are very tough. It seems to me that he is being very critical of his fellow Albertans, who are turning in droves to the New Democratic Party. They have seen how the Progressive Conservative Party of Canada has sold out western Canada. They have seen a Government which has not been very honest in terms of how it is perceived in western Canada. They have seen a Government which is doing everything to reward its friends through patronage and through cronyism in central Canada. They are objecting to that in the west.

• (1630)

The best evidence I have of that is the election of all those New Democrats in Edmonton in the last provincial election. There were 16 in Alberta. Most of them were in Edmonton. There is also the fact that the by-election in Pembina was almost lost at the federal level. A majority of some 30,000 went down to some 200. This is why more ordinary Albertans are voting for the people's Party. They are not voting for the big money Party in central Canada, the Tories; they are voting for the people's Party, the New Democratic Party of Canada. That is why the Tories are terrified of the NDP.

We had to bring forward this motion today because of the 21 silent Conservatives from Alberta; they are called "the Silent 21". In fact, I have received calls in my office saying "the Silent 21 will not raise this question. Will you guys raise it for us?"

The Hon. Member is a good friend of mine and a distinguished Albertan. He says that he has all kinds of sources and contacts. I have a very simple question for him. What will the western diversification initiative do for ordinary Albertans?

We have had one very competent Conservative Member of Parliament, the Hon. Member for Edmonton—Strathcona (Mr. Kilgour), denounce the Conservative Party because it does not stand up for western Canada. He had the courage of his convictions. This is why he has received such a positive response from his constituents in Edmonton. They see him as the one exception to the "Silent 21". One reason he denounced his Party was that there was no action in the area of western diversification.

What will the western diversification initiative do for ordinary Albertans? The Hon. Member may not know much about it. I have lots of government documents—they are leaked to me all the time—on western diversification. When I speak later, I will reveal some of the contents of them. Since the answer is not in all the documents I have, I want to know what the western diversification initiative will mean to ordinary Albertans.

Mr. Malone: Mr. Speaker, I find it amusing that a Member would pretend for a moment that he has all kinds of leaked documents but would find it necessary to ask questions about substance.

He started out in his preamble by saying that we had done nothing for western Canada. The Hon. Member for Yorkton—Melville (Mr. Nystrom) has great affinity for the pool system in Alberta, Saskatchewan, and Manitoba. I should like to read from the Alberta *Wheat Pool Budget* as follows:

> There's no denying that Canadian farmers have been receiving more public support than ever before. Last year Alberta producers received $470 million from three major support programs alone. In total about 17 per cent of total farm cash receipts came from government support programs in 1986 . . .
>
> These tremendous income declines would have caused a total collapse of western Canadian agriculture if the government support had been withheld.

Let us take a look at the enormous amount of money we have given. We must bear in mind that the big spenders who preceded us left us in a situation where one out of every three tax dollars is used to pay for interest on the accumulated debt. For the Hon. Member to pretend that we have done nothing raises the great pretention of the NDP, the "let's pretend" Party.

The truth is—and it is the statistic for which I was looking earlier—that total net farm income was up 176 per cent in 1986 over 1985. It is the grain sector that is down.

The Hon. Member asks what we will do. The truth of the matter is that we must put forth support to retain the agricultural sector until the basic fundamentals are looked after. In part the Liberals must share the blame. It started in the 1972 Tokyo Round of the Economic Summit when emphasis was not put upon agriculture. That changed in 1985 when the present Prime Minister (Mr. Mulroney) made sure that agriculture was forced to the top of the agenda in Tokyo.

It was followed up by the Right Hon. Secretary of State for External Affairs (Mr. Clark) at Punta del Este, Uruguay, when he forced agriculture on to the primary agenda of the GATT at Geneva.

The Hon. Member for Yorkton—Melville knows that just this week OECD countries said that the Canadians were right.

They are now looking at backing away from their extraordinary subsidization.

The Hon. Member asked what diversification would do. I have already mentioned in my speech what it has done for tourism. It will take us away from having only two boom and bust industries. Bill C-18 and Bill C-19, which the New Democratic Party opposes, will allow for the infrastructure to manufacture raw materials from the prairie regions to be enhanced. However, he opposes that. It is one way in which to develop a capacity for the western basin to produce its products.

It is rather naive to ask for the details on a document which is not yet before the public and on which we are still working. However, I can tell the Hon. Member that I do not have to go public to have my voice heard. I can, at regular meetings with the people who are drafting and writing this important legislation, make sure that western Canadian interests are being looked after. I see the Hon. Member for Calgary North (Mr. Gagnon) is here. He is playing an active part, as are other Alberta Members of Parliament.

I am thankful that we are not on the opposition side and that we can do hundreds and hundreds of things to make western Canada a better place to live, despite two terrible world conditions which have driven down the price of petroleum and the price of grain. There is a great day coming in oil. We have now been six weeks at $19.50 per barrel. I say to the Hon. Member: "You just stick around".

Mr. Binns: Mr. Speaker, I was interested in the remarks of the Hon. Member for Crowfoot (Mr. Malone). He certainly enlightened us about the situation in western Canada, in particular the situation in Alberta.

He mentioned the National Energy Program which was brought in by the former Government and of course supported by the New Democratic Party. He also mentioned its effect upon western Canada. Perhaps he could take a moment to elaborate on some of its effects on the economy in western Canada, on the jobs that were lost, on what the Progressive Conservative Government did after taking office in relation to that program, and on the follow-up programs in the energy sector for western Canada.

Mr. Malone: Mr. Speaker, the National Energy Program was a job-creation program by the Liberals—it created jobs in the United States, Venezuela, the North Sea, and Australia. It drove Canadian drilling rigs out of Canada; two-thirds of them left within the period of a year.

There is a great misconception in Canada that a drilling rig is a tower. To move a drilling rig requires approximately 16 very long, 18-wheeler tandem trucks. Each move costs about $500,000, yet three-quarters of our rigs were driven out of the sedimentary basin and headed for other countries. Head offices moved from Calgary to Denver, Colorado. One person who was a Member of Parliament moved many of his people out. The environment in Canada was a losing environment, and it took $56 billion out of western Canada.

Today Liberal and NDP Members stand and say that the provincial Government should do certain things. They ask why we as federal people do not do certain things for the west. The truth of the matter is that much of the damage which has taken place is the direct result of that terrible, awful, unjust, unfair, wrong-headed, and bull-headed policy, the National Energy Program. It treated western Canada differently from other parts of Canada. It treated one sector of the industry different from all other sectors. It sucked out from one sector just short of $5 billion in taxation at one time. Now that figure is just a little over $400 million for the same sector, because fairness has been put back into the game.

In response to the question of my good friend from Prince Edward Island, let me say that it was a devastating sight. Over a mile and a half of trucks were lined up from Coutts, Alberta, to Sweetgrass, Montana. They were heading for the United States and taking our men and women with them. Jobs were leaving the country. It was a devastating day. The great pretenders are the New Democrats who have the audacity to come to the House of Commons and say that they are sticking up for western Canada. What a façade, Mr. Speaker!

• (1640)

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan).

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, it seems that the Government and the Conservatives, every time they are questioned about the lack of support for the energy industry in Alberta, always refer to the National Energy Program. Certainly the National Energy Program had some detrimental effects on the energy sector. That was evident in the last federal election, and the Liberal Government cannot be said to have done very well in Alberta. But now we are three years into the mandate of the present Government and it is still talking about the National Energy Program, trying to get Albertans off the track. This Government has not only not supported the energy sector in Alberta but it has completely ignored it.

There have been some programs, some of which have been noteworthy, but all of them have come far too late and all of them implemented only because of political necessity.

We are talking today about a province which has an unemployment rate of between 10 per cent and 11 per cent. Alberta Members can say that things are looking bright. I can say that with higher oil prices things are looking a little brighter, but it does not mean that Alberta is out of the woods by any means nor can we take for granted that the economy of Alberta will bounce back. An awful lot needs to be done.

I am very concerned when I hear government Members saying that things are looking brighter and that is their defence for ignoring the problems in Alberta. It is wrong also

for Canadians in central and eastern Canada to point to the Heritage Fund and say that that is the answer. That is not fair to Albertans. Loans have been made to other provinces from the Heritage Fund. Those moneys are tied up for a considerable period of time. The Government of Alberta has put a great deal of the Heritage Fund into parks and hospitals, money which it cannot get out. You cannot sell parks and hospitals, but if you could, you would get very little in return. There is very little of the Heritage Fund that you can liquidate and use. It is a non-issue.

We have to look at the situation in Alberta as it is today, not to posture or to find some excuse and blame someone else. We have to look at the problems realistically. We have to take off the blinders and say that this is a concern which must be dealt with realistically and as soon as possible.

The Hon. Member for Crowfoot (Mr. Malone) talks about prior summits and about agricultural meetings. The problem is that the good friends of the Government, the Americans, have again let down the Conservative Government in the case of the wheat farmers. In order to fight the concessions given to farmers in the Common Market the Americans decided to subsidize their wheat growers, which put Canadian wheat growers in a very difficult position. You cannot say, "Those darn Americans are rascals. Look what they have done. Our farmers are really great guys and this should not have happened to them. There is really nothing we can do because it is out of our hands".

If the Conservative Government is conscious about the problems of the farmers as it says it is and puts their problems on the agenda as often as it has, why are other countries kicking sand in our face as never before? It is because the Government does not have any respect internationally. It is perceived that the Conservative Government wants a free trade agreement so badly that the Americans can do anything they want as long as they say that what they are doing will heighten Canada's chances of getting a free trade agreement. A free trade agreement would be nice if we did not have to sell the country to get it. There are a lot of things this country would like and a lot of things Canadians would like, but at what price? That of selling our country, our resources and our culture, of reducing our scope for making decisions on defence, on nuclear armaments, on submarines in the Arctic? We will stop being a sovereign nation if it is carried to the extent that the Americans would like to carry it. I am not being anti-American. The Americans are good neighbours, but the United States is a separate country, as is Canada. We have to have respect for one another. The respect Americans should have for Canada does not exist.

The problems in the energy sector at the present time are not, and I repeat, are not a result of the National Energy Program. When prices were higher, activity returned and reports from all of western Canada, including Alberta, were that there was going to be a boom. There was no talk in 1985 about the National Energy Program dragging down the oil and gas industry in western Canada. There was no talk of that at all. But when the price of oil went down to less than $10 a barrel U.S., all of a sudden the problems were a result of lower world oil prices and the National Energy Program. That is not fair at all. It is not fair to the Liberal Party nor to Albertans. It is not fair to delude oneself that the National Energy Program today is in any way responsible for the problems in Alberta.

The Hon. Member for Crowfoot talks about $56 billion leaving the Province of Alberta. His Government has been in power during this downturn in world oil prices. How much money has gone back into the Province of Alberta since this Government has been in control? The Government is so apoplectic about the word regulation that it just backed away completely from assisting the energy sector.

Look, for example, at the time sequence when world oil prices declined. They started to decline in January, 1986. Nothing happened. Month after month after month there was talk of doing away with the petroleum gas revenue tax.

Mr. Malone: Who put it on?

Mr. MacLellan: In August, the Minister of Energy, Mines and Resources (Mr. Masse), was going to be in Alberta to announce the abolishing of the PGRT. He went out west and spoke about how serious the situation was in the oil and gas industry in Alberta and then proceeded to walk away. Why? Presumably because the Minister of Energy in Alberta said that he might be announcing the abolishing of the PGRT. The next month there was the by-election in Pembina and the Government candidate was not doing too well. All of a sudden there was a retrenching and a scattering of paper and bodies. There were meetings and out went the Minister of Energy to Alberta to announce the abandonment, the abolishing and the doing away with the PGRT. It is a funny sequence of events that that announcement just happened to be a few days before the Pembina by-election.

The situation continues to get worse. Why does it continue to get worse, Mr. Speaker,? Not because the situation changed. The situation in September, 1986, in December 1986, in January and March, 1987 is the same. The situation is deteriorating because it has gone on for a longer period of time. The downturn in the sector has continued.

• (1650)

Most of all what has been damaging has been the continuing uncertainty. The oil and gas sector does not know where it stands. It does not know if the Government is going to help. It does not know if oil prices are going to go lower, higher or remain the same. It cannot plan. It is a simple question of economics. When the industry was down you could not expect it to plan large investments. Yet that is not what the Government would have us believe. When it did away with the PGRT the Government said it expected the major oil companies to reinvest that money in the energy sector. The Government is like the guy who lost five dollars on a goal scored in the hockey game and another five dollars on the instant replay. Time and

time again we have seen that the multinational oil companies are not philanthropists. That is not a condemnation so long as you realize that they are multinational oil companies. They buy and sell oil and gas around the world. They do not become nationalists or philanthropists. They do not become an arm of the Canadian Government or society. We have to realize that, and for the Government to say what it did was naive and insulting to the people of western Canada.

In March the Government announced the exploration and development incentive program. It is estimated to be worth about $350 million. I think it will help exploration and development in the energy sector, and that is very important. While I do not think it is as good as others that could have been brought in, I support it because the Government is finally doing something for the energy sector. It is doing something for the small and medium-sized companies in that sector. That is very important.

There is a myth that when things were going well in Alberta a lot of people jumped on the bandwagon and invested money but they should have known better. That is a very unfair rap on the energy sector in Alberta. To say that when things were going better small and medium-sized oil companies should have known it was not going to last is wrong.

The major chartered banks invested millions of dollars in the energy sector. How can you say that about the small and medium-sized players and not about the banks? It is unfair to say these companies were all johnny-come-latelys. They are not. They have been in business since the 1930s and 1940s.

I talked to the president of one company which had been in his family since 1936. He told me he was going to have to lay off employees and it bothered him very much. It kept him awake at night. These people were not just employees. They were friends, he had known them and their families for years. That he would have to lay off some of them caused this man no end of concern.

I talked to a lot of people whose jobs were uncertain. They said they wanted the Government to tell them what it is going to do. If it does not want to help them, at least give them the courtesy of telling them that. If they are going to be laid off they want it done now so at least they have a chance to get a job. Given the uncertainty of the Government, later would be too late and the market will be filled with people looking for work. That is exactly what happened. Mind you, a lot of people have left the province, but a lot are still there, without jobs but with a great deal of uncertainty facing them in the future.

The price of oil has gone up, and I hope it goes up more because it is important to get a reasonable price so people can plan. If it does not go up, we have to do something. The Government did not do anything when it went down. Surely to goodness it will do something if it goes up over U.S. $20 a barrel. Surely it will plan and put some kind of safety net in place for the people of western Canada. Surely its inhibitions about regulation are gone now that it has brought forward the exploration and development incentive program. Surely the Government realizes this is regulation.

The Liberal Party brought forward a cash flow stabilization program which we thought and still think was in the best interests of the energy sector. It did not go anywhere, largely because it was the Liberal Party that recommended it. That is the sort of silliness that goes on across the way.

Members opposite talked about improved drilling. I am going to read some figures that were given to me by the Independent Petroleum Association of Canada. In 1985 there were 12,564 wells drilled in Canada. That dropped to 6,400 in 1986. This year it is projected at 5,400, and that with the price of $20 a barrel. That may increase if the price increases, but there is no abundance of drilling activity in Alberta.

What about the Senate? To my knowledge no Members across the way have said they support a triple-E Senate. Westerners, Albertans in particular, are completely disillusioned because of that. Not only with the Conservative Party but with federal politicians in general. Being a federal Member of Parliament, that causes me a great deal of concern. I am pleased Albertans put forward this idea of a triple-E Senate. Had they not done so in the hope they will get a fair deal in Confederation in future, then they would be talking about separation and splinter Parties and other things which are not in the general interest of keeping this country together. To lose that valuable and beautiful province would be a tragedy. It is important that the Government treat Alberta fairly. Don't go making excuses or pass the buck. Treat them fairly. Recognize their problems and deal with them. That is the only thing they are going to understand. Fair treatment is the only thing you can expect anyone to understand.

Since 1972, Albertans have voted Tory almost exclusively. They had the right to feel they were going to get fair treatment, but they were ignored. They got platitudes, which only insults their intelligence. Is there any wonder they get angry?

This is a good motion because it puts forward some very important facts, and I hope the Government will listen instead of turning away and making believe these problems do not exist.

The Acting Speaker (Mr. Paproski): Questions or comment? Debate.

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I listened with great interest to the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan). He said the National Energy Program did not cause the disaster we are faced with in the oil industry in Alberta today. Let me draw you an analogy. A fellow was walking across the road and was run over by an 18-wheeler. He ends up in the hospital with a broken leg, broken pelvis, wearing a body cast, with a tube of liquid running into his arm. He starts to make a come-back. He gets healthier, but then he catches pneumonia and dies. By the Hon. Member's reasoning his death has nothing to do with the accident, it is the pneumonia that killed him.

Let us talk about some of the history of the oil industry and go back to where it started. Our problem commenced in 1973. At that time we had a minority Government propped up by the NDP which decided, as a temporary measure until January 1, 1974, to put a freeze on the price of oil. They do not do that with cod fish, zinc, cars or lumber, but the minority Liberal Government of the day, aided and abetted by the NDP, did that to oil.

• (1700)

I am in the oil industry and saw the result of that. From the time that temporary measure was introduced in 1973 until it was taken off by the Progressive Conservative Government in 1985, $56 billion of revenue was lost. That money would not go only to the oil companies. In the Province of Alberta 81 per cent of the mineral rights are owned by the province. For every barrel of oil which comes out of the ground on which the province owns the mineral rights, it gets a percentage. From 1973 to 1975 the NDP-Liberal coalition stole $56 billion from the people of Alberta.

As a small oil producer I felt like a second-class citizen in my own country. I could sell a barrel of oil for only half as much as someone else would get. Oil came on to the Montreal market which was produced for the benefit of a dictator in North Africa who got the full price for the oil. He took his money and marched his army into Chad. He had hit squads running around Europe, which is well documented. However I, as an oil producer, and everyone like me, were second-class citizens and could get only half as much as that person. It is just unbelievable.

The next step was the national energy policy. On October 28, 1980, a day of infamy, they continued the low prices. If we were supposed to get $20, they would give us $10. They had a bunch of new taxes. There was the petroleum and gas revenue tax, the petroleum compensation charge, the natural gas and gas liquids tax and the incremental oil revenue tax. There was a whole basket of nomenclature, bureaucracy and paper shuffling to tax this resource. No other resource was taxed like this. Essentially they chose one segment of Canada and treated it differently because it produced that product. We got hammered. The PGRT alone took $10.5 billion, and that was only one of the taxes.

These geniuses said that the price of oil was going to continue to go up and up and up. In 1980 they said that they expected that the price of oil would be $63.20 today. It is $24.87. It is less than 40 per cent of what they thought it would be. That was not good enough. A year later they said that it would be $77.50 today, and it is less than $25.00.

There was no flexibility in the system. They expected something to happen which did not happen. Instead, as my hon. friend, the Member for Crowfoot (Mr. Malone) mentioned, the rigs left. There were lost jobs and opportunities. In 1984, Alberta and all of Canada repudiated these socialists and put the Progressive Conservative Party into government and we started cleaning up.

Within half a year of being in power we signed the Western Accord which got rid of the incremental oil revenue tax, the petroleum compensation charge and the natural gas and gas liquids tax. The Government set up a phase-out for the infamous PGRT. It also allowed oil to be sold at the market price, which was something new. In the fall of 1985, a little over a year after taking office, we began to deregulate the gas markets, and are still in the process of doing that. The national energy policy taught us that Government is not smart enough to make these prophecies. That is a perfect example of what these people did in 1980.

As my friend from Cape Breton—The Sydneys pointed out, in January, 1986, the price collapsed. By February the price was down to about $25, and on April 18 it was less than $16. It went down from $40 to $16. The Member said we did not do anything. In fact we addressed the problem by increasing the tax credit. As you know, Mr. Speaker, the tax credit meant that producers did not have to pay the first $250,000 of tax. The Government increased that amount to the first $2 million of tax. It was the smaller companies that benefited. We decreased the number of companies paying this tax to 45. The Member said we are sitting on our hands, but we did all of that within three months. In less than nine months, by October 1, we removed it entirely, which added hundreds of millions of dollars to the cash flow of the oil industry. We recognized the problems.

We also retroactively changed the PGRT on royalties, which helped the smallest and most Canadian entrepreneurial start-up companies. Six million dollars went back into the pockets of the smallest Canadian companies. They were happy and very thankful.

What does all this lead to? I will refer to *Oil Week*, which is one of the bibles of the western oil patch. I recommend that the socialists take a look at it once in a while. They might learn something. This is the issue of *Oil Week* from May 11, 1987. It says:

> A surprisingly bullish projection for the level of exploration activity in the last three months of 1987 has been made by analyst John Lloyd-Price of brokerage house Gordon Capital Corporation.
>
> Lloyd-Price says—the rig count could hit 200 in the third quarter and 450 by the fourth.

He says further:

> —if 450 (rigs) are put to work that will probably mean the industry will be fully operational.

• (1710)

We also implemented the Canadian Exploration and Development Incentive Program on April 1 of this year. That measure will help the smaller companies, compared to the PIP grants under the national energy policy of the Opposition, which did not help the little guys but assisted the big companies like Dome. Dome received subsidies of $1.28 billion in taxpayers' money under the Petroleum Incentives Program.

According to our initiative, no company can receive more than $3.3 million, so that it will benefit the smaller companies.

I am flabbergasted that the New Democratic Party would have the gall to introduce this resolution after it created most of the problems. The New Democratic Party Policy is to stop oil exportation to the United States. The industry is sick because of the collapse of the price of oil, yet the NDP would cut off its life blood by preventing the sale of oil to the Americans, thereby greatly reducing the cash flow.

Let us consider the impact of the NDP policy not to sell gas to the Americans. There will be no cash flow, no jobs, no drilling and more unemployment. I do not understand their logic.

I want to talk for a moment about the Dome-Amoco merger. The New Democratic Party suggests that the Government should take steps toward Canadianization. There was a Canadian offer, but the NDP forgot to mention that such an offer would cost the taxpayers of Canada in excess of $600 million, an enormous expense to every man, woman and child in Canada. Furthermore, they forgot to tell us that the Canadian offer would consider the Dome Petroleum debt to the Government of Canada as an unsecured credit. This means the Government would receive 30 cents on the dollar for a $180 million loan, costing us another $120 million. They also forgot to tell us that the Canadian bid is 25 per cent sponsored by a foreign national oil company.

If we were to follow the New Democratic Party policy to assist Dome stay Canadian by absorbing $600 million of taxpayers' money and forgiving a debt of some $120 million, we would be assisting the Canadian banks. In other words, the socialists will help bail out the Canadian banks that they also want to nationalize. First, they will make the banks wealthy through this deal. Their policies do not make sense.

Let me summarize what the Government has done. We established a free market-place for oil and are working on the same initiative for gas. We need not be second-class citizens because we can sell our products at the same market demand price as any other commodity from Canada.

We acted on the petroleum gas and revenue tax by modifying it within three months after the collapse of oil prices and by removing it entirely within nine months. We came to the assistance of the smallest producers by applying this measure retroactively. We introduced a $350 million program to create jobs. We helped the small companies in that sector in order to get the rigs working, so that the well-known analyst to whom I referred expects full utilization by the fourth quarter of this year. That is the proof that our measures are working.

We also signed the Atlantic Accord, bringing Newfoundland and Nova Scotia on side.

I am proud of our record and of being able to play a minor part in working toward these goals. We realize there have been tough times, but we recognized the problems, consulted with the industry and the provinces, and found solutions jointly. I am pleased that we can now see some results and that even better results will appear in the days to come.

Mr. MacLellan: Mr. Speaker, the Hon. Member for Calgary North (Mr. Gagnon) talks about the man who was hit by the truck, recovering in hospital, then dying of pneumonia. The reason he died of pneumonia is that the Tory Government opened the windows and took away all his blankets.

The Government has pulled the bottom out of the energy sector and is trying to blame it on the National Energy Program. It is using the NEP as an excuse for doing nothing.

One of the few steps the Government took was to deregulate natural gas last fall. I suggest that the Hon. Member ask the producers about the benefits they are receiving from the deregulation of natural gas. He will discover that they are being forced to sell their natural gas for less than their production costs, that some of them must work for the banks, and others who are selling their product at a very low price in order to pay the banks are hurting those viable operations. They are doing away with the adjacent border price, which is only helping the Americans.

Will the Hon. Member tell us how deregulation of natural gas will help those producers who are selling their natural gas for well under what it costs them to produce it?

Mr. Gagnon: Mr. Speaker, the Member for Cape Breton—The Sydneys amazes me. Essentially, four things affected the natural gas industry. It began in 1973 when the price was frozen and the industry and the provinces, as well as the people, were deprived of $56 billion in income. Second, the National Energy Program was implemented in 1980 and the petroleum and gas revenue tax alone took $10.5 billion from the industry.

The Member represents a Party that was in government when the prime interest rate soared to 23.75 per cent in 1982.

Finally, just as the industry was getting back on its feet as a result of some positive initiatives by our Government, there was a collapse in the oil price. It was the 18-wheeler, driven by the socialists, that ran us over, and they have the audacity to say that somebody left the window open! The Liberals said the price of oil was supposed to be $77 a barrel, but they made a slight miscalculation. It is only $24, less than a third of their prediction.

• (1720)

I did not see them in 1982, 1983 and 1984 taking the PGRT, the incremental oil revenue tax, and the petroleum compensation charge and all the alphabet soup of charges off when the price did not go up to the level it was supposed to. Yes, we have some tough times ahead of us, but we are opening up new markets. We are learning new skills. We have a skill called "selling". We are moving gas into the California market which has not been touched. We are moving gas into the mid-western market, the Chicago, Milwaukee area, which we have never serviced before. We are breaking in new areas and competing.

The lower price of oil is benefiting the people of central Canada. We are gradually getting the volume up so that we are partly offsetting the loss in price by volume. We know where to find gas. There is lots of it out there. But we have been hampered. We have had our arms tied behind us and a gun put to our head. Finally, in 1985, we took the shackles off the oil industry and gave it free rein. It is learning about freedom. The drilling statistics and projections by the well-known oil analyst, John Lloyd-Price, is just another indication that we are doing what has to be done and doing it properly and well.

Mr. Horner: Mr. Speaker, I would just like to make a comment. I know many Members from Alberta would like to join in this debate and tell you, Mr. Speaker, and the people of Canada just what these so-called "Silent 21" are doing for the Province of Alberta.

I thought, as a Member from Ontario, that it might be worth-while for me to explain some of the things that Members from Alberta do. Last Thursday I was one of a group of Ontario and Quebec Members of Parliament who were taken to Alberta and given tours of the oil industry. We met with people out there in Bonnyville and Fort McMurray. We were taken out to Alberta by these Members of Parliament who are doing what is right. We learned an awful lot about the oil industry. I took a silly little test before I went out west. I only got 10 questions out of 20 right. Today, however, I could get 20 questions out of 20 right. I can tell you right now, Mr. Speaker, that Members of Parliament from Alberta are working on behalf of their constituents.

When I met with members of the Chamber of Commerce and the Board of Trade in Bonnyville, they told me they were pleased. In the Town of Fort McMurray, 35,000 people of the average age of 24, young men and women, are putting their trust in Members of Parliament, who are doing a fine job for them and they know it.

I can also say that through New Canadian technology, the price of manufacturing a barrel of Syncrude is down to, I believe, $10.60, and we are told they can take it down lower. They have done this through the initiative of the private sector because the Alberta Members of Parliament have made it possible for them to do these things. I think we should all stand and congratulate the 21 Progressive Conservative Members of Parliament. I will tell you, Mr. Speaker, after the next election and redistribution, there will not be 21 Conservative Members of Parliament from Alberta, there will be 26 Conservative Members of Parliament.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, there is nothing like that Horner optimism.

What I would like to speak about is western diversification, but I want to make a couple of comments before that. My friend from Mississauga mentioned "the silent 21". He refers, of course, to Conservative Members of Parliament from Alberta. Perhaps that should be amended. You are in the chair, Mr. Speaker, so it makes it difficult for you to speak out. The courageous Member for Edmonton—Strathcona (Mr. Kilgour) has already spoken. So I believe we are down to a Silent 19. We have heard Conservative after Conservative say that the big problem in Alberta was the NEP. They are living in the past as always, looking backwards. I wonder how long they are going to keep on doing that. I remind this House that I too voted against the NEP. If the records were checked, one would find that our Party voted against the NEP. I thought there was too much of a federal tax take in the NEP and I voted against it. The Premier of my province, Allan Blakeney, spoke out strongly against the NEP in terms of the federal tax take. I think the record should be clear on that.

In terms of whether or not there was enough public ownership, that is where I disagree with my friend, the Hon. Member for Calgary North (Mr. Gagnon). He thought there was too much public intervention. I did not think there was enough public intervention. That is because he is a capitalist and I am a socialist. We have this difference. I thought there should be more public intervention in the oil industry.

Petro-Canada should have been started sooner. It should have been a lot larger than it is today. That is a tradition we have in Saskatchewan. Under Tommy Douglas and Woodrow Lloyd and Allan Blakeney, Saskatchewan was one of the most prosperous provinces in the country. It never ran a deficit. We have a lot of public ownership in uranium, oil and potash. I am proud to say that Saskatchewan has the biggest potash company in the world under public ownership. I am proud to see the head office in Saskatoon. I am also proud that the people of Saskatchewan support greater public ownership, greater co-operative ownership of the resource industries. Those resources are here for us, the people of Canada, not the multinationals.

I want to see a bigger and stronger Petro-Canada, and I will fight very hard for that. I know the people of this country are behind me when I say that. I speak with perhaps the value of experience. I remember when the Hon. Member for Yellowhead (Mr. Clark) was Prime Minister for a short period of time. He wanted to get rid of Petro-Canada, to abolish it, and the people of Canada rebelled.

I respect my friend from Calgary. He has the right to say he does not like Petro-Canada or public ownership and that kind of thing. I am just saying that it is not just a small number of people who want a strong Petro-Canada; it is the majority of the people in this country. That feeling was so strong that that Conservative Prime Minister was driven from office after nine months. After the election, public opinion was so strong that the Hon. Member for Yellowhead, who is a good friend of mine, and the Conservative Party changed their policy about Petro-Canada and decided they would keep Petro-Canada as a Crown corporation. That just shows how strong that feeling was in this country.

When we start talking about public ownership, I make it very clear that I will fight very hard—and I know the majority of the people in this country are behind me—to make sure there is a strong Petro-Canada. I thought from the beginning

that instead of just relying on small oil companies we should have taken over Imperial Oil and started off making Petro-Canada the biggest oil company in this country. I am sure that will be my objective and that of my Party, and I know my constituents are behind me on that.

Mr. Scowen: Oh, oh!

Mr. Nystrom: The Hon. Member for Mackenzie (Mr. Scowen) does not like that. I suppose he is quivering, I am not sure. Even his Conservative Premier of Saskatchewan has not dismantled the Potash Corporation of Saskatchewan. His Conservative Premier has not dismantled Saskoil, a Crown Corporation. His Premier has not privatized the Potash Corporation of Saskatchewan.

Mr. Gagnon: He is selling shares of Saskoil.

Mr. Nystrom: He is selling some shares of Saskoil, but the Government retains control with the majority of the shares. But it has not privatized at all the Potash Corporation of Saskatchewan, the Saskatchewan Mining Development Corporation, and a number of other Crown corporations, because they are popular. The people of Saskatchewan know that this is a way of keeping Saskatchewan money in Saskatchewan for our future. It is only with a Conservative Government that that kind of thing has started to go astray.

We now have in our province the biggest deficit we have ever had in the history of our province. The Hon. Member for Mackenzie himself is even embarrassed at times to be a Conservative because of that massive deficit. That is also happening in Alberta. That is why Albertans are massively turning away from the Conservative Party and looking at the NDP, because they know who is speaking for Alberta. They know the Conservative Members speak for big oil in Alberta, but they want to know who is speaking for the average Albertan.

In a Pembina by-election they said by the thousands that the New Democratic Party is speaking for ordinary Albertans and they said in the Alberta election last year that the NDP is speaking for ordinary Albertans. The Progressive Conservative Members from Alberta, Mr. Speaker, know that to be the case, and that is why they are starting to panic, as evidenced by their recent strategy meetings in respect of the NDP threat, this great socialist threat. They are actually holding meetings on it. They are starting to panic. They know that their voters are being turned off.

• (1730)

One of their Members had the courage to speak out, the Member for Edmonton—Strathcona. I have here an article from *The Globe and Mail* of April 25 last headed: "Disgruntled Tory Kilgour buoyed by voters' support". Let me read just a little from that article. I know that Albertans agree with the Hon. Member for Edmonton—Strathcona. It reads:

> Disaffected Progressive Conservative David Kilgour said yesterday that a one-day visit to his south Edmonton riding had convinced him that he had done the right thing when he spoke out three weeks ago about Western alienation and corruption in the federal Government.

Let me remind Hon. Members that this is David Kilgour speaking, not Lorne Nystrom. I did not refer to corruption; I am merely repeating what he is reported to have said. I quote further:

> "When you have a clear conscience and the support of your constituency, well, you can't ask for more than that," the Edmonton—Strathcona MP said before returning to Ottawa last night. "I feel completely vindicated."
>
> More than 1,000 calls and hundreds of letters of support had been received and they were still coming in. Meetings with constituents in his riding office and in restaurants in Edmonton had also been overwhelmingly supportive, he said.
>
> "I've only been saying what Canadians are saying across the country," said Mr. Kilgour, who was first elected to Parliament in 1979. "We want a clean, open government and help for Alberta from our brothers."

That is a Progressive Conservative Member of Parliament saying publicly, Mr. Speaker, what I know many Progressive Conservative Members of Parliament feel privately. That is why I say: Why doesn't this silent block of Conservative MPs speak out? Who speaks for Alberta, other than the Hon. Member for Edmonton—Strathcona, and of course you, Sir, who sits in the chair?

It is for that reason, Mr. Speaker, that we in the New Democratic Party felt obliged to introduce a motion highlighting the fact that the economy that is in the most trouble in this country is that of the Province of Alberta, according to the Conference Board of Canada.

Albertans are alienated from this Prime Minister (Mr. Mulroney). They are really wondering whether or not they can trust this Prime Minister. They see a Prime Minister who, as the Member for Edmonton—Strathcona has said, is knee deep in patronage, who is involved in cronyism in terms of whom he appoints to government jobs and positions.

It is for that reason that Albertans are turning to us to put their arguments forward on the floor of the House of Commons.

One thing Albertans want is a western diversification plan. I note that my good friend, the Member for Calgary North is quoted in a very credible newspaper, the *Calgary Herald*, back on April 16 as saying that he "would have liked to see the strategy unveiled 'yesterday'"; and the article goes on:

> —and Calgary South MP Bobbie Sparrow said "the sooner the better."

Some of the Albertan MPs, too, are obviously unhappy that there have been delays in the announcement of the western diversification plan.

I have had the opportunity recently to talk to some people who have some knowledge about this particular plan, and I wish to put a few things on the record today.

The plan has been delayed. First of all, we had the Deputy Prime Minister (Mr. Mazankowski) and his office saying, time and time again, that the plan was "coming soon" or "in a few weeks". Speculation was that it would be announced in March, and then again in April, and then again in June.

The evidence we have is that this plan will not be announced for a number of weeks yet.

I have here a copy of a draft letter, a letter drafted for the Minister of Regional Industrial Expansion (Mr. Côté). This is a draft letter that was supposed to have gone out to 30 business leaders in western Canada. As of noon yesterday, it had not yet gone out, according to my very reliable sources who have given me a copy of this particular letter.

In this letter, the Minister points out that "executives from leading firms across western Canada will be contacted shortly by officials of the Department of Regional Industrial Expansion to arrange a mutually acceptable time for an intensive consultation on opportunities for diversifying the economy of western Canada".

I am very happy that they are doing that, Mr. Speaker, but again the whole process has been delayed many, many weeks.

The letter goes on to say: "As Minister of Regional Industrial Expansion, I am now launching a major consultation effort with the private sector to move toward this objective. These consultations will provide an opportunity for Canadian industry, in partnership with Government, to identify major opportunities and constraints to diversification in the manufacturing and service sectors in western Canada, and the measures industry and Government might initiate to take action on these opportunities and constraints".

As he states in his letter, Mr. Speaker, he is talking about diversifying, not only agriculture or mining and resources, but the manufacturing and service sectors.

After two or three pages, he concludes: "It is my hope that you will fully support this initiative by becoming a participant in exploring the opportunities that exist within western Canadian industry and in helping us to develop appropriate policies, programs and other initiatives that will assist in achieving the diversification objectives for western Canada."

This is a letter, Mr. Speaker, that, as of yesterday, had not yet gone out. So the whole process of consultation with the business community has not even started.

According to another leaked document, that process was supposed to have been completed by June 12. It was to start on April 22 and be completed on June 12. As things stand, the process has not even started.

Many times we have asked the Government, Mr. Speaker, what it is looking at in terms of diversification, and the lack of an answer in that regard I know is one of the frustrations of the Hon. Member for Edmonton—Strathcona. I wish to announce in the House today the sectors that the federal Government is looking at. The Deputy Prime Minister will not provide us with this information.

The Government is looking at 24 different sectors, and I will list those sectors from this leaked document. The document is headed "Western Diversification Task Force Sector Teams".

Under high technology, the co-ordinator for which is an individual from Winnipeg, the sectors are: electronics, software, ocean industries, aerospace/defence, biotechnology, health care, advanced materials, and knowledge industries. Those are the sectors on the high technology side.

In manufacturing, the sectors that are being looked at are: wood products, petro-chemicals/plastics, food processing, which includes the sub-sectors of meat, fish, fruit and vegetables, and other; and also chemical and chemical products/fertilizers.

Other sectors include transportation equipment, clothing, machinery/metal fabricating, which includes agriculture equipment, oil and gas equipment, resource and other; and furniture.

Under services, we have tourism, cultural industries, and consulting engineers.

Those are the 24 sectors that the various sector teams are looking at in terms of the western diversification initiative that this Government hopes to launch at some point.

I want to give the House some idea of how these studies are being conducted. I will use the electronics sector in my example, but the same holds true for all 24 sectors.

For the electronics sector, they have a person in the regional office who has responsibility for the sector. In other words, he is the leader in respect of that particular sector. For the electronics sector, it is the British Columbia office of DRIE, and the man in charge is a Mr. J. Wiebe. Below that person they have regional participants, and in the case of the electronics sector, they are Mr. Girard of Edmonton, Mr. Jeanneau of Saskatchewan, and Mr. C. Wiecek of Winnipeg.

In addition, there is an industry participant, who in this case is Mr. A. Letendre; and finally there are sector consultants. In this case, the consultant is Touche Ross, represented by two individuals, Mr. Bruce Stuart and Mr. N. Webster.

I have outlined the 24 sector groups being looked at under the western diversification initiative, and if any Hon. Member has any questions in respect of who else is involved, I would be pleased, on behalf of the Deputy Prime Minister, to provide the names.

I also have with me, Mr. Speaker, a copy of the questionnaire that is being used by the sector teams in carrying out their advance work for the western diversification initiative. The questionnaire is headed: "A Western Diversification Company Report". On here, of course, we have such things as the company name, the head office, and an index. The index includes such things as background information, market opportunities, technology opportunities, productivity opportunities, new products opportunities, capital investment and other responsibilities, sector issues and constraints.

It goes on for some 15 or 20 pages. It is a fairly elaborate questionnaire, aimed at gathering information on the 24 sectors that I listed, and constitutes the advance work for interviews with some 30 business people.

• (1740)

I wish I had a couple of hours in which to make my speech. However, I should like to refer to a 29-page report which was written on March 31, 1987. It is entitled the *Western Diversification Company Report*. It contains instructions for completing a company report form. It contains some very interesting things. On behalf of the Deputy Prime Minister I should like to announce that it is worth-while reading. I am sure some members of the Conservative Party would like to go through it.

It talks about Government as an institution. It talks about impact. It talks about jobs which could be created, jobs which could be maintained, and jobs which could be reduced or lost because of certain initiatives in western Canada. It also talks about time frame, the current stage of development, appropriate action, new product opportunities, types of action, other opportunities, rationale, impact, constraints on investment, and so on.

I see that I have only three minutes remaining. There are many things which I could mention, but I should like to refer to a copy of a document which I have in hand. It is called the *Interview Guide Instructions*. It contains the instructions for interviewers when they do their advance work on the western diversification initiative. Once again, on behalf of the Deputy Prime Minister let me say that this guide is being studied by public servants in their approach to the economy of western Canada.

The interview guide contains a number of things. It talks about the depth of the information. We all feel that the study should be a thorough one. The document indicates that unless the Government has a clear and specific understanding of the opportunities and obstacles facing an organization, it will not be in a position to respond with either immediate action or longer term policy initiatives.

As we can see from the document, the consultations are just in the preliminary stages. They have not had time to get into them. It is a real concern to those of us in the west. I am not an Albertan, but I am sure it is a concern to Albertans as well. The western diversification initiative has been delayed and stalled. We are now asking why it has been stalled or delayed. Certainly the guide instructions are available.

I also have another document which made itself available to me in some mysterious way. It is called the *Western Diversification Initiative*. On behalf of the Deputy Prime Minister of Canada and if I have time, I would like to announce the purpose of this initiative. Also on his behalf I would like to give the background to this western diversification initiative.

If I had the time, I would tell the House what is the issue. I would also indicate the federal government participation. That is an interesting one because neither the Prime Minister nor the Deputy Prime Minister has announced it. I would also tell the House about the DRIE participation. Of course its participation is very key.

I also have the DRIE operational plan. It is interesting to look at it. If someone would ask me a question about it, perhaps I could read into the record some of the things which are being said in this regard. In addition I also have the objectives.

Does anyone in the House know what are the objectives of the western diversification initiative? I ask my towering friend from Red Deer that question. Does he know what are the objectives?

There is also the question of output. It is interesting because the Hon. Member for St. Boniface (Mr. Duguay) said that diversification would be built upon agriculture, mining, resources, and so on. However, this document does not really mention that at all. In part it reads:

> In the Western Diversification Initiative DRIE will lead intensive, targeted discussions over a very tight time period with selected firms in the manufacturing and service sectors in western Canada—

Is my time up, Mr. Speaker?

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired.

Mr. MacLellan: Mr. Speaker, I have a question for the Hon. Member for Yorkton—Melville (Mr. Nystrom). Two weeks after the Minister of Energy, Mines and Resources (Mr. Masse) announced his Canadian Exploration and Development Incentive Program, he announced that there would be a $3 million study into energy in Canada to be undertaken by Mr. Thomas Kierans of Toronto. He is a partner in a brokerage firm on Bay Street. By the way, he is the same man who is conducting the study into privatization which involves questions about the privatization of Petro-Canada. In my opinion it is a conflict of interest.

Although the privatization study was supposed to be reported back to the Government by April 1, we do not know whether in fact that occurred or whether the two studies overlap. Even if they did not overlap, there is still a conflict of interest.

Two weeks after the Minister will supposedly give $350 million to the energy sector over a period of time, he is now questioning the role of oil and gas in the whole Canadian sector. This does not even take into account another study, which was announced at the conference of energy Ministers in January, to determine which megaprojects will go ahead. That study is supposed to report back on July 1.

The Minister has initiated a second study which involves the first study. However, he did not wait for the first study to report so that the second study could have the benefit of the first study. Be that as it may, we also have the make-up of the Kierans Commission. It is holding hearings in Calgary on June 15 and June 16. Then it will hold hearings in other areas, ending with hearings in Montreal in December. Of course we have a Bay Street firm which is hoping to learn from the oil and gas industry during the June hearings, but those are the last planned hearings on the oil and gas industry.

How will the committee properly assess the problems in the oil and gas sector in its report when it is to report in January after having had its last hearings on that industry in June? Does the Hon. Member for Yorkton—Melville think that this will be a fair appraisal of the oil and gas sector? Does he think that it would be better at the end of its hearings for the committee to return to western Canada to hold additional hearings in Calgary, Regina, or Edmonton, to bring its information up to date, more or less?

Mr. Nystrom: Mr. Speaker, I think they should return to western Canada because I do not think it would be very fair for them not to do that. Unfortunately, I cannot make any announcement on behalf of the Government because I do not have that document with me.

Mr. MacLellan: It is the only one you have not got.

Mr. Nystrom: I will try to obtain it and answer the question in the appropriate way. I could be very forthcoming if I had the document to work from.

The Hon. Member asked about the oil industry. Perhaps I should tell the House what is the purpose of the document entitled *Western Diversification Initiative*. It is as follows:

> Progress towards diversification of the western Canadian economy, to position it to capture new opportunities in the face of severely deteriorating markets for most resource products, is a priority objective of the federal Government.

Of course in some way this may refer to the oil industry and the question the Hon. Member asked.

I do not see anything specific in the backgrounder in terms of oil, except for the fact that the following is mentioned:

> The sharp decrease in world oil prices has resulted in a $5 billion loss in revenues to oil companies and a dramatic reduction in exploration and drilling activity resulting in steadily growing unemployment in the sector and related industries. The mining and minerals processing sector is suffering from over-supplied international markets, declining prices and high transportation costs. In the forestry sector further modernization is necessary—

There is a bit of a reference to oil and gas. Turning to DRIE participation, there might be some way in which DRIE will be involved, but I do not think so. All it says about DRIE participation is the following:

> The Minister of Regional Industrial Expansion is launching an intensive effort, in collaboration with the private sector, to identify the major opportunities and constraints to diversification of the manufacturing and service sectors in western Canada and the measures industry and government might initiate to take action on these opportunities and constraints.

Again there is no reference to oil and gas. Again I say that the western diversification initiative of the Government is not something which will involve the oil industry. We have had this tremendous build-up. People are expecting from a mountain to get a small molehill. This article goes on to state:

> Diversification Strategies will be developed in each of four areas by DRIE—

• (1750)

DRIE is the key Department. It goes on to state:

> —high technology industries, resource processing, traditional manufacturing, and service industries. These Diversification Strategies will include—
>
> an evaluation of the diversification potential of the sector in western Canada, with explicit descriptions of any major impediment;
>
> a review of possible options for promoting diversification, including a discussion of possible forward and backward linkages, and the public policy impacts associated with each option including estimated costs where possible; and
>
> a recommended approach for diversification of the sector, including short, medium and long term measures that could be undertaken.

Under the DRIE operational plan, there is nothing about oil and gas. Again there is talk about manufacturing, the service industry, high-tech and resource processing, but nothing specifically about the oil and gas industry. The objectives are also stated here. I just do not have time to go over everything.

We in western Canada—and I know that of the people of Saskatchewan and, I am sure, of ordinary average Albertans—want some action very soon on western diversification. We want to know why there is such a major delay. I am told by reliable sources, whom I cannot name, that the delay is not because of the Public Service. The Public Service is ready to go. The delay is because of the slowness and the insensitivity of the Prime Minister and the Government of Canada to make a decision on behalf of western Canada.

Mr. Mayer: What a windbag.

Mr. Nystrom: That is what I am told. I have lots of documents outlining the western diversification initiative. My sources are very reliable. It is about time western Canada knew why we are being shortchanged and why there is this insensitivity to the problems of the West. It is amazing when there are so many western Ministers and so many western Members of Parliament. That is why that Party is in third place and that is why that Party will suffer a humiliating loss at the polls in the next election.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Edmonton East (Mr. Lesick).

Mr. William G. Lesick (Edmonton East): Mr. Speaker, it is a pleasure for me to spend the last eight minutes of this debate enlarging on some of the aspects about which the Hon. Member for Yorkton—Melville (Mr. Nystrom) spoke. It took him 15 minutes to read some of the things that we are attempting to do. It must be a source of great distress to him to know that we devoted months and months of work on our attempt. It took him a great deal of time to read things out, and yet he did not read everything. He does not know what it is all about, but he is praising us. I do not know why he speaks with such a forked tongue. While he is talking, we are doing things. The magnitude of the Western Economic Diversification Program—

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

Mr. Mayer: Sit down and let him speak.

Mr. Nystrom: I really hesitate to rise, Mr. Speaker. The Hon. Member accused me of speaking with a forked tongue. I

do not know whether that is allowable but I have a lot of Indian people in my riding. I know that expression for Indian people is very much an insult. I would ask your guidance on whether or not those words should be withdrawn. I also know the meaning of the expression and the meaning is not allowed in the House of Commons.

The Acting Speaker (Mr. Paproski): In order to allow the Hon. Member for Edmonton East to continue his debate, I would hope that he will withdraw his statement and carry on with the debate.

Mr. Lesick: I withdraw the statement, Mr. Speaker.

Albertans are very fortunate to have Conservative Members of Parliament representing them. We have three Ministers in the Government, namely, the Deputy Prime Minister (Mr. Mazankowski), one of the most effective and powerful men in Parliament, the Right Hon. Secretary of State for External Affairs (Mr. Clark), who is highly respected and who has worked most effectively on behalf of the Government of Canada, and the Minister of Consumer and Corporate Affairs (Mr. Andre). When have we had three Ministers so effective? We also have four Parliamentary Secretaries representing us and four chairmen of standing committees. We also have you, Mr. Speaker. You are respected by men and women throughout the land and in this House as well. When has Alberta ever been represented by men and women of such potency?

Some Hon. Members: Never.

Mr. Lesick: That is right. We have never had anyone who has been able to do so much for Alberta. We all heard the Hon. Member for Crowfoot (Mr. Malone) and the Hon. Member for Calgary North (Mr. Gagnon) explaining what we have done for Alberta, for western Canada and, indeed, for all of Canada. We have had the greatest programs any Government has ever put into place in the short period of two years and seven and a half months. The Opposition is virtually green with envy because it could never have done anything to the extent that we have.

The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) kept asking why we are talking about the National Energy Program. Why is that so important? I will tell you, Mr. Speaker. I am a veteran of the Second World War. Many of us were badly injured, many are still in hospital as a result. The Hon. Member for Mississauga North (Mr. Horner) was in Edmonton last Thursday and Friday morning and saw the devastating results the NEP wrought six and a half years ago by the actions of the socialists and the Liberal Government. Buildings are still boarded up. People are still out of work. Twenty-five per cent of the businesses in the Peace River country went bankrupt. What does bankruptcy mean? It meant family break-up, alcoholism and life savings gone. The Opposition says we should not talk about those things because we are living in the past. We are suffering today because of the Liberals and their socialist friends who combined to work this devastation upon Alberta and on the energy industry.

Our Government has done many things. Let me talk about Edmonton and Edmonton East. We received $150 million for Canada Place. We were going to cancel that, but we went ahead. We spent six months studying Canada Place. Seven and a half million dollars was paid for flood relief in the middle of March. We had $130 million for government travel services to a consortium including Edmonton's own Marlin Travel. This is fairness. Four years ago CIDA purchases in Alberta amounted to only 1 per cent. Today they amount to 8 per cent. That is fairness. Alberta MPs are looking after the needs of Albertans. There was $197,000 for the Charles Campsell Hospital for a study on northern infant nutrition and $187,000 was given to the provincial museum for public programming. We are rebuilding the CN MacDonald Hotel and there is $600,000 for Edmonton's Winter City's Project.

The CF-18 contract has been absolutely marvellous for Edmonton. It means another 135 jobs in the next two years instead of releasing half of the workforce. The company is ecstatic. I talked to its president, I did not have to read the paper or reports. I knew this contract would be good. It was good for western Canada, particularly for Edmonton. We have looked after Edmonton, Alberta and western Canada.

The Acting Speaker (Mr. Paproski): It being six o'clock, it is my duty to inform the House that pursuant to Section 12 of Standing Order 82, proceedings on the motion have expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

AGRICULTURE—MARKETING OF INCUBATED EGGS—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I should like to raise an issue to which I referred last December 2 when I asked a question to the Minister of Agriculture (Mr. Wise) concerning the marketing of broiler incubated eggs by a new national federal agency.

Members of the broiler hatching egg association have been asking for the establishment of such an agency since 1981.

Until December 1, 1986, all poultry farming sectors had their own marketing board, except the hatching egg sector.

On that day, Mr. Speaker, pursuant to the provisions of the Farm Products Marketing Agencies Act, the Minister of Agriculture, the Hon. John Wise, announced the establishment of a national marketing board for broiler hatching eggs. The mandate of this new agency is to organize the marketing of broiler eggs.

This is a most positive measure which shows the political will of the Conservative Government to set up and maintain a production quota system. In fact producers are now in a position to benefit from the same national supply management opportunities as those available to other sectors of the poultry industry.

This federal agency allocates quotas to the provinces, thus making it possible to remove market surpluses and regulate imports and exports. This will prevent new import records caused by inflated demand or surplus inventories among distributing agents or producers. The ultimate result should be increased efficiency and productivity, which in turn will contribute to even out the ups and downs of production operations and enable all firms concerned to make savings in the long run, even though the new system will discipline them at the outset.

Of course, Mr. Speaker, I am very pleased with the establishment of such an agency, because after many years of active representations from the Broiler Hatching Egg Producer Association of Canada, again it is this Government that, within a short time, succeeded in establishing that new agency.

I am all the more pleased since my constituency of Drummond has hatching egg producers, and a famous hatchery in Wickham, namely Boire Brothers which, as the name implies, is a family business producing 500,000 chicks a week, of which 430,000 broiler chicks and 70,000 layer chicks.

The total Quebec weekly production is two million chicks, which means that Boire Brothers' production in my constituency accounts for 25 per cent of the total Quebec production.

As you can see, Mr. Speaker, this is a very important industry in my constituency, generating as it does 95 direct jobs and some 15 indirect jobs, in addition to injecting into the regional economy a few million dollars' worth of investment. You will appreciate what such an industry in the farming sector can represent for a small village, a constituency or a whole province.

During my election campaign, in the summer of 1984, I was made very much aware of the problem by farmers, and I was committed to support their cause and that of the 100-odd quota holders in Quebec, who produce some 115 million hatching eggs, worth over $25 million a year.

What is of concern to me, Mr. Speaker, and I would like to put the question to the Minister of Agriculture or the Parliamentary Secretary who is present in this House: Will a free trade deal with the United States put that national marketing plan in jeopardy? I am expressing the concerns of producers.

Indeed, egg imports reached the 19-million level in 1985, and if the situation is maintained or grows worse after a free trade agreement, Ontario and Quebec would stand to suffer the most.

I should remind the House that Canada's total weekly production amounts to 6,181,000 chicks, including 1,980,000 in Quebec, which I suggest is very high.

Surely the Canadian agricultural community cannot afford to lose a sector which brings in more than $100 million a year and provides in excess of 2,000 jobs.

Let us not forget that hatching egg production is the first stage of all poultry farming operations. If imports are not controlled right from the first link of the chain, the entire agricultural sector will feel the impact.

Could the Parliamentary Secretary explain how our Government will protect the situation of the Canadian agricultural community? Or could our Government take long-term measures likely to enhance the quality of our farm products and pave the way for our agriculture to compete with American producers?

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, before answering this question, I would like to say that the Hon. Member for Drummond (Mr. Guilbault) is to be commended for his knowledge of this question and for the very real interest he has shown for local issues with a national and provincial dimension.

On November 27 last year, the Minister signed the proclamation creating the Canadian Broiler Hatching Egg Marketing Agency, and on December 1, 1986, the Minister announced the creation of this agency.

Mr. Speaker, I know that recently, Alberta signed an addendum to the federal-provincial agreement. Alberta's producers represent 13 per cent of production. The provinces of Quebec, Manitoba and Ontario, whose producers represent 66 per cent of production, have already signed the agreement.

Thus, Mr. Speaker, the Government has fulfilled another policy commitment of the Progressive Conservative Party during the last election, namely that we would support Canadian farmers in the development of their own marketing plans.

This Government acted quickly to meet producer desires. The creation of this agency took a little over three years. In contrast, the Canadian Chicken Marketing Agency, the last one created, took four years to establish, from the start of public hearings to its proclamation late in 1978.

The program will not, however, establish prices. Pricing will remain as it is now, at the provincial level. Similarly, each province, not the National Agency, will assign quota to each individual producer.

This provides for a flexible system by encouraging the hatching egg board in each province to meet the marketing conditions as necessary.

The program does not include import controls. Currently, hatching eggs and chicks can enter Canada in any amount provided that the import tariff is paid. The current tariffs are 2.5 cents per dozen hatching eggs or 2 cents per chick. The chick tariffs represent about 6 per cent of the farm value of the chicks. At the end of 1986, imports of hatching eggs were 14.9

per cent of total production compared to 29.9 per cent in 1979, a drop of 15 per cent.

While I do not have an analysis of the impact of free trade negotiation on broiler hatching egg production, its effect would be, at most, the removal of the tariffs. Canadian farmers have been generally increasing their share of the domestic market because of the high quality of their products and their proximity to markets.

• (1805)

[*English*]

CANADIAN NATIONAL RAILWAYS—FUTURE OF RAILWAY LINES IN ONTARIO AND QUEBEC. REPORTED ABANDONMENT OF EFFORT TO ATTRACT NEW TRAFFIC

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, on December 16 in this House I raised an issue with regard to Canadian National Railways which is of great regional importance to the Ottawa Valley and, indeed, all of eastern Ontario and part of western Quebec. It dealt with the issue of a document by CN Rail, dated September 25, 1986, which was brought to the attention of the Standing Committee on Transport last fall. It listed a number of lines that would be closed.

To our great dismay, it mentioned the Beachburg subdivision, which is the 163.9 mile section of the main line of the CN track from Ottawa to the hamlet of Brent, in the middle of Algonquin Park. It also mentioned the Alexandria subdivision, which is a distance of 57.7 miles from Glen Robertson, just inside the Ontario-Quebec border west of Montreal, to the City of Ottawa.

There is one very serious problem with this. It is that over the past number of years, Canadian Pacific Railway, whose line also goes up the Ottawa Valley, has been using the CN track between Ottawa and Montreal. If CN abandons its rail line between Ottawa and Glen Robertson, the Alexandria subdivision, of course CP will have no line on which to run. Not only would we in the eastern and southern part of Ontario lose the main line of CN, we would also lose the main line of Canadian Pacific. It will mean that the whole region from the Ontario-Quebec border near Montreal, right through to North Bay, will have no rail traffic at all. That is unacceptable.

On December 16, I asked a question about this of the Minister of Transport (Mr. Crosbie). After laying the groundwork, I said, as reported at page 2162 of *Hansard*:

> Is the Minister prepared to guarantee to Canadians that he will not abandon the regions of this country in favour of the large urban areas and the coffers of the CNR?

The Minister of Transport stood up and said:

> Mr. Speaker, that is a guarantee that any Member of this House would be pleased to give. I certainly give it. My guarantee is that whether it is CN, CP, BCR or any other railway, they will not be allowed to abandon any rail lines, branch lines, main lines, any line or anything with iron upon which a train runs, without going through the proper procedures, without applying to the Canadian Transport Commission and without going through every last letter of the law.

That answer does not mean a thing. It may sound like a great answer, in that flashy fashion of the Minister in the House, but of course we know that those companies must go through the Canadian Transport Commission. It was simply a non-answer.

What is really disturbing is that at a meeting on January 14, 1987, a month after I asked the question in the House, CN put out yet another document. The document stated that "for the purposes of the preparation of the tactical plan", meaning the closing of the lines, "the following are the most likely possible outcomes of some rationalization alternatives currently under study by the rationalization task force of CN as of January 14, 1987". The document went on to state: "These alternatives are in addition to strategy invoked, with shedding traffic on 2,500 miles of the light density network". About 275 miles of that is in eastern Ontario.

• (1810)

It then went on to mention the Alderdale and Beachburg subdivisions. The Alderdale subdivision is that part of the main line of CN from Brent in Algonquin Park through to Capreol near Sudbury.

I will refer to what it says about the Beachburg line from Ottawa through to Capreol, including Alderdale. It states that the Steering Committee meeting discussed on January 14 assume no maintenance requirement from Portage du Fort, which is in the County of Pontiac in Quebec, effective January, 1988. It goes on to state that a section of the main line around North Bay will become industrial trackage, approximately 15 miles, and Ottawa-Portage du Fort will probably only have weigh freight services required on the same date.

This means that they will even withdraw the maintenance of the rail line, which will lead to more rail accidents.

• (1815)

Apropos to this, if this main line closes, it will mean that there will be something in the neighbourhood of 4,500 cars from one plant alone, the papermill at Portage du Fort, which will be thrown onto the highways of eastern Ontario and western Quebec. It is estimated that 14,000 transports will be required to haul what is now being hauled out of there by CN. That is only one. We have three more plants in Pembroke and a couple in Arnprior and the Renfrew subdivision which require service.

This is a very serious regional issue and we want more than the non-answers of the Minister of Transport. The railways of this country were built to serve the regions. Are we going to continue to say they are only going to exist if they run between the major centres? It is 192 miles farther from Montreal to Capreol, near Sudbury, via Toronto, where the main line with all this traffic will then go, and only 410 miles, 192 miles less from Montreal to Capreol. Hundreds and hundreds of carloads of chemicals and hazardous products are now being shipped over CN Rail. The CN plans to close down this rail line in

1988 and these products will then be going through the urban areas between Montreal right through the middle of Toronto, and from Toronto to North Bay.

Our fight is not just our fight alone. Our fight is also the fight of those urban communities throughout southern Ontario. The Mayor of Toronto should be in on this. The Ontario Government and the Quebec Government should be included. They are the ones who will have to provide the moneys for the rebuilding of the highways and all the expenses in order to take on these 14,000 transports, plus, from all the other areas in eastern Ontario and western Quebec. This issue is far from dead and cannot be accepted.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Minister, as do all Hon. Members in the House, shares the concerns of the Hon. Member, particularly those of us who come from the regions. We all know the railways were built originally to serve this country, but it is true as well that the nature of the country has changed. We do have more extensive highway networks. As all Hon. Members know, CN finds itself in a very difficult financial situation. It is an established fact that CN has substantial surplus rail capacity. Two thirds of its trackage carries no more than 10 per cent of its traffic. Clearly, that cannot carry on. Clearly we have to find ways to ensure that the size of its plant is appropriate to the size of its business. CN has repeatedly stated that it does not want to lose business, and I think that is axiomatic. It has an investment there and surely it will make all sorts of efforts to try to preserve it and get a return on its capital rather than to abandon it. CN is continuing to examine ways to improve service to its communities. It is examining the kind of line network it will need and will be able to support in the market-place a decade from now.

The Minister was at the standing committee this afternoon for the estimates. My friend, in his seven minute presentation, did a fine job in setting out some of the broader socio-economic context. I wish he had been there this afternoon to put that on the record because it was a good presentation. It may well be that the urban people should be involved in this and be prepared to indicate that they are prepared to face extra taxes. That is really what my friend is asking. He is asking the broad Canadian community to pay substantial increased taxes to keep a line going through a part of the country that is clearly not economical in itself. We on the Prairies are facing that same argument with respect to branch line abandonment on grain, which is very expensive.

I can assure the Hon. Member that the railway will have to apply to the CTC for permission to abandon each line. I think in a policy context, we have to face the reality that there may be lines which just have to go.

• (1820)

Surely our goal and objective is to provide a procedure, and we have done that under the proposed National Transportation Act. It will be substantially better than the old Railway Act.

All three Parties have had input into the proposed National Transportation Act. There were a substantial number of amendments made during committee consideration, and it will come before the House very shortly at report stage. If my friend opposite looks at that legislation, he will see that there is a very sophisticated appeal process, a process that will, hopefully, protect the public interest. That is certainly the intent of the Bill.

Socio-economic matters, such as reducing traffic on our highways and restricting the transport of dangerous chemicals through urban areas, can be raised in the appeals process, and hopefully result in wise decisions in the context of the current economic climate, as well as changing demographic and economic infrastructures and the structure of the nation generally.

FARM CREDIT CORPORATION—ENDING OF MORATORIUM ON FARM FORECLOSURES. REQUEST THAT GOVERNMENT ESTABLISH LAND BANK RENTAL SYSTEM

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise as a result of some questions I asked of the Minister of Agriculture (Mr. Wise) on April 27 last concerning the Government's intention with regard to financing farm credit and providing a stable environment for farmers on the land at this point in time.

What had sparked the questions that particular day was the lifting of the moratorium on Farm Credit Corporation loan foreclosures. I was wondering what future policy the Government was going to be putting forward to provide for a viable agriculture sector and to provide some security of tenure for those either new to farming or continuing in farming.

The Minister at the time pointed out that the lifting of the moratorium was not something to be too concerned about as only 40 or 50 farmers would be losing their land as a result of Farm Credit Corporation foreclosure proceedings. While he did not say so, I believe he meant 40 or 50 farmers per month.

We know now, after analysing the situation and listening to Farm Credit Corporation personnel, that this coming year the Farm Credit Corporation will come into ownership of between 700 and 1,000 farm properties, about half of which they will receive by way of quit claim, where the farmer simply walks away and turns it all over to the Farm Credit Corporation, with the other 50 per cent coming as a result of actions taken and initiated by the FCC. Most will have gone through a debt review board process.

The fact is, the Farm Credit Corporation will be holding an additional 700 to 1,000 farm properties. We heard in testimony from FCC personnel today, for instance, that it has proven virtually impossible for the FCC to lease the properties it holds to existing farmers, and that is particularly true in western Canada. It is unable to get renters even at zero dollars per acre, because the land has been continuous cropped and has been left in bad shape.

The FCC has chosen to in effect act as the farmer, hiring custom operators to get the land in shape. It of course has to pay the taxes involved. As a consequence, it is soon to become one of the nation's largest farming operations. At some point, it will have to reassess its position, in terms of whether it will try to lease the land out next year or to find a buyer, at almost any price. As of this year, it is still hopeful of recovering most of the debt against those properties. In most instances, that is an impossibility. Had the land been worth as much as the debt against it, nine times out of 10 the farmer could have continued the operation. He could not, and I suspect that the FCC is going to have great difficulty in reducing its losses on these properties.

• (1825)

They reported last year that they lost about $90 million in the writedown of debt as a result of these transactions and as a result of foreseeing the debt write-down which will be coming due this year. They want to provide a bit of a cushion for that.

My question concerning whether the Government was looking at a land-banking type of scheme or an equity financing scheme was based upon what I perceive to be a very real need in the country right now for some alternative to land ownership, so that farmers who are in financial trouble can continue to farm and that new farmers will have an option which will provide them not only with land but land which is affordable and provides some security of tenure.

I know that the Farm Credit Corporation has been distributing numerous equity financing schemes to the provinces, to the farm community, and to some lending institutions. I also know that discussions have been ongoing.

I have been told that it largely gravitates around whether the provinces are interested. The FCC has indicated that it believes the Provinces of Saskatchewan and Alberta are showing some interest in such a scheme and would be interested in having other investors, including a federal agency like FCC, involved to provide the necessary backing to such a fund, particularly in these times when no one knows how far is down in the farm land market.

The Minister pretended that the Government was not even considering any such proposal. Given the activities of his own Crown agency, the FCC, and given the advice of some members of the Standing Committee on Agriculture, including the Hon. Member for Moose Jaw (Mr. Gottselig), I think the Minister should have been a little more forthcoming to the House. He should address the issue realistically. A very large problem is looming before us. If he does not have a policy on equity financing or land-banking, he should present one to the House very soon.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is true that the value of farm land has decreased. It is also true that this is more pronounced in western Canada than in eastern Canada because of the problems created by stiff competition in the international grain market.

The Canadian farming community has been supported by the Government as shown by a number of measures over the last two years. The nature of the collapse has been so dramatic that existing social safety nets which were in place for agriculture—and there is a substantial number of them—simply were not able to cope. The Government has had to step in. It has increased the nets by over 350 per cent, by literally billions of dollars.

However, that does not mean that Canadian society, which is really the taxpayer, must seek at all cost to keep all farmers on their farms under all circumstances. Agriculture is undergoing a major adjustment, as are many other sectors of the economy.

The reason is simply the 1972 to 1974 Liberal-NDP alliance which increased spending in Canada by virtually billions and billions of dollars. It drove up interest rates. It caused inflation. Farmers who paid 24 per cent interest rates are in deep trouble, as are other sectors.

Mr. Althouse: That doesn't wash.

Mr. Thacker: That inflation was caused by the Government of the day, by the Liberals who were held in power by the New Democratic Party. It was not my friend's fault. He was not in Parliament at that time.

Under the circumstances, it seems to me that it is the role of Government to ensure that those who have the required qualifications and wish to remain in agriculture have access to fair and equitable programs to improve their situation. The lifting of the FCC moratorium supports this thrust, because the Farm Debt Review Board is a mechanism to let a farmer in trouble appear before a group of his peers and have his say. His peers can say whether or not there is a chance for him. It is a good process, and I think it is a fair one.

[*Translation*]

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

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, May 22, 1987

The House met at 11 a.m.

Prayers

• (1105)

STATEMENTS PURSUANT TO S. O. 21

[*English*]

THE DISABLED AND THE HANDICAPPED

SALUTE TO RICK HANSEN—CONCLUSION OF MAN IN MOTION TOUR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in Vancouver this afternoon Rick Hansen completes his heart-lifting Man in Motion journey around the world.

For the past two years Rick has demonstrated courage, humour, decency, strength of body, strength of mind, and strength of spirit.

Rick is a hero to physically challenged Canadians, to young people, indeed to all of us. He has taught us respect for others and respect for ourselves. He has taught us the joy of hard work and the value of endurance and perseverance.

I salute Rick Hansen. You know, Mr. Speaker, as I do, that today will be a very special day in Vancouver. Rick has come home, and we are all very proud of him.

We need more nice-guy heroes. We need more heroes like Rick Hansen.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SPORTS

CONGRATULATIONS TO WEIGHTLIFTER LANGIS CÔTÉ

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, last weekend, the Canadian weight lifting championships were held in the Lac Saint-Jean area. On that occasion, Langis Côté, a young resident of my riding, took first place in the 67.5 kg class, doing so for the third consecutive time.

Mr. Côté's achievements in the sport of weight lifting are a source of pride for our region, but above all, Mr. Speaker, this proves that young Canadian men and women are able to discipline themselves and focus their efforts on the goal they want to achieve. We would do well to follow this example.

In concluding, I want to wish Langis good luck at the European championships in Austria next month.

* * *

[*English*]

AIR CANADA

SUSPENSION OF FLIGHT ATTENDANT OVERTURNED

Mr. Les Benjamin (Regina West): Mr. Speaker, I am sure you remember the case of Toni Corrado, the Air Canada flight attendant who was suspended for 30 days for being critical of the Minister of Transport to a couple of passengers who asked her opinion and turned out to be delegates on their way to the Conservative Convention.

After writing to the Minister of Transport, the letter from the Tory Party workers went straight to Air Canada, which resulted in her receiving a 30-day suspension.

National interest in the case meant that there were many changes to the allegations against Ms. Corrado. Not wanting to appear as though the Conservative Party was against free speech, she received a reduction in her suspension to seven days on the suggestion that she was too persistent in expressing her views.

The House owes a debt of gratitude to the courage of Toni Corrado who refused to accept even a reduced sentence on an unjust charge. She grieved her penalty, and hearings began in Vancouver last week.

The hearings were under way when Air Canada offered Ms. Corrado a settlement, a settlement it could have offered a year ago.

I am pleased to report to the House that the seven-day suspension has been overturned, with complete financial compensation to Ms. Corrado. Her right to free speech has been acknowledged by Air Canada, and she will suffer absolutely no penalty.

Congratulations to Toni Corrado for fighting and winning this good fight.

S. O. 21

SPORTS

EDMONTON VENUE OF NATIONAL RACKET-BALL CHAMPIONSHIPS—TRIBUTE TO VOLUNTARY WORKERS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, the 1987 National Racket-ball Championships are being held in Edmonton from May 18 to May 23. More than 430 athletes from across Canada will participate. The men's and women's open will include many members of the World Championship Team. The competitions also include events for men aged 55 years and over, as well as events for wheelchair athletes.

Edmonton is noted for successfully sponsoring championship events such as the World University Games, the Commonwealth Games of 1978, and this week the National Racket-ball Championships. Outstanding success has always been achieved due to excellent organization and the commitment of a large body of volunteers.

Committed and dedicated volunteers are essential to ensure the success of events of this magnitude. I speak on behalf of all Edmontonians in paying tribute to the volunteers who contribute their free time for the betterment not only of racket-ball championships but indeed our society.

* * *

NATIONAL DEFENCE

CRITICISM OF STATEMENT BY MEMBER FOR NORTHUMBERLAND—MIRAMICHI

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, on April 8 the Hon. Member for Northumberland—Miramichi (Mr. Jardine) criticized me in the House for taking the Associate Minister of National Defence (Mr. Dick) to task for denying that the Conservative Party had promised a real increase of 6 per cent in defence spending and has never come close.

The Hon. Member for Northumberland—Miramichi even inaccurately stated that Canada's stock in NATO was at an all-time high.

So bad was the statement of the Hon. Member that a retired general wrote the following letter to him and sent a copy to me:

Dear Mr. Jardine:

As a supporter of the Conservative Party, I regret that I must criticize your statement in the House on April 8 wherein you take Mr. Len Hopkins to task for his statement on March 27.

While you may be quite correct in a documentary sense to say that no election promises were made about defence expenditures under a Conservative Government, there were in fact promises made and, to date, unkept.

What's more, I would like to see the NATO documentation that puts "Canada's stock . . . at an all-time high". With this year's arbitrary cuts in the defence budget and rumoured changes in our force contributions to NATO, I would not be surprised to see our "stock" hit an all-time low before the end of this year.

As a member of the Air Force Officers Advisory Group, I am proud to endorse the position just made by our executive to the Prime Minister. I hope that you will not be so proud of the "record" that you will not admit that more funding for defence was promised and is needed.

* * *

[*Translation*]

POLITICAL PARTIES

NEW DEMOCRATIC PARTY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, yesterday in the House, the socialists were up to their old tricks, this time casting doubts on the integrity of the Minister of Consumer and Corporate Affairs (Mr. Andre). It was a shabby attempt indeed.

Mr. Speaker, our party and the Liberal Party recruit their supporters, through their riding associations, among all Canadians.

The NDP, however, recruits its membership among radicals and extremists. It uses the money of honest workers through their unions, workers who would otherwise not finance the NDP.

This party is increasing its influence with the unions, unbeknownst to their members. It is being helped to the tune of millions of dollars by the big trade unions, without the workers being informed. It has made a specialty of using other people's money. It does this by taking advantage of hearings held by standing committees, and through the use of mailing privileges and of all the resources available to each Member of this House.

Before attacking and libelling Members of this House, this party should put its own house in order.

* * *

• (1110)

[*English*]

NATIONAL ARCHIVES

NEED FOR NEW BUILDING

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, Canada, like other nations, has a National Archives where important documents are stored for posterity so that our history can be recorded and future generations can study and make up their own minds as to our successes and failures in terms of economic, social, cultural and political affairs.

Unfortunately, however, although we have a fine new Archives Act, we have no archives building. The Public Archives share the National Library building and both are forced to rent other space and move documents between buildings. The Public Archives has 17 buildings for storage,

and 75 per cent of the documents are actually stored in sub-standard spaces. This means, in the case of flooding, that documents have been destroyed and others are deteriorating so they will be useless in the future.

If we as Canadians have any respect for ourselves, for our history, and the right of future generations to understand it, we need adequate space for our archives. In short, if we believe in Canada, we must find the means for acquiring a new archives building.

* * *

CANADIAN EGG MARKETING AGENCY

REFUSAL OF EGG PRODUCING QUOTA FOR NORTHWEST TERRITORIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, each year the Northwest Territories and Yukon import from the southern provinces over one million dozen eggs.

What happens when citizens of this part of Canada try to establish their own industry? I will tell you what happens, Sir. CEMA, the southern egg cartel, stomps down on them and tries to crush out this initiative. The Territories are refused a quota. Not only that, CEMA seeks court injunctions to prevent territorial eggs being shipped from one part of the Territories to another part on a road that goes through a province.

This constraint to trade and infringement on the freedom of Canadians is unacceptable. The Canadian Egg Marketing Agency is an affront to liberty, and ought to be disbanded forthwith.

* * *

SUPPLY AND SERVICES

IMMIGRATION BOOKLET—INCLUSION OF ADVERTISEMENT SOLICITING POLITICAL PARTY FUNDING

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Canadians became aware today that an inadvertent mistake appears to have happened whereby booklets published under contract by the Department of Supply and Services for the Immigration Department had an ad soliciting funds for the Conservative Party of Ontario.

While I accept the explanation given in this House by the Minister as being accurate, I would call upon the Minister to make an appropriate statement after Question Period in order to assure all Canadians, Members of this House as well, particularly the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) and I, that, in fact, no examples of these booklets were distributed to potential candidates for immigration, either here in Canada or abroad.

I feel that the House deserves such an explanation from the Minister and I invite her to take but a few minutes after Question Period in order to make such a statement.

* * *

• (1115)

NEW HORIZONS PROGRAM

ACTIVITIES OF 50 PLUS CLUB IN ELGIN, NEW BRUNSWICK

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, a few weeks ago I had the pleasure of visiting a small community in my constituency by the name of Elgin, in Albert County. Elgin is famous for maple syrup, blueberries, and experienced citizens. The reason for my visit was to meet with a group of people who belong to the 50 Plus Club and provide them with a grant under the New Horizons Program so they could continue with their community work.

The good citizens of Elgin are blessed with an extraordinary amount of good common sense. Since my return to Ottawa they have written me and I would like to share with you the words of Florence Wall, the President of the 50 Plus Club in Elgin, New Brunswick. In her last paragraph she wrote:

> Again may we thank you and wish you and your Party continued success in the good work you are doing to keep Canada a place we are all proud to call home.

* * *

HARBOURS AND PORTS

MAINTENANCE OF SMALL CRAFT HARBOURS—INCREASED FUNDING URGED

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in its confusion and bungling the Conservative Government tries to pretend the problems it faces are the fault of the Opposition in the House of Commons. The fact is that the Cabinet has not been able to establish priorities.

For over two months the Minister of Fisheries and Oceans (Mr. Siddon) has had proposals before Cabinet dealing with small craft harbours and second phase funding for salmonoid enhancement. Yet Cabinet has not reached a decision. In the meantime our small craft harbours continue to deteriorate. Department officials say $120 million is needed each year to maintain them. This year the Government allocated only $48 million. If this continues, officials warn, dozens of small communities will lose their docking facilities in the next few years.

In the 1984 election the Conservatives promised a properly funded salmonoid enhancement program. They increased licence fees for fishermen to help fund the program but it is stalled in Cabinet.

If the Government wants to regain the confidence of Canadians it must get its priorities straight and eliminate the log-jams in Cabinet.

* * *

[*Translation*]

SCIENCE

IMPORTANCE OF ANNUAL CONFERENCE OF ACFAS AT UNIVERSITY OF OTTAWA

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to bring to the attention of the House a very important event that is taking place this week in the riding of Ottawa—Vanier. I am referring to the annual conference of the *Association canadienne-française pour l'avancement des sciences* being held at the University of Ottawa. This science conference is important to ensure the continued existence of the French language as a living force in the world of science. We all know how important English is as a language of work and communications in this area. We must promote the use of French in science. For instance, only 5 per cent of the articles published by the National Research Council in 13 scientific journals are in French. This must change. ACFAS, at conferences like the one being held this week, has shown it is possible to do high quality scientific work in French. I want to congratulate and pay tribute to all francophone researchers and wish them a cordial welcome and a pleasant stay with us in Ottawa—Vanier.

* * *

[*English*]

EMPLOYMENT

CREATION OF JOBS IN ATLANTIC CANADA—PRIME MINISTER'S STATEMENT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like to refer to an answer the Prime Minister (Mr. Mulroney) gave yesterday in response to a question posed by the Hon. Member for Essex—Windsor (Mr. Langdon). He was taking credit for jobs created in Canada and said the Hon. Member's statement was false. He went on to say:

> Some 46 per cent of the jobs created were in Ontario, 28 per cent in Quebec, 22 per cent in western Canada, and so on.

Mr. Speaker, the "and so on" is Atlantic Canada. The three regions that he referred to add up to 96 per cent of the jobs. "And so on" only got 4 per cent of the jobs. If the Prime Minister is going to continue to ignore Atlantic Canada I wish he would at least admit that and make mention of it in his answers to questions in the House.

• (1120)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AMERICAN INVESTMENT IN CANADIAN INDUSTRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Deputy Prime Minister. For the past three days I have been trying to obtain an answer from the Government as to who was speaking on its behalf with regard to the wide open request made by the United States for American takeovers of Canadian industry.

Simon Reisman, our chief negotiator, is quoted as saying, and I am going to use his words, "—the U.S. side has made it very clear at every level, Presidential, Secretary to Secretary, and at the negotiating table, that they are anxious to talk about investment in the broadest sense". Those are his words as reported in a story filed by Terry Wills of the *Montreal Gazette* of May 21.

Yet the Minister for International Trade said yesterday that that simply was not true. In response to me yesterday in the House of Commons the Prime Minister said, yes, the President had raised the issue with him, then no, the issue had not been raised with him, all within two answers as recorded in *Hansard*.

Has the Prime Minister briefed the Minister for International Trade on what the President of the United States had to say to him on the issue of American takeover of Canadian industry and opening up the investment rules? If so, would he explain to the House who is speaking on behalf of the Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition made a false charge in the House yesterday when he used the word "unfettered". He had the grace to correct that false charge. He has now made another false charge with regard to the statements of the Prime Minister reported in yesterday's *Hansard*. I hope he will have the grace to withdraw that false charge.

I hope also, Mr. Speaker, that in the interest of ensuring that this House is able to deal with facts, the Right Hon. Leader of the Opposition and his colleagues will deal with facts and will not try to create fears or enter falsehoods into the record of the House of Commons.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I believe that the words which I have just quoted from Simon Reisman are accurate and also that *Hansard* bears out the ambiguity of the Prime Minister's responses to me yesterday. I will leave that to every Member of the House to judge.

[*Translation*]

INVESTMENT—INQUIRY WHY GOVERNMENT WILL NOT REVEAL PUBLICLY WHAT IT IS WILLING TO GIVE TO AMERICANS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday, the Minister for International Trade met with provincial Trade Ministers who urged her not to give in to the United States and its demands for greater freedom and latitude in taking over Canadian industries.

Even the provincial Governments are aware of U.S. demands in this respect, but the Minister said yesterday that the federal Cabinet had not been informed.

Why does the Government refuse to tell the House and the Canadian people that it is ready to give in to the Americans as far as investment in Canada is concerned?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, another falsehood by the Leader of the Official Opposition. I realize the Liberal Party is desperate, but I trust that in future, the Leader of the Official Opposition will talk about facts and not bandy about the kind of falsehoods we have just heard.

As the Prime Minister said yesterday, the President talked about the interest of the Americans in the investment question. The Leader of the Official Opposition claimed that the request was for unfettered and wide-open access. As the Prime Minister said yesterday, both allegations by the Leader of the Opposition are false.

[*English*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, how about the words "in the broadest sense"? Those are Mr. Reisman's words and the words I used are certainly parallel to those.

Mr. McDermid: Nonsense.

Mr. Turner (Vancouver Quadra): They certainly are. Every statement I have quoted can be backed up by a tape.

CANADIAN GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday the Minister contradicted herself. First she said to journalists that the issue had not been raised, a few moments later she said the door is wide open, then she said it was up to the Americans to raise the issue if they wanted to, and then she said she would not consider it. I can give the Right Hon. Minister all those words. They are not falsehoods at all. They are out of the mouth of his colleague. In these circumstances, can you blame Canadians for being confused because the Government of Canada itself is confused? If the Minister is in this benign mood this morning, will he tell us who is speaking for the Government of Canada and what is the position of the Government of Canada?

• (1125)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition does not have to convince me that the words uttered by my colleagues are not falsehoods. We all know that. We also know that they are consistent, the statements of the Minister for International Trade and other Ministers are consistent.

The falsehoods have been uttered by the Leader of the Opposition, the Leader of the New Democratic Party, the Member for Essex—Windsor and by others in the House.

The situation is that the Americans are interested in discussing investment. We are prepared to consider their specific proposals to discuss investment once we have received them in final form. If they are acceptable to Canada, we are prepared to negotiate on that basis. If they are not acceptable to Canada we are not prepared to negotiate on that basis.

We intend to maintain in place protections for vital Canadian interests, as has been made clear by my colleague, the Minister for International Trade, and by the Prime Minister.

I remind the Right Hon. Leader of the Opposition that all nations, including the United States, have very significant barriers to investment. For example, in the United States, in some 22 of those States, these are state actions, not simply national actions, which limit investment. We intend to make the Americans aware of that.

The only people whom I have heard talking about unfettered rights of investment in Canada by Americans are the Liberals and the New Democratic Party. That might be their policy, but it is not ours.

STATEMENT ATTRIBUTED TO CANADIAN NEGOTIATOR

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who said that the Americans have not yet raised the matter. Mr. Reisman, our trade negotiator, is quoted in yesterday's newspapers as saying that the United States is anxious to talk about investment in the broadest sense and, in fact, the matter was raised by the President himself, Secretary of State Shultz, and Secretary of the Treasury, James Baker.

In other words, Mr. Reisman, a man with a very distinguished record, has said that the Americans have already raised these matters about broadening the acceptance of investment in this country. Is Mr. Reisman correct in what he says and, if so, did the Government tell the President, Secretary Shultz and Secretary Baker that we are not interested in broadening the terms of investment and entrenching it in a free trade deal?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Member for Winnipeg—Fort Garry is now trying to wiggle away from the words and accusations that were made by his Leader and himself. The record is there.

The Member for Winnipeg—Fort Garry will not be able to wiggle away from it.

I will repeat what I said a moment ago. The President and other American officials, and as the Prime Minister said in the House yesterday, have indicated an interest in investment. I am current with all of the debates and all of the exchanges that have taken place. To my knowledge, at no time did anyone suggest unfettered, wide open investment in Canada; anyone, except the Liberal Party and the New Democratic Party. They might want unfettered American investment in Canada; that is not our position.

Mr. Axworthy: I simply remind the Secretary of State that those were not our words, but the words of the chief trade negotiator for Canada, Mr. Reisman, who said that the Americans want to raise the question of investment in its broadest sense.

UNITED STATES REPORT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Secretary of State for External Affairs said that he is current with everything that is going on. He is probably aware of the report on foreign trade barriers put out last fall by the office of the U.S. trade representative, describing the bilateral negotiations with the United States. It says:

> The United States has urged Canada to liberalize the Investment Canada Act—

It goes on to talk about the areas, such as culture, energy and resources. It states:

> The United States will raise its concerns on Canada's treatment of foreign investment during bilateral free trade negotiations.

My assertion is that the Americans themselves have already said that the matters have been raised and they are asking for liberalization. Having this on the public record, would it not be the proper position of this Government—and it had the opportunity this morning—to simply say that we are not prepared to have foreign investment raised as part of these negotiations other than trade related, that we will not agree to any broadening of the investment package? Why will the Secretary of State for External Affairs not say that now? Why has he refused? Or is in fact the Government preparing to give in and cave in once again?

• (1130)

Right Hon. Joe Clark (Secretary of State for External Affairs): Just so we are clear about this, Mr. Speaker, the word "unfettered", which is false, was not our word. It was the word of the Liberal Party. It is false.

Mr. Guilbault (Saint-Jacques): You sound like a parrot, a broken record.

Mr. Clark (Yellowhead): The word "wide-open" which was used by the Liberal Party, and which is false, is not our language. It is the Liberal Party's language.

What has happened, as I have said twice today and as the Prime Minister said yesterday, is that the United States has indicated in general terms an interest in having investment discussed. During the last set of negotiations involving Ambassador Reisman and Ambassador Murphy, there was an oral elaboration by the United States on some of the matters in which it is interested, none of which is unfettered access, none of which constitute wide open access, none of which constitute the kinds of interest that is being used falsely to raise fears by the Liberal Party and by its socialist friends in the House of Commons.

When we have a concrete idea of what it is the Americans are interested in discussing, that will be considered by the Cabinet of Canada and we will then consider whether or not it is in the interests of Canada for our negotiator to proceed with negotiations and consideration of those concrete proposals.

NON-TRADE RELATED INVESTMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is certainly good to see the Secretary of State for External Affairs in such a good mood this morning.

I want to pursue the same subject. As the Minister knows, up to the present the talks on trade in terms of investment have always been restricted to trade related investment. Mr. Reisman has said not once but twice that he has conveyed directly to the Cabinet that the United States wanted to go beyond trade related investment. The Prime Minister, to whom the Minister just alluded, said in the House yesterday: "Now it is wide open investment pursuant to trade related investment which has always been the case". So the Prime Minister is saying that it is restricted to trade related matters, surely, which contradicts what Mr. Reisman is saying. Will the Government now be very clear on this? Is non-trade related investment on the negotiating table with the Americans?

Right Hon. Joe Clark (Secretary of State for External Affairs): Is non-trade related investment on the table?

Mr. Broadbent: Yes.

Mr. Clark (Yellowhead): First of all, let me welcome the Leader of the New Democratic Party back from the Province of Quebec. I sincerely hope he has been able to seek to heal the deep breach in his Party on the Meech Lake Accord.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Once he has done that I hope he will turn his attention to the deep breach in his Party on trade questions, the deep breach in his Party on NATO, the deep breach in his Party on NORAD, the deep breach in his Party on other questions.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Cuddle up a little closer, Lloyd.

Mr. Speaker: Order. Perhaps the Right Hon. Minister could conclude the answer to the question.

Mr. Broadbent: Go ahead, Joe, have another go at it.

Mr. Clark (Yellowhead): Mr. Speaker, the answer to the question is the answer I gave to the Hon. Member for Winnipeg—Fort Garry.

Mr. Gauthier: Which was no answer.

Mr. Guilbault (Saint-Jacques): Stonewalling.

Mr. Broadbent: I might be tempted to refer to the breach between the Minister's ears, but I won't.

Mr. Nystrom: Irreparable.

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): The Minister, both in his earlier answers and now, is trying to avoid answering by hurling abuse at the Opposition. That game won't count with the people of Canada, I want to tell the Minister right now.

Mr. Nystrom: That's why you are in third place.

Mr. Broadbent: That is exactly why you have dropped down to third place, this kind of snickering, snide evasiveness, that's it.

Some Hon. Members: Oh, oh!

Mr. Speaker: I am sure that all Hon. Members would want the Hon. Member for Oshawa to put his question succinctly and clearly and I am sure other Hon. Members would want to hear the Minister respond in exactly the same way.

Mr. Broadbent: If the Minister would control his miasma and answer a straight question, I will give him a straight question.

Does the Minister agree with Mr. Reisman that the Americans have now requested to talk about investment that is not related to trade matters and that he has conveyed that to the Cabinet? Or does the Minister agree with the Prime Minister who said that all the Cabinet is aware of is discussions about trade related investment? On what side of the interesting approach to the truth is the Minister?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not hurling abuse, I am simply drawing the attention of Canadians to a political Party which says one thing on the Meech Lake Agreement in the House of Commons and has its Quebec Party say the exact opposite. That is what I am doing.

Mr. Broadbent: There's a guy who really believes in federalism. I can't believe it.

Mr. Clark (Yellowhead): Yes, I believe in federalism, and I believe federalism requires a national Party—

An Hon. Member: Answer the question.

Mr. Clark (Yellowhead): —to say the same thing in both languages in all parts of the country.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): If I may repeat what I said to the Hon. Member for Winnipeg—Fort Garry—

Mr. McDermid: Do it slowly.

Mr. Clark (Yellowhead): And I will do it very slowly so that the New Democratic Party Leader can understand and can take notes so he can telephone his Members about it.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): What has happened is that there have been proposals—there have been suggestions made by the President of the United States, and by others, indicating their general interest in having investment discussed. We have indicated to them that if they have proposals to make, we look forward to receiving them and we will then judge them once we have received them.

At the last meeting of the negotiators there was an oral indication—not a written indication, an oral indication—by the United States negotiator as to some of the details of what they are interested in, none of which goes so far, anywhere near so far as the false impressions left in the House of Commons by the two opposition Parties.

The process now, as the Leader of the NDP might know, would be that the chief negotiator will make a formal recommendation to the cabinet committee. The cabinet committee will consider whether we want to give to the negotiator the mandate to deal with those issues. We will make that judgment on the basis of Canada's best interest. That, of course, will not conclude the matter. The Cabinet of Canada would retain the right to approve or to reject and, indeed, to oversee and to approve or reject throughout the process anything which might be discussed by the negotiator at the table.

Mr. Broadbent: It has only taken a half hour to get that one fact out of the Minister.

Mr. Clark (Yellowhead): I gave it to Lloyd.

INQUIRY CONCERNING AMERICAN INTEREST

Hon. Edward Broadbent (Oshawa): We now know that the Government is in fact considering broadening the range of discussion about investment. Once again he has yielded to what the Americans wanted. Will the Minister at least share with the House of Commons the areas requested by the Americans that they want to be put on the table for discussion? Will he at least tell the people of Canada that?

Right Hon. Joe Clark (Secretary of State for External Affairs): From the beginning of this debate when it became clear that the socialist Party had taken an ideological position

to oppose the trade negotiations, it has been seeking to have us reveal the details of the negotiation on the floor of the House of Commons.

Mr. Broadbent: Have a good week-end, Joe. Take a rest.

Mr. Clark (Yellowhead): That, obviously, would give away our capacity to make a good deal for Canada. That might be the way Socialists negotiate. That is not the way this Government is going to negotiate, or seek to negotiate a trade arrangement with the United States which can secure Canadian jobs which are now being lost and which could open new opportunities for Canadian industries which need them.

Mr. Broadbent: Have a good week-end, Joe.

ORAL INDICATION GIVEN BY UNITED STATES NEGOTIATOR

Hon. Herb Gray (Windsor West): Mr. Speaker, the Secretary of State for External Affairs has just admitted that in the last meeting between the United States and Canadian trade negotiators, the United States trade negotiator gave an oral indication as to some of the details of what they are interested in with respect to investment in Canada.

• (1140)

I want to ask the Minister to use this opportunity to tell the House and Canadians exactly what was said by the American negotiator in these oral indications.

We are not asking for the Canadian position. We want to know what the Americans are asking for.

Can he tell us today what that is? Give us a straight answer for a change.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have a great deal of respect for the Hon. House Leader of the Official Opposition, and I know that he knows about negotiations. I know that he would understand that we could not expect to have a successful negotiation were we to reveal all of our negotiating positions on the floor of the House of Commons. He would also know that we cannot reveal what the other side is putting on the table and expect not to reveal what we are putting on the table. We cannot publicize half of the process, without leading to a situation which would lead, inexorably, to the publicizing of the whole process.

That would damage Canadian interests, and I am sure the House Leader of the Official Opposition would not want that to happen.

STATEMENT ATTRIBUTED TO CANADIAN NEGOTIATOR

Hon. Herb Gray (Windsor West): Mr. Speaker, if the Government is so worried about prejudicing the negotiations—negotiations which so far do not seem to be in the best interests of Canada—why is the chief negotiator going public?

We are raising this subject because of the words used by the chief negotiator, who said that the Americans are calling for "broad investment access to Canada".

Why is there this inconsistency between what he is saying now and what the chief negotiator has said? Why can't he tell us whether the Americans asked that culture be on the table; whether they asked that resources be on the table; whether they asked that this Government unravel its already weak Investment Canada Act?

I ask him again: Give us some straight answers for a change.

Right Hon. Joe Clark (Secretary of State for External Affairs): Just to set the record straight again, the House Leader of the Opposition and his colleagues have not been quoting in this House the words used by the chief negotiator, until today. They were using language to create false impressions, language that was false, and the record in that regard, I think, should be clear.

Our position on culture is known. We are not going to trade away Canadian culture.

Our position on official languages and other fundamental interests in this country is known. It has been the subject of debate in this House for some time.

I do not propose—and I know the House Leader of the Official Opposition would not seriously ask me to do so—to reveal, detail by detail, what is under discussion at the negotiating table, because that would be the way to subvert and destroy the negotiations.

An Hon. Member: And that is exactly what they want.

Mr. Clark (Yellowhead): I hope that that is not what the Liberal Party wants. I know that that is what the socialist Party wants. It is not what this Government wants.

ORAL REPRESENTATIONS MADE BY UNITED STATES NEGOTIATOR

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of External Affairs. Since he has indicated to the House that there have been these oral representations clearly made, since he has indicated, as well, that, as a cabinet Minister, clearly these have been communicated to him by the chief trade negotiator, is it not the responsibility of the Government of this country, which is now looking at widening the mandate of the trade talks, to come out and say so clearly to the Canadian people, so that they know what the points are that the Americans want to talk about?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is our responsibility as a Cabinet to consider proposals that are put forward by the Americans in this negotiation, and to consider them in the context of the Canadian national interest.

There has been an oral indication. There will be a consideration by Cabinet of what exactly the Americans are looking for once we know, with absolute precision, what it is the Americans are looking for.

We will carry out our responsibility as the Cabinet of Canada, responsible to this House and responsible, ultimately, to the people of the country, to oversee the negotiations and to protect the Canadian interests.

If individual Canadians want to have some easy guideline as to what the Americans are asking for, the best advice I can give them is never pay attention to, or give credibility to, the representations of the Hon. Member.

Mr. Langdon: I thank the Minister. A compliment from the Minister is bound to come in the form of an insult.

MANDATE TO CONDUCT NEGOTIATIONS

Mr. Steven W. Langdon (Essex—Windsor): Let me ask the Minister this. If this Government made a determination that it was right to take the country into trade negotiations with an existing mandate, a mandate set out very clearly, why is the Government now prepared to look at changing that mandate, widening it, and giving the United States something further without getting anything in return?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I don't want to engage in insults. What I am—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): So that the record is clear, the reason I made the comment I did, Mr. Speaker, is that I have paid close attention to the outrageous and false things the Hon. Member has said about the trade negotiations, and no one who wants to have a reasonable understanding about what is going on should be misled by those unreasonable and false statements that he has been making.

Let me just be clear about what I thought everybody in the House knew about a negotiation: a negotiation is not a static thing. Naturally, there is going to be some movement in the negotiations. There are some matters on which we want movement from the United States that will be proposed before the end of the negotiations. There have been matters proposed since the negotiations began by both sides.

That is in the nature of a negotiation. That would be understood by a Party that was not determined from the outset to sabotage and subvert the trade negotiations, as the Socialist Party has, and is.

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if we understood the answers of the right hon. gentleman to the questions of both the Member for Winnipeg—Fort Garry and the Member for Oshawa, the question being whether the Government would consider an American request to negotiate investment beyond trade related issues, he responded in the affirmative.

Yesterday the same question was put to his colleague, the Minister for International Trade, and she responded in these terms:

> "If the Americans want to go beyond trade-related investment areas, it is up to them to indicate what they want," she said.

The journalist then asked: "Does that mean you would be willing to consider it?", to which the reply was—and I read from a Canadian Press article:

> "No!" Miss Carney replied loudly. "I am getting really annoyed. You are trying to exterpolate things that I don't say."

Would he over the week-end, once he has had a chance to reflect and perhaps calm down and return to his usual benign mood, talk to his colleague and the Prime Minister and give us, on Monday, what the position of the Government is?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have given to the Right Hon. Leader of the Opposition what the position of the Government is. He is quoting a journalist. I trust my colleague didn't use the word "exterpolate"; I have not known her to use a word like that before.

An Hon. Member: Not in public.

Mr. Clark (Yellowhead): Not in public. I will check the rest of the record.

An Hon. Member: It must be a falsehood.

Mr. Axworthy: There is nothing dirty about that. Is it against the new pornography Bill?

Mr. Clark (Yellowhead): So that the Leader of the Opposition can have some confidence, the position of the Government is as I stated it today and as it has been stated by the Minister for International Trade and by the Prime Minister.

Mr. Axworthy: It is two positions.

Mr. Turner (Vancouver Quadra): We have a patchwork quilt now, and we will try to put that together over the weekend, Mr. Speaker. I say that his colleague not only used the word "exterpolate", she probably understands what it means.

MEETING OF FEDERAL AND PROVINCIAL TRADE MINISTERS

Right Hon. John N. Turner (Leader of the Opposition): I want to put a further question to the Minister. His colleague met yesterday with her provincial counterparts, with the provincial Trade Ministers. Did she describe to them the nature of the American request to broaden these trade negotiations relating to investment? And if she did, what did she tell them; and if she described in some detail what the Americans had in mind, would he share those thoughts with the House of Commons, so that Members of Parliament as

well as the provincial Governments may know what is going on?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr Speaker, while we are on the subject of patchwork quilts, may I congratulate the Right Hon. Leader of the Opposition on his appointment of himself as his Party's spokesman on external affairs and foreign policy.

The Minister for International Trade had discussions with her provincial counterparts yesterday. She is keeping them up to date with the process of the negotiations.

As the Right Hon. Leader of the Opposition will know, this is an entirely new step, a new process, and indeed a major institutional change in Canadian practice, because in the past, when he was involved in international trade negotiations, the provinces were shut out.

They are not shut out under this Government.

Mr. Speaker: I shall recognize the Hon. Member for Oshawa in a moment.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. ALEXANDRE SAMBAT, MINISTER OF EDUCATION OF REPUBLIC OF GABON

Mr. Speaker: I would like to draw the attention of the House to the presence in our Gallery today of Mr. Alexandre Sambat, Minister of Education of the Republic of Gabon.

• (1150)

[*English*]

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM AUSTRALIAN HOUSE OF REPRESENTATIVES

Mr. Speaker: I am also pleased to bring to the attention of Hon. Members the presence in the Gallery today of a parliamentary delegation from the Australian House of Representatives, led by Mr. Barry Cunningham.

Some Hon. Members: Hear, hear!

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—SCOPE OF INVESTMENT DISCUSSIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to pursue this interesting line of answers which we are getting from the Minister.

Yesterday the Prime Minister contradicted Simon Reisman and, if I heard the Minister correctly today, he has just contradicted the Prime Minister. He has just acknowledged that on non-trade related investment the Cabinet has been informed that the Americans want to talk about it, and the Canadian Government is waiting to hear more specifics on it.

The Prime Minister said yesterday, in reply to a question, that this wasn't the case. He said that what is on the table "is wide open investment pursuant to trade-related investment which has always been the case".

According to the Prime Minister, the discussions are still being restricted to trade-related investment. According to the Minister today, the scope is being broadened. Who is telling the truth in the House of Commons?

Right Hon. Joe Clark (Secretary of State for External Affairs): The falsehood that is being attempted in the House of Commons, Mr. Speaker, is the attempt to pretend a difference exists between what the Prime Minister said and what I have said. I ask—I won't get into a long debate about it now; the Leader of the New Democratic Party can read. He can take a look at *Hansard* yesterday—

Mr. Broadbent: I just did.

Mr. Clark (Yellowhead): —and *Hansard* again today indicating my remarks.

Here is the situation. Trade-related investment measures are on the table now. There is a mandate for the negotiator to discuss them. There has been an oral suggestion by the United States, as I have repeated four or five times in this House today, that some other matters should be looked at. They are not yet on the table. They might never be on the table. We in the Cabinet have not yet received a formal, precise indication of what it is the Americans are interested in. Once we receive that, we will consider it—if we give the negotiator—and if it is not in Canada's interest, we will reject it.

Then, after that process is finished, we will indicate to the negotiator what mandate he has at the table. That is the situation. I have described it three or four times today. For those who want to understand it, it is quite clear.

ORAL COMMUNICATION FROM UNITED STATES NEGOTIATOR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have what may be the last question on this today. I should like to ask the Minister, on this oral communication that was received, could he tell us if the Cabinet and the Prime Minister were informed of this oral communication before yesterday's Question Period?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime—the Leader of the Opposition—excuse me, I am getting ahead of himself.

The Leader of the New Democratic Party knows that there is a long-standing practice regarding the confidentiality of matters—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): No, no—that come before a Cabinet—that question invites me to break—

Mr. Broadbent: I know the answer now.

Mr. Clark (Yellowhead): —asks me to break those rules. The socialist Party have shown a quite consistent contempt for the rules of this House, but I don't want to encourage them in it.

* * *

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA—BIDDERS' AGREEMENT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Deputy Prime Minister. The Minister of Energy, Mines and Resources has said many times that in the agreement between Amoco Canada and Dome Petroleum there is the right for other potential bidders to make bids as long as Dome Petroleum does not solicit the bids.

However, at least one of the potential bidders and I think as many as four, including Amoco, have signed confidentiality agreements in order to obtain evaluation material.

One of the requirements of this confidentiality agreement is that a bidder cannot make a bid until the bid has the prior approval of Dome Petroleum.

How can we have other bids when under the confidentiality agreement Dome Petroleum must give prior approval to the bids, but that is soliciting, and under the memorandum of agreement Dome Petroleum cannot solicit other bids?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have nothing further to add to the response that the Minister of Energy, Mines and Resources has given. I think he has been quite clear. Dome may not solicit competing offers but certainly has to consider them if they are presented.

Mr. MacLellan: It is continually not coming to grips with the question.

MINISTER OF CONSUMER AND CORPORATE AFFAIRS—MEETING WITH AMOCO CANADA REPRESENTATIVES

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I want to ask the Deputy Prime Minister another question. On May 12 he said, relating to the agreement between Dome and Amoco, "they are in a position to make a decision", referring to the shareholders, and "when it is made and the proposal is presented to the Government of Canada, it will be examined in the normal course as it relates to Investment Canada, the Minister of Consumer and Corporate Affairs, and all other mechanisms in place for that purpose".

Why did the Minister of Consumer and Corporate Affairs, in light of what the Deputy Prime Minister has said and in light of the comments of the Minister of Energy that this is now in the private sector until it comes to Investment Canada, meet with representatives of Amoco Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): I don't know, Mr. Speaker, if the Hon. Member is suggesting that elected representatives of the Calgary area are not free to meet with people in the energy sector.

I mean, what is this country coming to? When is a Member of Parliament not able to represent the interests of his constituents by meeting representatives of an energy sector which is very vital and very important?

If the Hon. Member is suggesting that because I may represent a farming district or I might be a farmer myself I cannot take an interest in farm problems, then we are really heading down a slippery slope to chaos in this country.

REASON FOR MEETING WITH MINISTER

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have a question on this matter for the Deputy Prime Minister, and I ask him: Let's not be naive about this matter.

The Minister of Consumer and Corporate Affairs said yesterday that he had met with Amoco, senior executives of Amoco, on the Dome takeover. If it is government policy that the Government has a hands-off approach in this deal, why is it necessary for Amoco to come and lobby the Government, and why is it necessary for the Minister of Consumer and Corporate Affairs, and perhaps other Ministers, to meet with Amoco?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker—

Mr. McDermid: Just stand up and make your charges.

Mr. Speaker: I would ask the co-operation of all Hon. Members at the moment to keep their remarks to themselves.

The Chair is in a difficult position, and I know that the Hon. Member for Vancouver—Kingsway understands that, as does the Hon. Member for Cape Breton—The Sydneys. Also I want Hon. Members to understand clearly the difficulty the Chair is in, and I want the public to understand it, because this is a place where vigorous free speech must be defended.

My difficulty is that yesterday, on a matter raised by the Hon. Member for Vancouver—Kingsway, questions which the Chair allowed, a question of privilege has been raised by the Hon. Minister. There was an extensive discussion with respect to whether or not the question asked of the Minister yesterday was appropriate or had indeed infringed against the privileges of the Minister, and some Members went on to suggest that it had gone further than that.

I have not brought down a ruling on that matter yet, as the Hon. Member for Vancouver—Kingsway knows, and I regret that I have not been able to do so by this morning. However, I assure the Hon. Member that it is not because of any intention to delay.

An Hon. Member was in somewhat the same position some weeks ago on another matter where a question of privilege was raised and then the next day questions were again asked on the same point. At that time I said that I felt it was not appropriate to continue with those questions at that time until the ruling had come down.

Given the circumstances and given that fact, I want to assure the Hon. Member for Vancouver—Kingsway and other Hon. Members who are interested in this issue that I will strive mightily to have a ruling first thing on Tuesday morning. In the meantime, I would ask the co-operation of Hon. Members in respecting the position of the Chair, and to respect the fact that the very propriety of these questions is the subject matter of the dispute which I heard yesterday and on which I must decide.

I am not in any way indicating how I will rule on Tuesday morning, but I would ask that Hon. Members understand the position that we are in in this Chamber.

• (1200)

CONFLICT OF INTEREST GUIDELINES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I will put my supplementary question carefully in order to get the balance between respecting the Chair and the Opposition's right to ask questions in a free and democratic society.

Mr. Hnatyshyn: That is a reflection on the Chair.

Mr. Clark (Yellowhead): More contempt on the House.

Mr. Waddell: My question is for the Deputy Prime Minister who is responsible for the conflict of interest guidelines. In the opinion of the Deputy Prime Minister, does he consider it a conflict or even an appearance of conflict—

Mr. Hnatyshyn: Order.

Mr. Waddell: —when a Minister of the Crown who will be—

Some Hon. Members: Order.

Mr. Broadbent: Listen to the question.

Mr. Waddell: The Speaker can rule on my question when I have finished it. I will not be silent on this matter.

An Hon. Member: Come on, Waddell.

Mr. Daubney: Have some respect.

Mr. Speaker: This is not a particularly easy matter for Members or the Chair, but it will be easier for all if Members leave it to the Chair to decide. I will hear the question.

Mr. Waddell: I will repeat the question, Mr. Speaker.

With respect to the conflict of interest guidelines, broadly, for which the Deputy Prime Minister is responsible, in his opinion does he consider it a conflict or even an appearance of conflict when a Minister of the Crown who will be participating in an important national decision has on his or her riding executive as a fund-raiser a senior official of one of the companies which will be affected by such an important national decision?

Mr. Speaker: The question may or may not, of course, be hypothetical and that is a matter for the Minister to comment on if, in fact, the Minister does want to comment on it.

I do want to point out to Hon. Members that the question we have just heard is not the same question as that put yesterday. It is a question of general application. To the degree that it is, I will allow it to stand. The Hon. Minister.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I note that the Hon. Member made reference to an apparent conflict of interest. I certainly do not want to make any comment on that because it may very well reflect upon the admonition you have given in the House.

Suffice it to say that I consider this to be a normal political process. As I understand it, representatives have met with all Calgary area Members of Parliament. They have a vital interest in the energy sector, as the Hon. Leader of the NDP would have a vital interest in the automobile sector.

Mr. Broadbent: We are not making the decision, Don.

Mr. Mazankowski: I am sure he from time to time receives representations from that sector in the discharge of his duties as a Member of Parliament for the Oshawa area, as does the Hon. Member for Humboldt—Lake Centre who represents a farming area. I am sure if Hon. Members are going to be prevented from discharging their responsibilities and obligations as Members of Parliament—

Mr. Broadbent: He is a Minister.

Mr. Mazankowski: —then we have a really serious problem in this country that has to be dealt with.

Mr. Broadbent: I agree.

Mr. Fulton: You guys don't know right from wrong.

Mr. Clark (Yellowhead): Tell Harney.

Mr. Speaker: I would ask the co-operation, which I know I will receive, from all Hon. Members on this matter. I would

ask that the matter be left aside now and the Chair can return with a ruling on it. I want to assure Hon. Members that the Chair is very conscious of the undoubted right of the Opposition to seek information; in fact, it is the undoubted duty of the Opposition.

Mr. Broadbent: Right.

Mr. Speaker: I am also very aware that this is a place of free speech. However, we have our rules. As I say, I am now in the midst of a process where a question of privilege has arisen out of questions asked. That is a matter that I must decide. I shall decide it as quickly as I can and return to the House with that decision.

The Hon. Member for Glengarry—Prescott—Russell.

* * *

[*Translation*]

TRADE

FREE TRADE—GOVERNMENT JUSTIFICATION FOR PUBLICITY CAMPAIGN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in the absence of the Minister for International Trade, my question is directed to the Secretary of State for External Affairs and concerns the advertising campaign on free trade that is costing us about $12 million, a campaign to try and convince Canadians that the Government of Canada has acted in their interests by giving away Canada's sovereignty to foreign investors. How does the Government intend to justify wasting money on this folder and distributing it in shopping centres, a publication that is full of exaggerated statements? How can it justify this propaganda at a time when spending cut-backs are affecting people who are desperately in need of funds? How can the Government justify this kind of publication at a time when its mandate is still far from certain, when it has nothing to show for its efforts and the talks are still going on? How can it justify this utter waste of money?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I know this is part of the Liberal campaign to spread half-truths and no truths. The Hon. Member this morning said on CBC that this pamphlet in front of us is clearly erroneous. He went on to say that there was no consultative process before the agreement was made in 1985 to proceed with the negotiations.

The former Minister of Trade issued a White Paper and went across this country for months consulting with the provinces and with the private sector. There was a parliamentary committee that spent time looking at the White Paper and made a report to Parliament before the decision was made.

Mr. Axworthy: And recommended against it.

Mr. McDermid: For heaven's sake, the Member is telling half-truths. What he is saying is absolutely false and he is going around the country spreading false information about this brochure.

Mr. Boudria: Mr. Speaker, the Parliamentary Secretary should have listened to the interview instead of getting somebody else who couldn't memorize it trying to repeat it to him.

GOVERNMENT POLICY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is again for the Secretary of State for External Affairs concerning the shopping bag stuffer that he offered to Canadians yesterday.

The previous Minister of Consumer and Corporate Affairs said as reported in *Hansard*, that there will be no more geese flying into the sunset. If it was wrong to have geese flying into the sunset in the name of national unity, what is so right about the turkeys on the other side walking across the U.S. border in a fog in the name of free trade? What is so right about that policy?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): It is too bad George Baker isn't here today.

Mr. Turner (Vancouver Quadra): And that Crosbie is not here either.

Mr. McDermid: Pardon me, the Hon. Member for Gander—Twillingate.

As I go through this very excellent publication which provides information on the trade negotiations which Canadians have been requesting, I do not see a goose or a turkey in here but I see a lot of very important information which Canadians have been asking for and which they are going to receive.

Some Hon. Members: Oh, oh!

Mr. Axworthy: We see turkeys over there.

Mr. McDermid: I notice that the Canadian Labour Congress has put out a fancy brochure opposing it. Why doesn't the Hon. Member stand up and talk about that as well?

Mr. Speaker: The last question will be by the Hon. Member for Lévis.

[*Translation*]

SUPPLY AND SERVICES

AWARDING OF CONTRACT CONCERNING FRENCH TEACHING AT DEPARTMENT OF NATIONAL DEFENCE—GOVERNMENT POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is for the Minister of Supply and Services. On May 20, in the absence of the Minister of Supply and Services, the Hon. Member for Laval-des-Rapides directed a question to the Minister of Public Works, seeking to know why certain Quebec firms had not been given an opportunity to bid on contracts related to computer technology and French teaching to the Canadian military. Among others, he referred to Matrox, DIL International and Technogram. The Minister of Public Works replied that an investigation was under way. Can the Minister tell us what this investigation was all about and, if indeed there was an ongoing investigation, what are the findings?

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I thank my colleague for raising this question since it enables me to shed light on this contract award. Never was there any question of launching an investigation into the award of this $700,000 contract because it is very much in keeping with our purchasing policy. There was a tender call, 17 firms were asked for bids, including eight from Quebec. Unfortunately the eight Quebec firms decided not to bid and, as a Quebecer, I regret that.

With respect to the suppliers mentioned in *Le Devoir*, these companies did not care to register on my Department's list of suppliers.

One last comment, Mr. Speaker. I would simply remind the House and the people who may be listening to us that anyone who wants to deal with the federal Government should first register on the list of suppliers. The Chicoutimi firm thought it was adding its name to our list when it filled in a Statistics Canada questionnaire. Would anyone having filled in a census questionnaire have the impression that his or her income tax return has been completed? I suggest that one should be serious and register properly if one wants to do business and land contracts.

• (1210)

[*English*]

Mr. Speaker: I would like to advise the House that I have a question of privilege from the Hon. Member for Essex—Windsor (Mr. Langdon).

PRIVILEGE

USE OF UNPARLIAMENTARY LANGUAGE—ALLEGED FALSEHOODS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to register my concern over the number of statements made by the Secretary of State for External Affairs (Mr. Clark) accusing me of uttering falsehoods in the House of Commons. First, it is my understanding that is not the type of language which should be used in the House. Second, it is my understanding also that one must do what one can in raising questions on behalf of one's constituents without such language being used in an attempt to attack one.

I therefore respectfully request the Speaker to refer the question of whether falsehoods have been uttered in the course of questions this week, and I assume that is the allegation from the way the Minister put his position; I would like that question referred to the appropriate committee or have the Minister withdraw his comments. I think it is possible to have critical debate in this House without descending to that level.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to add my support to a reference of this question to the Standing Committee on Elections, Privileges and Procedure. We have reached a new point of allegations of falsehoods being made, in this case by the Secretary of State for External Affairs (Mr. Clark) against my Leader and several other Members. Whether or not the technical use of that word in the past has been considered by previous Speakers to be appropriate, its repetitive use against Member after Member asking questions takes it to a new level. I urge you to have this matter referred to that committee so we can look at a new way of treating questions in the House of Commons; decide whether we agree with what has taken place and whether we want this to be continued by Ministers in their answers or, indeed, Members in their questions.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think this is an important question and I am pleased that it has been raised by members of the Opposition. We all know that Canadians take their view of reality, at least some Canadians, from some of what is said on the floor of the House of Commons. If statements that are not true are frequently repeated in the House there is the danger that the Canadian public watching television will come to believe something is true when it is not. A complication in this case, of course, is that at least one of the Parties in the House, the socialist Party, has been quite consistently seeking to have the Government of Canada reveal the details of its negotiating posture in public in a way that would subvert and undermine the negotiating process.

Mr. Murphy: Another falsehood.

Mr. Beatty: Look who is using the word "falsehood" on the other side.

Mr. Clark (Yellowhead): The Hon. Member is trying to achieve that result now by an indirect means. Obviously if the matter were referred to a committee the question might arise requiring the Government of Canada to reveal to the committee our position in the negotiations with the U.S. That would achieve the NDP purpose of subverting the negotiations and would not be in the interests of the House, in my judgment.

My understanding of the rules of this place is that one cannot attribute to Members of the House of Commons a deliberate attempt to mislead. I am not sure if it is deliberate. I have not made that accusation. What I can say, Sir, knowing the facts, is that statements have been repeatedly made this week by the Hon. Member for Essex—Windsor (Mr. Langdon) and other Members of the House of Commons that are false. If I did not describe them as false Canadians might believe they are true. They are not true. I should not be prevented by the rules of the House of Commons from letting Canadians know that statements that are made which they might accept as true are in fact false.

Hon. Herb Gray (Windsor West): Mr. Speaker, the Hon. Member for Essex—Windsor (Mr. Langdon) has raised a very useful point for you to consider. I suppose you might well be advised that technically we are dealing with a point of order rather than a question of privilege. However, that is not really the question.

The question is whether the language used by the Secretary of State for External Affairs (Mr. Clark) is unparliamentary and has to be withdrawn. Frankly, there is evidence to support the argument of the Hon. Member for Essex—Windsor and the Hon. Member for York Centre (Mr. Kaplan) that the language used by the Minister is unparliamentary. For example, if you look in Beauchesne's it lists words which have been found to be parliamentary and words which have been found to be unparliamentary. You will see on page 107 that apparently a Speaker ruled on December 3, 1976, at page 1640 of *Hansard* that the word "falsehood" is unparliamentary. However, to be fair, I have to say there is also a ruling in the other direction, about the same period of time.

Therefore, I invite you to carefully review what was said by the Minister and look at the precedents, including this one at page 114, Citation 324:

> (1) It is impossible to lay down any specific rules in regard to injurious reflections uttered in debate against particular Members, or to declare beforehand what expressions are or are not contrary to order; much depends upon the tone and manner, and intention, of the person speaking; sometimes upon the person to whom the words are addressed—

And so on.

What I am getting at is that, despite the precedents in question, and even though details have not been set out in Beauchesne's but they are there to be looked at, the matter is not closed. It is open to you to examine the words used by the Minister, not only in light of the precedents based on rulings of your distinguished predecessors but in light of the circumstances. I respectfully submit that, in looking at the context in which the Minister used the word "falsehood", looking at his tone and manner and the other criteria set out in Beauchesne's, it is open to you to find that what the Minister said when he used the word "falsehood" was in fact unparliamentary.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, just briefly, because I think the point has been made by our side, I would first suggest that the Speaker was following Question Period closely. The evidence of that is that he did interrupt another Hon. Member who was putting a question to remind him to be careful about the subject matter of the question. It should be pointed out that the Speaker, who was following the questions closely, at no time interrupted the Hon. Minister and suggested there was anything unparliamentary in what was said.

I appreciate the House Leader for the Official Opposition bringing forward the fact that the word "falsehood" has been found parliamentary and unparliamentary. That leads me to my next point, which is that in seeking to bring a point of order or a question of privilege my friend from Essex—Windsor was in no way specific about any one phrase or any one sentence which he wishes to use as the foundation for his charge that something is unparliamentary or a question of privilege. Surely one cannot say that all the answers of the Minister today were unparliamentary because they suggested falsehoods. If one wants to lay charges as serious as these one has to be specific and exact in the charge he is trying to make. I think it fails both as a point of order and as a question of privilege.

• (1220)

Mr. Langdon: Mr. Speaker, I want to make it clear that I did not raise this as a point of order with regard to the question of parliamentary language only, but with regard to the fact that the Minister, at least twice and possibly three times—I will have to check the "blues" to be sure of that—accused me specifically of uttering falsehoods. That seems to me a very clear-cut accusation. If those accusations are to be permitted in the House in the future I think it will take us to a new level of disrespect—

Mr. Lewis: You're already there.

Mr. Epp (Provencher): That works both ways.

Mr. Langdon: —on both sides of the House.

Mr. Mazankowski: You had better look at yourself first.

Mr. Langdon: It will be something we will all live to regret. I think, therefore, that the accusations which have been put quite clearly should be referred to the appropriate committee and that the Minister should be required to justify his statement that I was uttering falsehoods by being brought before that committee and forced to document exactly that which was supposed to be a falsehood which was uttered, unlike, for instance, the very clear statement by the Prime Minister (Mr. Mulroney) yesterday with respect to my city which was completely inaccurate.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, before you hand down your ruling on the use of the word "falsehood" in English and the word *fausseté* in French and whether this constituted unparliamentary language or not, I think there are two aspects to be considered.

First of all, when the Chair examines an incident of this kind to find out whether there was a case of unparliamentary language, it is important to know whether the term was directed to several Members as a group, to a party in general or specifically to one individual. It is clear that in this case, the Secretary of State for External Affairs (Mr. Clark) directed his comments specifically to the Hon. Member for Essex—Windsor (Mr. Langdon) and to the Leader of the Opposition.

With respect, I may remind the Chair that these are important considerations.

Furthermore, to determine the intent of the Secretary of State for External Affairs, I think it is important to consider the fact that the terms were repeated several times in English and in French.

If the Secretary of State for External Affairs merely wished to get the message across that the Hon. Member for Essex—Windsor or the Leader of the Opposition had made statements which in his opinion were not true he did so in more polite terms just a few moments ago when he tried to apologize without altogether doing so he would have used the term once or twice, but in this case, he repeated it eight or 10 times, as we see in *Hansard*, and he did so in a very accusing tone of voice.

I have to conclude that he was trying to tarnish the reputation of the Leader of the Opposition and that of the Hon. Member for Essex—Windsor and it is actions of this kind that are traditionally considered to be unparliamentary. Those were my comments, and I hope they will be of some use to the Chair.

[*English*]

Mr. Speaker: I will, of course, carefully consider the representations that have been made. I am especially touched by the helpful advice I received from the Hon. Member for Windsor West (Mr. Gray) who has very correctly pointed out that it is not just the word, it is the context of the word. There have been different rulings on the same word to be found in the history of procedure of the House of Commons. However, there is a complaint before the House and the Chair will consider it.

Although I am going to reserve on this, I think it is necessary that I do not leave the Chamber with any misunderstanding of the intent of the Right Hon. Minister. I take it from the remarks of the Right Hon. Minister, and I would invite him to comment on what I am going to say if necessary, that it was his intent to say that certain things being said by some other Members were not accurate, and that there was not an intent to say that any inaccuracy was intentionally being bandied about or used in the debate. There is, of course, a very real difference. The Right Hon. Secretary of State for External Affairs (Mr. Clark) might want to make that point absolutely clear before the Chair retires to consider the matter.

Mr. Clark (Yellowhead): Mr. Speaker, that certainly was my intent. Let me also say to you, Sir, as I do not think I need to say, that if my duties carry me away from the House and do not allow me to be present on the day that you make your ruling, if you find that any language of mine has been unparliamentary, I will withdraw, as I have on occasion in the past. I naturally would not anticipate that judgment, but your interpretation of my intent is correct.

Some Hon. Members: Hear, hear!

Mr. Speaker: I want to thank the Right Hon. gentleman.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL ACCESS AWARENESS WEEK

DECLARATION OF HOMECOMING OF RICK HANSEN—MAN IN MOTION

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as members of the House know, an event will take place later today in Vancouver, British Columbia, which marks the end of a world odyssey, an odyssey comparable in achievements to those of other world explorers. Those achievements have graced the pages of history and today a Canadian is being added to that illustrious list. Rick Hansen, welcomed across the world and taken into the hearts and lives of millions, is home at last.

All Members of the House can take pride that our Speaker will be appearing at the Rick Hansen tribute in Vancouver on Saturday representing all of us. This day marks the fulfilment of a dream, a dream that resulted in a remarkable two-year journey around the world. Rick Hansen has demonstrated courage, determination and vision. It is incumbent upon us not only to keep this dream alive but to hasten the day when all disabled Canadians enjoy full and equal participation in Canadian society.

We believe that the public enthusiasm and understanding which has greeted the Man in Motion tour in every region of the country can be harnessed. Together we intend to turn this energy into a positive force.

Therefore, Mr. Speaker and colleagues, I am pleased to announce on behalf of the federal Government and particularly my colleague, the Secretary of State (Mr. Crombie), that the Government will lend its full support to a National Access Awareness Week for disabled persons.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): This will be an annual event to be held for the first time in 1988. The federal Government, on behalf of Canadians, is pledging its support as a partner in developing and implementing this exciting initiative together with a National Access Awareness Week committee comprised of representatives of disabled persons organizations, labour, business, governments and rehabilitation agencies.

The experience Rick and others have gained confirms our belief that communities working together in partnership with all their members can achieve lasting change. The National Access Awareness Week builds upon that belief and creates an ongoing challenge for the future. I thank Members and all Canadians joining me in this tribute to a great Canadian.

Some Hon. Members: Hear, hear!

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, this is a special day in Vancouver, a special day in Canada and, indeed, a special day in the world because Rick Hansen is a world conqueror. Rick Hansen conquered the world and made it smaller and more manageable. Rick Hansen conquered the hearts of Canadians and, indeed, the hearts of people all over the world. Finally, Rick Hansen conquered disability. Because of that, he has done more than any of us can ever do to advance the cause of the disabled.

• (1230)

However, we in this Chamber do have a responsibility. We have a responsibility to see that the dream does not die and that the momentum is not lost.

I welcome the Minister's remarks. I know the generosity of spirit out of which he speaks. I believe that the special week that he has put aside will be an important and significant first step in bringing to the attention of the Canadian people the special situation of disabled people and the necessity of dealing with that.

I also believe that we must do more. I know that the Government gave $1 million to the special fund set up in connection with the Man in Motion tour, but I also know that the budget of the National Medical Research Council has been capped and tied to the private sector. I urge the Minister to take steps to change that and give to the agencies that are doing the research in this important area the necessary tools to do the job.

We know from experience in other areas that there are two requirements we must fulfil as parliamentarians and as a Government to help the disabled. They are money and legislation. I hope that we can put aside funds to aid disabled groups across the country to take affirmative action. I believe that we also need legislation with provisions that not only encourage but demand of the Government and the private sector that they put into practice the principle of affirmative action in hiring the disabled in the workplace. It is not enough to encourage hiring, to promote and monitor it. I believe we need strong legislation to back those objectives.

Permit me to add to the words of my leader earlier today when he said that Rick Hansen is a hero to physically challenged Canadians, young people, us all. We also welcomed him in my area of Canada, at the other end of the country. If I may, I would like to offer Rick Hansen a Newfoundland toast, the hope that the wind will always be in his sails. Rick Hansen, long may your big jib draw.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is a great day for Canadians, particularly disabled Canadians, and it is an absolutely superlative day for Rick Hansen as he at long last arrives home after some 792 days and 40,000 kilometres. It is an incredible feat for any human being, one in which all Canadians will take immense pride.

Rick has said that he was inspired originally by the wonderful work done by Terry Fox, who Canadians will recall set out to bring hope to those seeking a cure for cancer. Rick Hansen has done what we thought at that time would never be duplicated. What Terry Fox did for cancer, in making us aware of the incessant need for us to do more in getting research into that terrible disease, so Rick has drawn the attention not only of Canadians but the world to the problems of those afflicted by spinal cord damage. He was an inspiration to those of us who met him when he was in Ottawa. Many Members of the House had the occasion to see the courage and, frankly, modesty of the man, and his seriousness of purpose. He is an inspiration with that immediate impact of very fine character.

[*Translation*]

He did raise funds, of course, and hopefully there will be some progress in research in the near future. However, most Canadian men and women will remember the accomplishment itself, as will people worldwide who followed Rick's global tour.

[*English*]

We say to him: "A great job, wonderfully done. You have made all of us proud to be members of this very fine nation".

Some Hon. Members: Hear, hear!

* * *

PETITIONS

RIGHT TO LIFE OF UNBORN—PROTECTION OF THE CHARTER OF RIGHTS AND FREEDOMS

Mr. Jim Caldwell (Essex—Kent): Mr. Speaker, I have the duty to present a petition on behalf of constituents in my riding from the area of Harrow, Kingsville and Amherstburg. They ask that Parliament support Motion M-37 to allow unborn babies to be protected by the Charter of Rights.

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 82 could be made an order for return, this return would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that Question No. 82 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

MR. ROGER C. NANTEL

Question No. 82—**Mr. Boudria:**

1. Since September 4, 1984, did Mr. Roger C. Nantel, Nantel Communications and Media Canada receive any money from the Government and, if so, in what amount?

2. Where contracts involved and, if so, in each case, what was the nature and amount of the contract?

3. Were such contracts put to public tender and (*a*) if so, which ones (*b*) if not, for what reason?

Return tabled.

[*Translation*]

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

[*English*]

The Acting Speaker (Mr. Paproski): I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 10 minutes beginning at one o'clock p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—FREE TRADE—INVESTMENT

Mr. Steven W. Langdon (Essex—Windsor) moved:

That this House condemn the Government for its refusal to reject flatly U.S. demands for unlimited investment freedom in Canada as part of the free trade negotiations, since these demands would threaten Canadian sovereignty and cultural integrity by removing Canada's ability to review and limit U.S. investment, so as to promote Canadianization and to ensure that U.S. investment does benefit Canadians by creating jobs, enhancing exports, expanding research and development and increasing sourcing from domestic suppliers.

• (1240)

He said: Mr. Speaker, I have to begin by saying that in many respects it is ridiculous to be debating whether or not this Government is taking yet further steps to weaken investment regulations in this country. The steps which have already been taken over the past few years have been so excessive, so out of tune with the concerns of Canadians and so potentially dangerous to jobs, to the economic sovereignty of our country and its future, that it frankly defies the imagination. Yet it is this Government which has taken those steps to put in place a weak, limp Investment Canada agency which is mainly designed to promote investment rather than to regulate it.

With respect to the free trade discussions, whether we take one set of words, another set of words or yet another set of words, amid all the confusion which has taken place this week, it is absolutely clear that the United States, as it admitted—as it stressed, in fact, in its statements with respect to Canada—that is not satisfied. The U.S. considers these investment barriers which still exist, these mild, meek, Mr. Milquetoast barriers as offensive. So this Government, as has been made clear here this morning, is willing to talk about moving yet further in opening up investment restrictions.

There have been a series of statements from the Prime Minister (Mr. Mulroney) throughout this week, a set of defences of foreign investment, which are as inaccurate as one could possibly imagine, which are as far from the truth as one could potentially expect anyone to state in this Chamber, and which are simply parodies of the reality that exists.

The reality is that we as a country are facing a very serious threat to our capacity, economically, to decide where we go in the future. We are facing that threat partly because of legislative changes made by the Government and partly because of a major series of takeovers which have swept across North America. It is not just a Canadian phenomenon; there has been a major series of takeovers particularly prevalent in the record of foreign investment.

As the most recent report of the Investment Canada agency itself makes clear, 94 per cent of the investment that has come into this country has come in, not to expand new businesses, not to establish new jobs and new enterprises for Canadians, but to take over existing Canadian enterprises and, in many cases, as a consequence, to reduce the number of Canadian jobs available within those plants.

In looking at this basic record of investment and this basic record of confusion with respect to the trade talks and what precisely the Government hopes to do in the trade talks with respect to investment, we have to look very carefully at the record of enforcement of Investment Canada. It is Investment Canada itself, as weak-kneed as it is—Mr. Milquetoast—that is at least supposed to provide some kind of defence mechanism to communities. If Investment Canada is not putting into effect the agreements it reaches with foreign firms, if it does not monitor those agreements effectively, then we have a situation which is even worse than the situation which has been

legislatively created across the land. We have a situation where the actual activity of the body that is charged to act in this area is itself so weak as to be pitiful. It is so ineffective it frankly dismays any of us who believe in future Canadian control over our economy.

I want to bring forward to the House today a series of cases we have looked at in some detail. These are cases which demonstrate very clearly the totally weak, ineffective and unacceptable record of Investment Canada with respect to the particular mandate it has. These are cases with which I have had to deal as a Member of Parliament for my region, and as the Member of Parliament responsible for monitoring Investment Canada.

Let me start with the case of a small company called Sheller-Globe of Canada Ltd. It is a small company, but in fact employed 200 workers in the constituencies of the Windsor area. It gave those workers a potential to improve the unacceptable unemployment rate in that part of the country. Those 200 workers produced steering wheels. That company was shut down recently, within the last few weeks in fact, despite the fact that when this takeover was reviewed by Investment Canada itself, commitments were made to new investment by Sheller-Globe of Canada Ltd. to increase use of Canadian parts and services and to additional exports to enhance technological development. Yet despite those commitments, this plant has simply shut down.

We finally managed to get a commitment in committee last week out of Investment Canada to investigate why it is that despite these commitments made so recently, this plant has nevertheless shut its doors and put 200 workers out on the street. I have to say that to this stage we could get absolutely no information from Investment Canada which would indicate that it had monitored whatsoever the commitments the company had made prior to the shutting of its doors in the last few weeks. The company, so far as anyone can tell, had record sales and profits. It worked at more than 100 per cent capacity, six to seven days per week, for the last two years, yet it shut down.

• (1250)

That, Mr. Speaker, is what foreign investment can be about in this country if there is not the sovereign ability of this country to be able to review, to be able to monitor, and to be able to see to it that these companies live up to the commitments that they make when they enter the country. That is one example.

A second example, and one which is equally sad, is the case of Cross-LaSalle, again, a smaller firm. Cross-LaSalle was taken over by Cross and Trecker of the United States, and Cross and Trecker again made certain commitments, commitments which it indicated to Investment Canada it would carry forward.

In this particular case, Cross and Trecker, in 1985, made commitments for new investment, for increased employment, for the increased use of Canadian parts and services, and for improved productivity and industrial efficiency.

Despite those commitments, commitments accepted by Investment Canada on June 14, 1985, this plant too shut its doors. It shut its doors in the middle of a strike, consolidating its operations in the United States and costing 40 workers in Windsor their jobs. That is the kind of record, too, which is possible with minimal monitoring by Investment Canada.

In this particular case, just this month that same firm, a firm which claimed so much poverty with respect to its operations that it had to shut down, indicated that it would be making new investments in Georgetown, Kentucky, a right-to-work state in the southern part of the United States, which would provide new jobs for 150 employees.

Once more, we have a clear indication of a lack of monitoring and a clear indication of what can happen if there is not a regime in place which permits close surveillance of foreign investors, surveillance which would ensure that they actually follow through on the commitments they make to this country when they come in here.

If we were to eliminate the commitments entirely, if we were to follow some of the suggestions made by the United States to liberalize yet further, that is, weaken yet further our foreign investment laws, we would find our position in dealing with companies such as these even more abjectly weakened.

Let me give you a third example. This one is in the publishing sector and involves Simon & Schuster. There was a takeover in this sector which my colleague will deal with in more detail, the Gulf and Western takeover of Prentice-Hall. I simply want to make the point that one of the commitments made in that particular takeover, and it was one that was trumpeted very loudly by the Government, was the commitment to see to it that Canadian authors were promoted through Simon & Schuster, the international arm of Gulf and Western.

I have here, Mr. Speaker, the 1987 Simon & Schuster catalogue. The commitment was that for each year for 10 years there would be 10 Canadian authors promoted through this international arm, and yet within this catalogue we have only one Canadian author listed, and that is in relation to a cassette tape, not a book that is being promoted.

Again, we have complete ignorance with respect to the agency involved in so far as the putting into effect of the commitments that have been made. We have talked to the agency about this particular issue. We have talked to officials of the agency, and they have admitted to us that more than a year after the agreement permitting Gulf and Western to purchase Prentice-Hall they still do not have in place an agreement with Gulf and Western with respect to this particular part of the arrangement.

I could go on and on, Mr. Speaker, with specific cases. We could talk about the Dome—Amoco deal and the vicious legal attempts on the part of Amoco to try to make it impossible for

Canadian companies to take over a Canadian company. We could talk about Cadillac-Fairview and what its takeover will mean to thousands of small businessmen and women across this country, who will have to deal with a new foreign owner who happens now to be in control of their mall.

We can talk about these supposed benefits, as our Prime Minister likes to refer to them. But the point, Mr. Speaker, the key point, is that what has to be put into place is a new set of policies.

What this Government has missed right from the beginning, what it has sold us out on right from the beginning, what it has ignored, what it has not understood, is that we face a crisis in this country, a crisis of employment, a crisis of our future, a crisis for many of our children in the future, which has to be met by policies very much different from those which are presently being pursued by this Government; pursued in the free trade negotiations, pursued in the ineffective operation of Investment Canada, and pursued in the legislation that established Investment Canada.

We call, not just for a condemnation of what this Government has done—frankly, this Government is sliding, hopefully, quickly into oblivion—but for a set of new policies, a set of policies, based not on rejection of foreign investment, but on safeguards, on review procedures, on careful work with foreign investors to see that they actually benefit this country in the way that we have indicated in our motion.

We call too for much tougher legislation in the area of foreign investment to permit that kind of surveillance to take place, and to take place effectively. We call too for control with respect to companies leaving the country, and not just those entering the country. That is the wave of the future. And finally, Mr. Speaker, we call above all for communities to have much more control over what is happening to them and the investors within them, because it is those communities which are suffering, as my community has suffered, from the unregulated, unmonitored activities of companies like Cross-LaSalle, and the others to whom I have referred. It is a system which must change for the sake of our future.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Sarnia—Lambton (Mr. James).

• (1300)

Mr. James: Mr. Speaker, I would not want the opportunity to speak to some of the socialist dialogue we have heard to pass. I want to ensure that the record of my community is brought forward.

The Hon. Member referred to the names of some companies. I would like to bring forward the names of the following companies: Imperial Oil, Esso, Dow Chemical, Fiberglas, Cabot Carbon, Sun Oil, Shell Oil, Dupont, Welland Chemical, CIL, and Union Carbide.

I would also like to talk about some instances of American and European companies investing in my community. For example, Imperial Oil came to Sarnia—Lambton in 1897, and Dow Chemical in the 1940s. At that time they had a handful of workers. Now they employ over 2,500 workers. They are excellent corporate citizens who brought with them maturity from the United States and other countries. They established some of the finest pension programs for workers in all of Canada.

I would not want this opportunity to pass without mentioning the great contribution foreign investment has made to my community, in a less regulated way than what the Hon. Member for Essex—Windsor (Mr. Langdon) indicated the Government should attempt. I just want to be sure that the record is put before the House today in connection with the contribution of foreign investment to a very important part of Ontario.

Mr. Langdon: Mr. Speaker, my responses to the Hon. Member for Sarnia—Lambton (Mr. James) are always coloured by the fact that our communities are downstream from his magnificent chemical plants. We often bear the consequences of being downstream, as was the case with the Dow blob which still continues. We are still cleaning up material from the river bed many months after the first discovery, many months after the first initiatives were taken in respect of the blob.

The key thing I want to say is that the Hon. Member has entirely missed the point of my speech and the point of the motion before us today. Within the New Democratic Party there is not an opposition to foreign investment. There is an opposition to foreign investment coming into the country without any restriction or safeguard. This is why we have fought for legislation to be as effective as possible in respect of foreign companies, and for it to be implemented effectively.

However, I have certainly worked hard to try to bring foreign investors into my constituency or my community, because I think they can make a contribution. Certainly many of the auto plants in my community make a contribution, but they do so in large part because, in the case of auto plants, of the 60 per cent safeguards in the Auto Pact, and in the case of some other companies because of some commitments which they were brought to make under previous legislation and which I would hope they would be brought to make in a forceful manner under future legislation.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Essex—Kent (Mr. Caldwell) and, if there is time, the Hon. Parliamentary Secretary.

Mr. Caldwell: Mr. Speaker, I will try to leave time for the Parliamentary Secretary to make some comments.

The Hon. Member for Essex—Windsor (Mr. Langdon) mentioned that Sheller-Globe is shutting down its plant in Windsor. That is very unfortunate, but I would not want the rest of the country to get the impression that Sheller-Globe of Kingsville in my riding is closing down.

Mr. McDermid: Or Sheller-Globe in Brampton.

Mr. Caldwell: It is staying open and is very healthy.

I think the Hon. Member has raised some interesting points. I think that maybe there has to be closer monitoring of some of the companies which come in. However, I would not like anyone to get the impression that companies such as Sheller-Globe and some of the others which have closed down in the area came under the policies of Investment Canada. They were under FIRA. They came under the auspices of the previous Government, with all very good intentions. I am not saying that the intentions were not there, but I have had several cases in my riding where companies received very sizable grants to come in and locate in my particular area, a number of years ago, stayed for a year, and then closed down.

For example, in Blenheim, a plant received a $5 million grant from the federal Government and within a year it was out of business. That plant is now operating again. It did not receive any assistance from this Government, but it is a foreign investment and it is doing very well. We must ensure that when we give incentives to these companies they do not just move out the next year.

I also bring to the attention of the Hon. Member and to the rest of the country that Windsor has received more investment over the past two or three years per capita than any other city in Canada, other than Hamilton. Those are not my figures, those are from the Essex-Windsor Industrial Commission. Windsor has been doing very well. The Hon. Member would lead us to believe that Windsor has not been doing very well. Windsor is booming; Essex County and Kent County are booming.

If the Hon. Member recalls, back in 1984 the unemployment rate in Windsor was somewhere around 13 per cent to 14 per cent. It is now down below 10 per cent. Despite that fact, and the Hon. Member asked about it yesterday, it is not the best in Canada, but certainly we are doing very well in the area and have come a long way in the past couple of years in enticing investment into the area.

There is to be more investment, and the Hon. Member knows it. Many inquiries are being made about the Windsor and Essex County area, by investors wanting to come into the area because we have an excellent workforce.

It is unfortunate that companies like Sheller-Globe move out. I am not sure how one stops them. If a company is going to go and wants to go, how does one stop it from going? That is the problem.

I would agree with the Hon. Member that maybe we should not be giving the incentives to come in when they are not really serious. Maybe they should have to make a commitment to stay when they come in. However, if it is an unprofitable company—and Sheller-Globe was not; it was reasonably profitable—I do not know how one makes it stay. Maybe he has an idea on how we make someone stay who does not want to stay.

Mr. Langdon: Mr. Speaker, very briefly I should indicate that I am pleased that the Hon. Member for Essex—Kent (Mr. Caldwell) has finally seen the light on this issue and is now stating that he is in favour of tighter restrictions being put in place in respect of foreign investment.

Mr. McDermid: That is not what he said.

Mr. Langdon: That is actually what he said, if you check the "blues".

Mr. McDermid: An old NDP trick.

Mr. Langdon: That is exactly what he said. In any event, perhaps I could continue.

An Hon. Member: That is not what he said.

Mr. Langdon: As I said, check the "blues" and you can make your point at that stage.

Mr. McDermid: I will.

Mr. Langdon: I would like to say something in respect of one point which my colleague raised. He suggested that these were decisions on the part of FIRA. Both the decisions which dealt with Gulf and Western and with Cross-LaSalle were decisions from the new agency, Investment Canada, and must be taken as reflective of the Government's new policies in this area.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated.

It being 1.10 p.m., I do now leave the chair until 2 p.m. this day.

At 1.10 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Paproski): The Hon. Member for Essex—Windsor (Mr. Langdon) had completed initial debate at 1.10 p.m. I would like to recognize the next speaker in the debate. The Hon. Minister for International Trade (Miss Carney).

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, my participation in this debate on the motion from the fevered imagination of the Hon. Member for Essex—Windsor (Mr. Langdon) will be brief and to the point so we can dismiss this false controversy once and for all. That is the only reason I would leave the most important meeting in Ottawa today with representatives of the 13 other member nations of the Cairns Group of agricultural trading nations. I appreciate the courtesy of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) for allowing me to speak now, in

time to return to the conference where I and my colleagues are representing our country and hosting our international visitors.

The Cairns meeting is making a determined effort to help the hard-pressed farmers of this and other countries, as the Prime Minister (Mr. Mulroney) noted today in his opening remarks. Canadian farmers know this Government is at the forefront of attempting to solve this and other international trade problems.

There was a time, Mr. Speaker, when the New Democrats, misguided as they often are, were honest and straightforward, but what we have here today is a motion from that Member which *Saturday Night* magazine described as knowing everything about the economy except how to make it work. It is scare mongering of the worst kind. It has no basis in fact or in logic. Let me once more, as I have in this House before, make the record clear, as plainly and as bluntly as I can, clear enough so that the Members from Essex—Windsor and Winnipeg—Fort Garry can understand it.

I am informed that there is no, and I repeat no, U.S. demand for unlimited or unfettered investment freedom in Canada on the negotiating table. If there were, it would be rejected. We would refuse. Our negotiator knows that. Any such arrangement would have to be reciprocal, and the U.S. itself is in no position to deliver. Indeed, the U.S. itself limits foreign investment in certain key sectors. It restricts access in such areas as aviation, broadcasting and telecommunications, to name but a few.

The trade Bill which recently passed the American House of Representatives calls for a review of foreign investment on the grounds of "national security" and "essential commerce". That Bill would empower the administration to block those investments which might have a negative impact in those areas. This is symbolic of the growing protectionist mood in the United States.

My Cabinet colleagues, including the Prime Minister and the Secretary of State for External Affairs (Mr. Clark), other Ministers and myself, have repeatedly said in this House and elsewhere that any free trade deal with the United States will protect our political sovereignty and our cultural identity. In fact, just two months ago this House overwhelmingly passed a resolution saying just that.

Part of that political sovereignty, of course, is to make decisions in the best economic interests of Canada. Unlike those in the Opposition, this Government does not believe that foreign investment is automatically evil. I am really surprised at the Hon. Member for bringing this motion forward. His own leader in his own riding of Oshawa is heavily dependent upon foreign investment from the U.S. to maintain the jobs of his own voters. I find it so inconsistent that the Leader of the New Democratic Party (Mr. Broadbent) owes his presence in the House to voters who are on the payroll of American companies, yet his Party comes here regularly to dump on American investment and those American companies.

We believe that foreign investment can create jobs, which we all need in Canada. That is why we dismantled the National Energy Program. That is why we changed the Foreign Investment Review Agency to Investment Canada and welcomed foreign investment from all countries to Canada. Last year we had record levels of foreign investment. I spend a lot of my time, as do my Cabinet colleagues, travelling to countries saying, please bring your money to Canada, invest and create new jobs for Canadians. Perhaps the advantages of this approach are finally getting through to the Hon. Member for Essex—Windsor, because I noticed in his motion he admits, reluctantly, that investment can create jobs.

My colleague, the Minister of Regional Industrial Expansion (Mr. Côté) will deal with the inaccurate assertions made by the Opposition regarding investment and job creation. The Opposition has referred to Investment Canada's annual report and has misconstrued the meaning of certain statistics contained in it.

The more accurate way to describe what is happening to the economy is to state that 60 per cent of the investment transactions recorded by Investment Canada were acquisitions, and 40 per cent were new businesses. The Opposition has focused, of course, on the asset values and not on the business values. Acquisitions are usually made up of businesses with well established asset bases. Business values reflect only the modest short-term start up costs of new businesses which are established by foreign investment. They do not reflect the growth potential and the employment potential of a new business.

In this regard, from July 1, 1985, to December 31, 1986, the number of new businesses under the Investment Canada Act totalled 573. That is 573 new employers, Mr. Speaker. Those new businesses created new jobs. It shows that the investment climate which this Government has created is attracting investment and creating those jobs which we promised Canadians.

What we have now, by our choice and through our policies, is an open investment climate with protection for key areas. We are having a hard time getting over the bad image left by the previous administration in this area. When I do travel abroad I am always told, "Well, Canada is supposed to be unfriendly to foreign investment. It expropriated property under the National Energy Program and turned away investment". We lost jobs and capital, which we needed, at a great rate. Our oil industry got shut down, which created devastation for whole sectors of our economy.

What is all the furor that we hear from the masters of fear tactics across the way? Is the Opposition opposed to new investment? Is the Hon. Member for Oshawa opposed to foreign investment? If the opposition Members are opposed to the creation of jobs, they will have to answer to the people of Canada.

I want to deal with our negotiator's mandate, which I have dealt with in this House in a very open way on many occasions. As I have said, he has a mandate from Cabinet to discuss

trade-related investment measures and to listen to any U.S. proposals that go beyond that. We encourage him to do that. In the last negotiating session the Americans did not present a paper but suggested orally, as reported to us by our negotiators, some of the features on investment which might be incorporated into a bilateral agreement.

• (1410)

To summarize, yes, some investment measures are being discussed. Those are the trade-related investment measures which they have a mandate to discuss. That should be no surprise to the Opposition. In fact, they should welcome it because they are proponents, as are we, of multilateral trade negotiations. They also know that TRIMs, trade-related investment measures, are part of the Uruguay round. We signed the Uruguay round and therefore we are committed to deal with trade-related investment measures on a world-wide scale. Of course we will carry out that commitment on a bilateral basis.

As for other investment issues, as I have said, our negotiators have been given a mandate by Cabinet to listen to the U.S. and find out exactly what is proposed. Of course we know, and this House knows, that the Americans are asking for a broader agreement on investment. The House knows that because I said that here two months ago. I said investment is also on the table. All countries around the world are loosening their investment policies. We did so when FIRA became Investment Canada. The result was a record $6.8 billion worth of investment for 1986.

So far we are dealing only with trade-related investment measures. The Americans want more. We are listening but we have not given the negotiators a general investment mandate. When the negotiating team is satisfied that the U.S. proposals are clearly understood and the implications for Canada have been fully considered by Cabinet a decision will be taken. As in all areas of negotiations, the mandate of the negotiators is determined by Cabinet and discussed with First Ministers and the provinces. My colleagues and I regularly review all aspects of these negotiations.

Let me say in closing that the opposition Parties do a disservice to the people of Canada. They are making baseless accusations and raising unnecessary fears. I suggest that Members opposite let us and the negotiators get on with the job of securing Canada's future through a free trade agreement in our best interests. Canada will judge whether a deal is in the national interest.

The Acting Speaker (Mr. Paproski): Questions or comments?

Mr. Axworthy: Mr. Speaker, I am pleased that the Minister has returned so we have an opportunity to pursue further questions with her concerning the very serious issue of the direction the Government is taking on trade-related investments and the mandate it carries with it.

The Minister has just finished accusing the Opposition of trying to disrupt the negotiations. I suggest with all due respect to her that if anyone is disrupting the negotiations it is the Keystone Cop operation carried on by the Government. The chief trade negotiator says one thing. That is contradicted by the Minister. That is then modified by the Prime Minister (Mr. Mulroney). That is in turn contradicted by the Secretary of State for External Affairs (Mr. Clark). Over the last three or four days we have had five different versions of what is going on. Is it any wonder that questions are raised in the minds, not only of Members of Parliament but the public as to who is really in charge, who knows what is going on, and who will ultimately make some kind of decision? That is the complete picture of how the Government has handled negotiations from day one. It has always been a matter of bewitched, bothered and bewildered rather than one of coherence.

The Minister referred to the question of how Investment Canada is performing its duties and the role of foreign investment. She suggested that we not take asset value as the measurement, even though 94 per cent of it represents acquisitions and takeovers. I would suggest that perhaps the best measure is the employment factor. From the $22 billion invested from June to December something like 5,000 jobs were created. That is, about 300 to 400 jobs a month. Compare that to close to 80,000 positions taken over. What we do not know, and I will elaborate on these remarks when I have a chance, is how much high technology has been stripped away in those takeovers.

Mr. Dick: Is this a speech?

Mr. Axworthy: The Associate Minister of National Defence (Mr. Dick) has been in the House long enough to know that this is called question and comment.

Mr. Dick: No question?

Mr. Axworthy: If he wants to read the rules I will be glad to send him a copy. I do direct a question specifically—

Mr. Dick: Oh, now a question. Hear, hear!

Mr. Axworthy: I am always prepared to take applause even from such dubious sources.

The Minister said the issue is very clear. Yet Mr. Reisman, our chief negotiator, is quoted as saying he wants to be very candid with reporters and the U.S. has, at every level, presidential, cabinet secretary, Secretary Shultz and Secretary Baker, made representations to our Government seeking a broader definition of the term investment. If the President, the Secretary of State and the Secretary of the Treasury do it, I presume the Government might get the message eventually. How can the Minister stand up and say that the Government is totally oblivious of these American demands—

Mr. McDermid: We did not say that.

Mr. Axworthy: —when our negotiator has said these matters have already been brought forward at the highest levels? These representations have already been made.

I ask the Minister, have the U.S. President and these other officials brought this matter to the Prime Minister and other cabinet Ministers? Is Cabinet aware of the Americans' intentions? When the representations were made did the Government say no?

Miss Carney: Mr. Speaker, I challenge the Hon. Member to prove that any member of this Government and Cabinet were in any way contradicting each other on this issue.

Mr. Guilbault (Saint-Jacques): Obviously you were away.

Miss Carney: Let me just repeat what the Secretary of State for External Affairs said today in Question Period because I was across the street hosting the Cairns group. He said what I have said, that the Americans have indicated an interest in discussing investment. I said that in the House. I quoted from the record. I just said it again. He said we are prepared to consider those specific proposals once we have received them in final form. That is what I have said. He said at the last meeting the negotiators indicated there was an oral indication, not written, that the U.S. negotiator was interested in some details, but it does not go anywhere near the false impression fostered by the two opposition Parties on "full" and "unfettered access" to Canada.

The Right Hon. Minister also said when we have a concrete idea of what the Americans are interested in discussing it will be considered by Cabinet. He added that if they are acceptable and in the interests of Canada we are prepared to give our negotiator a mandate to negotiate. That is what we have done in other areas. That will not conclude the matter because Cabinet will retain the right to approve or reject and indeed oversee anything which might be discussed by the negotiator at the table.

As I pointed out, these things are all talked through with the provinces. If they are not acceptable to Canada we are not prepared to negotiate on that basis. The Right Hon. Member also said we intend to retain protection for vital Canadian interests as was made clear by myself and the Prime Minister.

I think if the Hon. Member checks that summary of the Minister's reply in Question Period against my reply and the record he will find that our Ministers have all been singing from the same song sheet and we are not singing bewitched, bothered and bewildered.

Mr. Langdon: Mr. Speaker, perhaps the Minister is not singing that song but she is certainly performing it in mime, it seems to me.

• (1420)

I want to turn to what the Minister replied to me earlier this week when I asked her the very straight question:

> Why has the Cabinet not said a flat no to the attempt of the United States to widen this discussion about investment beyond trade related investment?

Her answer at that time was:

> —that the kind of question the Hon. Member is suggesting has never been put to us.

She did not say it has never been put to us in writing, she did not say it has never been put to us by the President of the United States in detail, she did not say it has never been put to us in detailed terms. She said it has never been put to us. That is a direct contradiction to what she has said today, which indicates that those positions were indeed put to us orally by the United States trade negotiator. Indeed, they have been put to us by many others including the United States Trade Commissioner, George Shultz, and the President, as indicated in every report we read in the press.

I suggest that the Minister must bear witness to the truth. She must respect the truth and clearly reflect the truth in answering questions or she will lose completely the very limited trust of the Canadian people which she still has.

The quotation I used comes directly from *Hansard* and perhaps the Associate Minister of National Defence (Mr. Dick) would like to check it. It is found on page 6241 of *Hansard* of May 20, 1987, and reflects exactly what I have just read into the record.

I want to make two points. First, the Minister, unfortunately, because she was not here for the thrust of our critique, has not dealt with the points which made up the supporting basis for my speech. Most important, I want to ask the Minister the question which has been our basic question throughout this week. Why is the Government permitting the United States continually to take the initiative with respect to this subject? Why have we not put forward our position with respect to extending this discussion beyond trade related investment? Why, from our perspective, has the Government not said no? If the Government does not wish to say no, why has it not been prepared to say what we believe should be extended with reference to investment?

The point is that the Minister has continually allowed the other side to take the initiative in these discussions and we as a country are losing. We are worse off as a consequence.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated but I will allow the Hon. Minister to answer succinctly.

Miss Carney: Mr. Speaker, it is hard to answer that kind of outpouring of rhetoric but I will concentrate on a couple of points. The Hon. Member said that I was not here to answer their criticisms in this area. I was in Quebec City meeting with provincial Trade Ministers yesterday. Last night, today and tomorrow I am meeting with international Trade Ministers. I am sorry that that is not considered by them to be the proper conduct of my duties.

Second, he asks why we did not run to the table and ask the Americans to please put investment on the table and then we

will put investment on the table. That is because it is not on the table, Mr. Speaker. The Americans want to put it on the table, not Canadians. We are quite happy with our open investment climate. Our position, as I have said, is to allow the Americans to put forward what they consider a negotiating proposal. We are not the demanders in this. The Member obviously knows nothing about negotiations. In some areas such as dispute settlement we are the demanders and put the proposal on the table, but where they have an interest they put the proposal on the table.

The Hon. Member referred to bearing witness to the truth and he might live up to his own words. His question was:

> Why did the Government not, right at the start, say no to demands that would tie our freedom so completely, demands with respect to holding restrictions on investment which are crucial to jobs in Canada?

As I have indicated, the answer is because we never got such a silly request. The negotiators may have. I do not know what proposals float around over the negotiating table, but they were never ever brought to Cabinet in any way. I, as the Chairman of the Cabinet Committee, have never seen these "unfettered" proposals he has raised.

The Hon. Member has not answered the critical question. Is he against foreign investment in Canada? Is he against new jobs in Canada? Is he against General Motors in Oshawa? When he answers those questions we will be willing to listen to his proposals.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I will recognize the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) on debate.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, throughout Question Period during this past week one particular burning question has been on everyone's mind. Why is the Government hiding? Why is it up on its tippy-toes dancing around trying to obfuscate and evade? We know why the Prime Minister (Mr. Mulroney) does it. He has all those Gucci shoes in his closet. You need 84 pairs of shoes when you are up on your tippy-toes all the time.

However, why are the Minister for International Trade (Miss Carney), the Secretary of State (Mr. Crombie), and the trade negotiator bumping into one another saying we did not talk about it and we are talking about it? We have just heard the Minister saying with false indignation that everything is an open book. If that is the case, the Minister has no alternative other than to fire the trade negotiator because he has obviously contradicted what she, the Prime Minister, and the Secretary of State have said.

Mr. McDermid: Where?

Mr. Axworthy: The Parliamentary Secretary is asking where. I guess he cannot afford two bits to buy a newspaper. I will read to him from the *Montreal Gazette* of May 21, 1987. It reads:

> Reisman was asked whether refusal to bargain the U.S. demand for removal of investment barriers would scuttle the talks.
>
> "I think I can be very candid with you on that," he told reporters. "I think the United States side has made it very clear at every level—presidential, (cabinet) secretary to secretary, and at the negotiating table, that they are anxious to talk about investment in the broadest sense.

Surely even the Parliamentary Secretary who has been living in the large shadow of the Minister for International Trade so long that he walks in darkness is able to understand that point of view. The chief negotiator has said that the Americans have brought this to the table, their President has brought it to the Prime Minister, their Secretary of the Treasury and Secretary of State have brought it to the Ministers. Yet the Government has not yet gotten the message. Can we believe that? Is it possible to believe that the President of the United States, the great prince of persuasion, has said something that the Prime Minister is incapable of understanding?

We can draw two conclusions. The first is that they are so totally incapable of comprehension that to allow them to continue negotiating free trade with such limited powers of comprehension puts us all in peril. The other conclusion is that the chief negotiator is not saying it as it is or the Minister is not saying it as it is, in which case they should get together and decide who is running trade policy in this country.

This is not a trifling item. We are not talking about something of temporary importance. This is a matter that goes to the very heart of the economic management of this country. The question is whether, as a result of the free trade negotiations, the Government of Canada will agree to pay the price of allowing the broadest possible foreign investment in this country without controls, guidelines or any definition as to whether that investment is in our basic interests.

• (1430)

One of the problems concerning the entire free trade negotiation issue is that we hear much about its benefits but nothing about the price we will have to pay for those benefits. We do not hear that these negotiations may result in Canadians losing their freedom of choice in all areas of public policy, federal and provincial. We do not hear about Canadians losing the right to decide what kind of country we want.

The investment issue is crucial because it dramatizes exactly the price we may have to pay. That is why we must pay attention to this issue and that is why it has dominated Question Period for four days. We want some answers as to whether the Government will indeed be paying that kind of price in order to modify the U.S. trade remedy laws. Will it allow the United States to have total access to foreign investment, as Mr. Reisman says they want, and as the Americans indicated in their own report last fall? Their primary demand is for a policy of investment based upon the principle of national treatment, which means there are no rules

or guidelines. We are witnessing one of the worst cover-ups by the Government because it deals with something that will affect every part of this country.

Let me explain why investment policy is so crucial. The Prime Minister asked how could we be against jobs. The Minister asked how could we be against employment. We brought statistics to the House that were provided by the Government's own agency. In the last 15 months in which Investment Canada has kept records, there has been $22 billion worth of foreign investment, $21 billion of which has gone into takeovers and acquisitions of existing companies. Only 5 per cent of that foreign investment has gone into new business.

Some 80,000 Canadian employees are now under foreign owners, with less than 5,000 jobs in return for that $22 billion. I ask, does that demonstrate that this wide open policy is working to the benefit of Canadians? That does not appear to be the opinion of Investment Canada, given those disproportionate figures. One can only conclude from the figures provided by the Government's own agency that it desires further takeovers and acquisitions of Canadian businesses by foreigners.

Let us take the problem one step further. Some may ask what is wrong with foreign investment. There is nothing wrong with foreign investment, as long as it works toward the production of jobs and increased research and development in this country. Again, the record is not very clear. Investment Canada has yet to turn down or reject any application. Submitting an application to Investment Canada is like putting slush through a goose, because nothing is stopped.

There must be someone working on behalf of Canadians to require companies investing in Canada to ensure that the Canadian subsidiary will be able to export its goods, maintain employment and have a fair share of research and development. They must ensure that foreign investment will not be used, as it has been in the past, to strip companies of their technology, lay off Canadian workers to be replaced by their own, or to simply cut back employment. We must have someone acting on behalf of Canadians to prevent foreign investors from suffocating the opportunity of foreign-owned Canadian companies to export.

That is in fact what is happening, according to the Government's own reports from the Department of Regional Industrial Expansion. That Department prepared a series of industry-by-industry reports for Mr. Reisman, and they indicated that Canadian subsidiaries had a far lower record in export performance, conducted far less research and development, and in many cases had laid off Canadian employees, compared to Canadian-owned companies. In other words, the record of Canadian subsidiaries in a number of critical areas of the economy is not as good as those Canadian-owned companies. In fact, the report goes on to state that it is the Canadian-owned companies rather than Canadian subsidiaries that are exporting to Japan, Europe, Latin America and the Pacific Rim.

In fact, in a study by Mr. Samuel Wex that was commissioned by the Institute of Research on Public Policy, the suggestion is that in terms of total economic activity, Canadian-owned subsidiaries have less than 4 per cent of their activity in the export market.

Yet, here we are at a time when Canada faces perhaps the toughest and most competitive world environment, and in which we are imploring companies to create new products, develop new markets and create new jobs for Canadians, and the Government is shooting itself in the foot because it is providing the opportunity for the takeover of Canadian companies that are producing that export market and creating those jobs. It is allowing them to be sold out and simply become rubber stamps for many of the foreign-owned decision-makers.

I want to give another interesting example of why we should pay attention to the issue of foreign investment. Perhaps the House does not realize that Canada has the highest level of foreign ownership of any country in the world. Over 60 per cent of our manufacturing is dominated by foreign firms. The incidents of foreign manufacturing has increased incredibly over the last two years. In 1984, $3.9 billion left this country by way of dividends to foreign investors. In 1986, it amounted to $5.3 billion.

Mr. Daubney: That is because the economy is going again.

Mr. Axworthy: That is money that is not being invested in Canada.

Mr. Daubney: It is a measure of economic growth.

Mr. Axworthy: Let us consider the famous example of the Dome takeover by Amoco. That is a company with a wonderful corporate record, with about $30 million or $40 million worth of investment in Canada and $200 million or $300 million returning to the head office by way of dividends.

At the same time that the outflow of money has increased substantially, reinvestment in Canada has been going down. In 1984, $5.3 billion was reinvested in Canada. By 1986, that reinvestment amounted to $4.6 billion. Surely these figures should be a cause of concern and a reason that any further attempt to broaden or open the doors for more takeovers and acquisitions should alarm Canadians.

We are making these points because we will reverse that trend and return the kind of policy that will certainly have foreign investment, but foreign investment that is based upon Canadian interests.

Mr. James: We saw that.

Mr. Axworthy: We had foreign investment but the Hon. Member for Sarnia—Lambton (Mr. James) will know that companies came in under those provisions which required them to do research and development, to build plants here and create jobs here. The Tories have left the doors wide open and there no longer are controls.

If the Government caves in once again and entrenches an "open sesame" policy in a free trade agreement, it will be very difficult to remove. Future governments will want to reserve the right to change the ridiculous, inefficient and irresponsible policy that the Government is following because it is not creating jobs or creating economic strengths, but weakening those very things. We will want to change that when we become the Government. However, if the Government entrenches that open-door policy in a free trade agreement it will be much more difficult for more enlightened Governments of the future to protect interests of Canadian workers and Canadian industries. That is why it is very important that sometime this week-end the Minister for International Trade, the Secretary of State for External Affairs (Mr. Clark), the Prime Minister and Mr. Reisman get together in the same room so at least they can come up with the same message and decide what it is they are trying to do. Canadians want a clear picture of exactly what we face.

• (1440)

Mr. McDermid: Mr. Speaker, after listening to that speech, I think it is obvious why the Liberals are in trouble with policy, not being able to make up their minds as to where they stand or what they want. We know where the socialist from Winnipeg—Fort Garry stands, diametrically opposed to the Liberal from Saint-Henri—Westmount and, we think, is somewhere in the middle of where his Right Hon. Leader stands. We are not sure.

The Liberals are trying to say to the people of Canada that they are receiving conflicting information. I want to read into the record what was said and I want the people of Canada to make that judgment. The Minister said this months ago in a speech in this House. The Liberals cry about this great revelation, that all of a sudden we have trade negotiations going on in Canada. Surprise! Some of it is controversial. Surprise! The country is going to hell in a handbasket they say. The NDP and the Liberals can only cry wolf for just so long until finally it will catch up with them. One of these days people are going to ask where they stand and what they stand for. We got an inkling today. They stand for bringing back the Foreign Investment Review Agency. They want to bring back that old dinosaur which held this country back from creating jobs for such a long period of time. It did not matter where one traveled in the world at that time, people said, "Canada is anti-investment. They don't want our money. They don't want jobs created there". Now the Liberal Member for Winnipeg—Fort Garry (Mr. Axworthy) wants to bring it back. I am glad we finally got a policy out of the Liberal Government. It wants to bring back FIRA.

I want to quote to the Hon. Member for Winnipeg—Fort Garry what the Minister said:

> Also on the table is investment.

This was months ago, not yesterday. It was not Wednesday. It was months ago.

> All countries around the world are loosening their investment policies. We did so when FIRA became Investment Canada. The result was a record $6.8 billion worth of investment for 1986. So far we are dealing only with trade-related investment measures. The Americans want more. We are listening but we have not given the negotiators a general investment mandate.

There is nothing wrong with that. "The Americans want more", was the quote of months ago. Mr. Reisman said the United States is, "Anxious to talk about investment in the broadest sense". What great revelation is that? The Secretary of State for External Affairs today in the House of Commons in answering questions for 35 minutes on this subject was very up-front. Americans had indicated an interest in discussing investment. We are prepared to consider their specific proposals once we have received them in their final form. There is nothing inconsistent in all these things which have been said, and they have been said for months.

Perhaps I can ask the Hon. Member, other than for political haymaking, why is he bringing this subject up now, trying to befuddle the situation? I believe that if the quotes were checked they would be found to be very consistent. Why would he try to muddy up the waters now except for political purposes? Why has his Leader brought in this "unfettered" and "uncontrolled" nonsense, which are the Liberal's words, not the Conservative's words or our chief negotiator's words?

Mr. Axworthy: Mr. Speaker, the Parliamentary Secretary, when he began his remark said he now understands why we are in trouble. I thought he meant trouble in the polls. There is only one Party which is in real trouble in the polls and that is the Conservative Party which is running at 23 per cent.

Mr. McDermid: Twenty-six per cent now. We are moving up. Be fair.

Mr. Axworthy: I stand corrected, Mr. Speaker. That Party has moved ahead slightly.

Mr. McDermid: The Liberals distort everything.

Mr. Axworthy: It is substantially behind the Liberals and substantially behind the NDP and has just moved ahead of the "don't know" category which, in the last three months, has had a larger proportion of voter support than the Conservative Party.

Mr. McDermid: We are going up.

Mr. Axworthy: The fact is that if anyone is talking about trouble, I suggest to the Parliamentary Secretary that he had better look in his own backyard because if any Party has a problem it is the people opposite.

The Hon. Member says this is no surprise. Of course, it is not, because we have been asking questions about this for two years. We have been asking if the Government is prepared to give up, to surrender, to transfer the right of full investment as a price of free trade negotiation. The Government all along has said, "Now, wait a minute. It is not on the table". There was all this dancing around until this week when we found out from the chief trade negotiator, Mr. Reisman, that in fact it

was no longer a matter of speculation that, indeed, the Americans at the very highest level, the President of the United States, had brought the matter forward.

Mrs. Mailly: Not on the table.

Mr. Axworthy: The Hon. Member says, "not on the table". I do not know where the President put it. Perhaps he put in on the Prime Minister head. I do not know how he handed it to him. Perhaps they were sitting on the floor. Maybe that is where it was put. The fact is that Mr. Reisman said without contradiction from anyone opposite that this matter was brought forward by cabinet level Ministers of the U.S. government and by the President of the United States. They have put the matter directly—perhaps not on the table—right on the plate of the Prime Minister. What we wanted to know is did the Prime Minister say, "No, we can't do it. We will not broaden and give you national treatment in investment"?

All the Prime Minister had to do last Tuesday when we asked was to give us a simple answer that, "Yes, the Americans brought that to my attention and I said no". But the Government has never said that. It has danced, jumped, twisted, turned, but has never been prepared to say that when the President asked it did not have the guts to say no.

We know why it did not have the guts because it is going to give away that kind of open access in investment so it can get a deal, so the Prime Minister can save his political skin, he thinks. The Canadian people will not buy it. They will not buy anything this Prime Minister says. That is why that Party is standing at 25 per cent in the polls.

Mr. McDermid: There, you changed it again.

The Acting Speaker (Mr. Paproski): I have two more questioners. I would hope that the Parliamentary Secretary would restrain himself. I would like to recognize the Hon. Member for Kootenay West (Mr. Brisco) and then the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil).

Mr. Brisco: Mr. Speaker, it is unfortunate that the Liberal spokesman on this subject today, FIRA and Investment Canada, was not at the Standing Committee on DRIE yesterday. We had a witness from the City of Brantford, an economic development officer, speaking on concerns relating to DRIE and foreign investment. His comments were, and they are a matter of record, that nothing was ever accomplished in terms of foreign investment for that community under FIRA. All they were aware of was delay after delay, frustration after frustration. Indeed, he complimented the Government of Canada for its change of position and legislation so we could have Investment Canada.

I would like to move quickly to my own constituency and give the Hon. Member two examples. Westar Pulp Mill is a Canadian owned company in British Columbia. It is B.C. resources owned. It was sold to Bathurst-Consolidated and the Investment Bank of China.

• (1450)

What happened? One of the first initiatives was to seek a small amount of federal assistance to develop a new system of feeding the boiler in that huge pulp mill, so that the end result would be a dramatic reduction in pollution going into the air, leading to acid rain, and pollution going into the water, and the smell. Not only that, the technology that would ensue has world-wide application in 400 different mills, all originating from that investment in technology and science and development at that mill, partially foreign-owned.

Finally we turn to Cominco Ltd., one of the world leaders in the technology of gallium arsenide, of zinc production a potential world leader in lead production. Who do we find marketing that technology? The ownership, as sold off by the CPR, is Teck Corporation, which holds 50 per cent of CPR's shares, Metallgesellshaft of Germany, 25 per cent, and M.I.M. Holdings Limited of Australia, 25 per cent. All three companies are good corporate citizens, putting a totally different complexion on the obtuse statements of the spokesman for the Liberal Party in today's debate.

Mr. Axworthy: Mr. Speaker, I am pleased to respond to the Member for Kootenay West (Mr. Brisco). I am surprised he did not bring up the issue of Kootenay Power and Light Company—

Mr. Brisco: I would be delighted to.

Mr. Axworthy: —which represents, Mr. Speaker, the first time in the history of this country that we are allowing a major public power utility to be taken over by foreign interests.

Mr. Brisco: No, it is not.

Mr. Axworthy: Mr. Speaker, 7,000 people signed a petition against that takeover. Investment Canada, this wonderful agency that the Tories put in place, on December 21 last, in the dark of the night, passed on that application, without even considering the evidence from—

An Hon. Member: They have never been known to meet late at night.

Mr. Axworthy: Mr. Speaker, I am very pleased to be able to provide proper information to the Tory MPs. Thank God they can get good information from somewhere. They obviously do not get it from their own sources.

The fact of the matter is, Investment Canada passed on the Kootenay Power and Light application without even bothering to take into consideration the evidence adduced at the hearings of the Public Utilities Commission of B.C. They simply said: "Go ahead, take it over." In that part of B.C. alone, 7,000 people signed a petition to stop the total give-away of a major public utility in Canada.

It seems to me that the Hon. Member opposite should be a lot more concerned about the anger and the indignation of the

people in his own constituency at that takeover, that acquisition, because that, Mr. Speaker, is going to be one of the reasons why we will not see him at the next Christmas party.

The Hon. Member has talked about FIRA itself, Mr. Speaker. He said that all of those people out there were trembling with fear and loathing about the record of FIRA; that people were not going to come to Canada.

Let me quote what I would consider to be an acceptable source to Progressive Conservative Members of Parliament, that being the former U.S. Ambassador to Canada, Mr. Robinson. In a Conference Board study, Mr. Robinson, while still the U.S. Ambassador to Canada, is quoted as having said, "Canada remains a very good country for people to invest their money in." In that same study, 333 foreign companies were interviewed as to what they consider to be the major problems in terms of investing in Canada, and only 6.6 per cent said that it had something to do with FIRA. I repeat, 6.6 per cent of the 333 companies interviewed.

What did result, Mr. Speaker—and I will give the Hon. Members opposite the answer—when FIRA was in place, is that jobs were created in Canada. An example is that of the Hyundai car company. Hyundai Corporation, a Korean car manufacturer, wanted access to this market for investment, and a condition of the agreement was that it would create automobile plants in Canada. As a result, the former Minister of Regional Industrial Expansion was able to announce, on coming into Government, that Hyundai had come to Canada to create a plant. The reason for that, of course, was that FIRA was in place and had set as a condition of investment that jobs be created in Canada.

We do not have those conditions any longer, Mr. Speaker, and that is why we have nothing but takeovers, acquisitions, and shake-downs.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil), on a question or comment.

Mr. O'Neil: Mr. Speaker, as one who comes from an area of the country with the highest unemployment rate in the nation, I cannot help but be struck by the dogma, the ideology which is being put forward to Canadians and to all Members of the House today. Surely there is no serious debate in this country or in this House about the preference for Canadian ownership, Canadian control. I am sure it would be the wish of all of us that all of the products and services we consume be made in this country. But, the reality is that, in my part of the country, as in other parts of the country, Canadian investors did not come forward to develop our human resources, Canadian investors did not come forward to put the unemployed to work.

We are being asked to live with 20 per cent unemployment so that the ideological fantasies of some political Parties in this country can be satisfied. Those with two cars in the driveway and a VCR and a colour television can read their novels and think about lofty subjects, but some Canadians have great difficulty meeting their basic economic needs.

For those people to stand today and suggest to Canadians that we do not need stable and secure trading relations with the United States to protect the economic opportunities that we do have and to build upon them is blatantly dishonest. It is well known even in my riding, Mr. Speaker, that much of the employment is dependent upon, not only the presence of foreign corporations and foreign investment, but also the export of products. This kind of rhetoric serves the philosophers well, but it does not serve the interests of ordinary Canadians.

Ordinary Canadians, Mr. Speaker, are seeing this to be nothing more than a philosophical debate, and not a debate about the needs of ordinary Canadians.

Mr. Axworthy: Let's talk about the view of ordinary Canadians. I take the Hon. Member to be an honest representative of his area. What is he talking about in terms of ordinary Canadians. According to an opinion survey published last week, 65 per cent of Canadians, or approximately two-thirds of ordinary Canadians, do not want further takeovers and acquisitions.

Let us also take a look at the statistics—

An Hon. Member: What was the question?

Mr. Axworthy: The question was, "Are you in favour of further takeovers and acquisitions?"

Mrs. Mailly: But that is not what he is talking about. He is talking about jobs for people.

Mr. Axworthy: I am coming to that. The Hon. Member says, "We want to create new jobs." Of the $22 billion in foreign investment, only 5 per cent went to new businesses. It had nothing to do with creating new jobs in Cape Breton. It went to the takeover and acquisition of large companies. The only employment created was for a bunch of lawyers in New York, those working out the mergers and acquisitions. That is where the jobs were going. They were not going to Cape Breton, or other areas of Canada.

I can sympathize with the heartfelt sentiment expressed, Mr. Speaker. As a former Minister of Employment, I worked very hard to create jobs in Cape Breton, and elsewhere. I can only point out that the unemployment rate now is no better than it was back then. In fact, it is a little worse in many regions of the country. What has happened is that this Government has allowed a concentration of wealth in the central part of Canada, leaving the regions to fend for themselves. It is a Government that has no regional development policy. It is denuding and shearing off the capacity of the federal Government to provide instruments of public policy to ensure that there are investments in the regions. This Government is shrinking the capacity of the federal Government to ensure that there is equal distribution of rights and benefits for Canadians.

The Government of Canada is simply becoming a rubber stamp for American acquisitions and is doing nothing to direct both Canadian and foreign investments such that the country generally can equally share in those investments.

The figures are in front of us. I sympathize with the Hon. Member, but I say that if he wants to solve that problem, he has one choice, and that is to leave the Party he belongs to and join a Party that knows about regional development—not one that turns its back on the regions.

An Hon. Member: You created the problem.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Hon. Member for Broadview—Greenwood (Ms. McDonald), on debate.

• (1500)

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the Government's position on foreign investment seems to be extremely naive. We are not entirely clear where it stands on the free trade negotiations. We have heard many ridiculous statements on what exactly is being demanded of Canada in order to get an agreement on free trade with the United States.

Certainly the Prime Minister (Mr. Mulroney) and government Ministers generally have been very strong on the idea that foreign investment, whatever kind, whatever limitations or no limitation, just totally unfettered foreign investment, is good for the country. They seem to think that the more foreign investment we have, the more employment we will have.

We had a completely naive suggestion from the Prime Minister the other day that, for example, the City of Windsor, because it has a lot of foreign investment in the automotive industry, has very low unemployment as a result of the benefits of foreign investment. However, the unemployment rate in Windsor is just at the national average; it is not lower at all.

Let us think of single industry towns where the industry is a foreign-owned company. If there are shut-downs, slow-downs, lay-offs, or basically the company shut down the entire operation to buy a company or to move the manufacturing or processing back to its own country, the jobs are gone.

In the case of research and development we know that foreign-owned companies do not do their research and development in Canada. Financial services and management services are done in the home country, not in the branch plant. This means the more foreign investment, the fewer the jobs, the fewer high quality jobs, research and development jobs, highly skilled jobs, well paying jobs, and more secure jobs in Canada.

With the present foreign investment in Canada today, we should have the lowest rate of unemployment in the entire world if the Government thesis is correct that foreign investment necessarily creates more jobs. It does not. It depends upon the industry. It depends upon many situations.

We need investment. There is a place for foreign investment. We must make decisions to ensure that in any particular case the investment will be good for the country. If it is not, we need the power to say no to that foreign investment and, instead, to encourage Canadian investment.

What do the Americans want in the free trade negotiations and what is the role of investment? I want to talk particularly about the cultural industries. This is an area in which the Americans make a lot of money in Canada. They make their money largely through sales, because in most of these areas there are not any tariffs, quotas, or trade barriers. Free trade negotiations do not mean reducing barriers because there are not any. We have had the anomaly of the book tariff. Fortunately that has gone.

The Americans sell an enormous amount in film, broadcasting, television programming, books, magazines, video cassettes, and so forth to Canadians. They are making a lot of money in trade already.

What they want, realistically, is not more trade or more sales, although they would like that. What they really want is to be able to invest more in our cultural industries. In some of those industries we have limitations on foreign investment. Those limitations on foreign investment have been excellent for Canada. This is the irony.

If the Government took its own advice on this point, it would get rid of all those limitations on foreign investment, if foreign investment were so good for the country.

I want to look at these different industries and at the roles of foreign investment and Canadian investment to see how foreign investment has either served or not served Canadians well.

Let us look at book publishing and magazine publishing. Canadian book publishing is not a strong industry. The most successful, the largest companies, the companies with the largest revenues, the big sellers to our educational network, to provincial boards of education, have been foreign-owned, foreign-controlled companies. They are the big money makers. In fact, most Canadian-authored books are produced by a small number of Canadian-owned companies. If we want to talk about developing our own culture, if we want to talk about access of Canadian authors to getting their works out there to be read by people, we must turn to the Canadian-owned sector.

Canadian-owned companies published 85 per cent of Canadian authored books. Most of the books sold in Canada are foreign produced, so most of the revenues from book sales go back to other countries, and that is largely the United States. The Canadian owned companies happen to be the companies which export the most too.

We are not very big in exporting books, but Canadian-owned, small publishing houses exported 7 per cent of their sales. Large Canadian-owned publishing companies exported 12 per cent of their sales. However, when we look at foreign-owned companies, we see that their exports were only 1.7 per

cent of sales. In short, there is scarcely any export from these foreign companies.

If we are to think about a vital industry, an industry which will be exporting, producing jobs in Canada, and getting the creativity and ideas of Canadian authors out to the rest of the world, we must look to the Canadian-owned companies. The American-owned companies are not doing that. If we depended, as the Prime Minister would want us to do, on more foreign investment, we would lose what we have already.

The Government has admitted that Canadian ownership is a good thing in publishing. We have a policy statement dated July 6, 1985 from the previous Minister of Communications in favour of greater Canadian ownership in this industry. The policy statement is a good one, and I commend the Government on it. However, I have to fault the same Government for not implementing or acting on the Canadian book publishing statement. It remains a statement on paper. The reality is that Investment Canada has been weak. It has not forced the divestment which was called for under the policy. It allowed for a considerable period of time to say that it could not act retroactively and that it would not insist upon divestment when there are foreign takeovers.

Even this very weak policy has been objected to by American publishers, by the American Government, and by the American trade negotiator on behalf of American companies. The United States has objected. The Americans are making a fortune in selling books to Canadians. They would like to make more money. They do not want to see these investment opportunities curtailed.

We have a policy to encourage Canadian periodicals and Canadian magazine publishing. We have various subsidies such as a postal subsidy. The Americans have objected to that and said that it is unfair. However, most magazines sold in Canada are not Canadian. Most of them are still foreign. We have an industry which is trying to grow, and it is extremely important that it be given various advantages.

We have requirements on advertising to encourage advertisements being placed in Canadian-owned periodicals as opposed to foreign periodicals. The United States has objected to that. That amount of protectionism, the kind of protectionism which the Government says is evil, has resulted in a thriving industry. It has resulted in Canadian writers, printers, binders, and all such people getting jobs and getting their ideas out there to other Canadians; in uniting Canadians from coast-to-coast; and in getting ideas around. It absolutely requires some rules, regulations, and controls. These are dirty words to the Conservatives, but the results are not bad at all. They are not unfortunate or miserable results; they are excellent results. Ideas are getting around. People are getting jobs. Authors are getting paid. Royalties are being paid. All this is very healthy for that industry.

Another area has actually shown a great deal of success for Canadians as a result of having a Canadian ownership policy. It is something that we would like to be much stronger in the case of publishing. I am referring to broadcasting. It is a success story. It did not happen by accident. This was an area in which investment was largely American. A policy decision was taken by the previous Government back in the 1960s to limit foreign investment—it was in fact American, but the limitation was on foreign investment—to only 20 per cent of broadcasting companies. In short, there must be 80 per cent Canadian ownership and control of these companies.

There was a gradual period of divestment. Instead of Canadian banks lending money to Americans to buy into the industry, they lend money to Canadians to buy into it. Now we have a solidly Canadian-owned industry. In the period from 1968 to 1973 earnings in broadcasting increased 700 per cent, thanks to these rules, thanks to this protectionism, thanks to this control. Jobs in broadcasting at least doubled in that period.

We would like to see more of the revenues produced in this very important industry go into Canadian production. There is certainly room for much more Canadian programming on the air. It is not perfect, but we have made some progress. We have made that progress by having Canadian content regulations.

We have had regulations on border advertising in television stations. The Americans are objecting to these regulations. They say that they are unfair. Fair or unfair, it is extremely difficult for a small country, a country one tenth the size of the United States, to compete. There is no level playing field when one team has 10 times the number of players on the other team. Thanks to these regulations, we have a thriving industry.

The Americans make a lot of money on Canadian broadcasting. They make it largely by selling programs to Canadians. Canadians are major purchasers of American programming, but the Americans want more because broadcasting is a very lucrative industry. Canadian-owned companies are expanding and making lots of money and the Americans would like to be able to buy into it. The Americans are not content simply to make money on sales; they want money from investment. The Americans want to be able to buy in. I very much expect that if they were allowed to buy in, we would have a reduction in Canadian programming, whereas we need an increase. If we did not have Canadian ownership and strong measures for Canadian content regulations, we would have even less. With more American ownership, we would not be able to strengthen our position with programming on the air.

• (1510)

Film is an area which is not a success story. Film is a sorry failure. Here I have to blame the previous Government—which I would compliment for its decisions on broadcasting—for its reluctance and refusal to act. Task forces, the arts community and experts in the area have explained what the problem is. For decades the problem has been known, that is, that distribution is controlled overwhelmingly by Americans.

Let me quote from the Raymond Roth report on the film distribution industry:

> The Consequences of Foreign Domination.
>
> Distribution feeds the markets. It determines who can see what, when and how. It chooses the films to be imported, thus determining what products the Canadian public will have access to. It determines the marketing strategy for film in the various medias: theatres, videocassettes, pay and free TV. It determines the scope of their reach across various regions of the country. All of these decisions affect the cultural life of the nation. It is unacceptable that they be made by non-Canadians, purely in their own economic interests.

That analysis is absolutely clear. In the case of film, 97 per cent of the revenues from film go to the United States. They go into film production in the United States. We have some very good Canadian films being produced in Canada, not a large number, but we have some. They scarcely get into the distribution field because the distributors are American-owned. Even Canadian films have to go through an American distribution company to be shown in theatres in Canada. This is a situation that is not allowed in any other country. Canada is simply considered a part of the American market for film distribution purposes. The result is that $1 billion a year gets spent by Canadians going to movies. Instead of the profits from that money going into Canadian production, into hiring Canadian writers, directors, actors, technicians, camera people and so forth, it gets plowed back into American production. So there is a vicious circle and you get more American films which are distributed by American companies.

This task force report came up with some very good recommendations on what to do about it. The first recommendation was for Canadian ownership and control of the Canadian film industry. It states very clearly that it is essential that to have any kind of sane distribution policy there has to be Canadian ownership and control. But what does the Minister of Communications (Miss MacDonald) do about it? She has come up with a different scheme. She has suggested instead that there be a licence import system. This licence import scheme is certainly better than nothing. It would probably mean a reduction in about 10 per cent of the control of Americans in our Canadian film distribution industry. Instead of getting 97 per cent of the profits from Canadians going for films, they will be getting roughly 10 per cent less than that. Roughly 10 per cent of that would then be going to Canadians. That is better than nothing. However, that is a denial of the first principle of the Raymond Roth report which says that we have to have Canadian ownership and control.

When I asked the Minister in committee about it, for example, she pretended not to even know about this recommendation. Her Assistant Deputy Minister seems to have rewritten the report. When he discussed the recommendations of this task force report, he managed to drop the most essential one, the one on Canadian ownership and control. He only talked about the other ones, the ones that are a little bit easier to implement.

Other countries have much better control over film distribution. They have various measures of requirements, quotas and so forth because other countries, small countries like Canada, small relative to the United States at least, have realized that if they want to have a film industry they need to have some rules to protect it. Small countries simply cannot compete with that massive American market, the massive advantages that that society has in producing and distributing its own films.

We have this excellent report. We have strong recommendations for Canadian ownership and control, but nothing has happened on it. The Minister is not even sure whether Canadian ownership and control ought to be an objective. In other statements that she has made, and when I have asked her, she says that she is going to talk to the American majors and ask for their co-operation. She is going to ask for the co-operation of people who are making a fortune in distributing American films in Canada. She will say: "Please stop making a fortune. Go away. Let Canadians do it". That is not the nature of the beast, Mr. Speaker. Businesses are in business to make money. They make money by distributing American films.

Why should they, out of the goodness of their hearts, simply quit making money in Canada distributing American films? They are not going to. Instead they are lobbying very hard to get rid of or not to have put into place—because it is not quite there yet—the licence import system. They do not even want that, which is a very, very modest measure. They are fighting very hard for it, and we worry about how much influence they will have on this Government. We know that President Reagan himself has raised the issue with the Prime Minister, protecting his old buddies in the Hollywood film industry to see that Hollywood continues to dominate the Canadian film system. So Canadians get very little chance to see the excellent Canadian films that, in fact, are being produced.

I would like now to make a few remarks about the music recording industry, another cultural industry over which we do not have much Canadian control, ownership or presence. An interesting thing happened a number of years ago. The CRTC came up with a requirement for Canadian content in sound recordings for popular music broadcast on the radio. Suddenly, as a result of this regulation—and this is a Government that thinks regulation is evil, awful and does all these terrible things—what happened? We began to get a popular music industry. Our songwriters and singers began to get an outlet for their creative work. People got jobs. Records were produced, thanks to this regulation. But we did not have anything comparable for classical music. We do not have any kind of Canadian classical music industry. Here you can clearly make the comparison. You make a requirement that stimulates an industry. The people are there. They can do it.

We have talent in Canada. It is not as if we are talking about a situation where we have to depend on foreigners to create our culture. We have all kinds of creative talent in the country, singers, directors, writers and all of these people who want to work. We simply require that they be given the opportunity. They will not get the opportunity so far as the distribution companies are concerned because they are controlled by people who are promoting the work of artists in

another country. It is the legitimate right of companies to promote the work of their own artists, we don't dispute that. But we do not want our country to be run to the tune of the United States or to the tune of any other country.

One of the speakers this afternoon on this subject of foreign investment talked about the very difficult situation of high unemployment in Cape Breton. The speaker said that we in the New Democratic Party were being ideological in being concerned about foreign investment and seemed to take this very simplistic approach that the more foreign investment there is, the more jobs there are going to be. Unfortunately, that is not true. I was part of the jobs action group that went to Cape Breton and listened to people in local communities. They said very strongly that they wanted to see Canadian control so that money made in the community would stay in the community, be recycled and produce other jobs there. If you have a foreign-owned company, the money goes out in profits. Some of the jobs stay out of the country because they remain in the head office. These are the research and development and the managerial jobs. All of those jobs never get into the community in the first place.

Of course, there is always the risks of shut-downs and lay-offs. Foreign ownership means a great deal of vulnerability to a community. The people of Cape Breton told us that they wanted to see more Canadian control so jobs would be created and produced in Canada for Canadians. It is a very practical matter. It is not a matter of ideology. Where we see it will be harmful, we must limit it. Where we see it is going to be useful, where the benefits outweigh the disadvantages, we can make a decision. However, we must retain the power to make that decision.

• (1520)

There are some areas in which we do not allow foreign investment, such as culture and communications. We have these restrictions in broadcasting and are demanding more of it in publishing. We should be demanding more in the film industry. If we give it away in free trade negotiations, we will not have the power to make those kinds of decisions. We have to control these industries and build jobs in them because they are very important. We must have Canadian investment and control so we can promote our own artistic people and our own creative life. We cannot do that if we give away the power to other countries.

[*Translation*]

I blame this Government for having betrayed its mandate, for having betrayed Canadians in the free trade negotiations. We do need investment, but the kind that will create jobs in Canada, good jobs. For that we must have control, we must be able to choose among purchasing offers; we must be able to say no to banks and private companies like foreign companies—

[*English*]

—the Hon. Member's time has expired. Questions and comments?

Mrs. Mailly: Mr. Speaker, there is an old saw that wishing will not make it so. I am afraid the Hon. Member has just proven that her speech was based on wishful thinking. Wishing will not change the fact there are 25 million people in Canada stretched over a vast area and 250 million people in the U.S. Wishing will not allow us to say that we do not want to trade with the Americans because they are so big and powerful and everywhere. Wishing will not change the fact that Canadians seem to be enamoured with things American. When the best seller list comes out at Christmastime—and I know because I am a published author and I went through it—you will see at last some Canadian authors who make it to the top and even stay there for a few weeks. However, as soon as the Christmas rush is over Canadians rush to buy American books. Is it because the big bad Government does not support the Canadian industry? No. As a matter of fact, this Government has supported the industry even more than previous Governments in spite of the need for cutting our spending and trying to bring down the deficit.

What happened when we put a tax on imported books because the Americans were taxing shakes and shingles? The NDP and the Liberals got up in the House and screamed because we were limiting the importation of American books. Why did they do that? Because Canadian booksellers, not big bad American booksellers, were worried about their bottom line. They were selling fewer books because Canadians, in spite of the fact that our books were cheaper, were not buying more Canadian books.

As I say, wishing will not make it so. We are living in the real world. What would the Hon. Member have us do? Should we scramble the airwaves and stop all American influence in Canada? Should we tell Canadians who love to watch American sitcoms that there will be no more cable, no more *Cosby Show* or all the other shows they love because it is considered unCanadian to look at things American?

That is the kind of policy recommended by the NDP. It would lead us to a controlled environment, a closed society, and we would not be able to enjoy the marvellous outpouring of culture from other countries, including the United States. The Americans are our friends and they are just as interested as Canadians are in their own culture. However, we are 25 million people living next door to a giant. Our very intelligent way of dealing with this problem is not to stick our head in the sand, not to be worried or scared, but to say we will negotiate. These people want something from us, we want something from them.

It has been said all along that our culture is not on the table. All kinds of measures exist in our legislation to protect those industries from being taken over by anyone, including the Americans. I do not understand why the Hon. Member chooses this unrealistic approach to what is a very serious problem with a great potential for creating the jobs we need in Canada, including the Atlantic region which has had an outpouring of billions of dollars and has not been able to create jobs.

Ms. McDonald: Mr. Speaker, the Hon. Member mixes up a whole lot of different issues, but I will try to deal with them one by one.

First, yes, I am very well aware that we have 26 million people and our market is effectively much smaller because we have a francophone and an Anglophone population. For practical purposes, the number is much smaller compared to the U.S., which is 10 times our size. That means we must have practical measures to deal with this enormous imbalance. No one is suggesting that we try to close the borders or scramble messages. This is totally ridiculous. My concern is that we get good Canadian programming on the air which Canadians want to see. It is not a question of being negative about programming from any other country. It is a question of Canadians having the opportunity to see good Canadian programming in Canada.

In being so negative about my remarks, which were about the benefits of having Canadian investment in our cultural industries, is the Hon. Member saying she does not want Canadian investment? Does she want to see more foreign control? It is quite clear that the areas in which we have predominant Canadian investment are thriving. Where we have foreign investment are the areas with a great deal of difficulty.

The Hon. Member raised the matter of book publishing. She said her Government has supported it. I remind her that with the tariff the Government took $12 million from that industry.

Mrs. Mailly: On American books.

Ms. McDonald: Not just on American books. It was on English language books which could come from any country.

Mrs. Mailly: American books.

Ms. McDonald: It discriminated against Canadian authors published in the U.S. or in co-production arrangements with Canadian and American companies. Canadian authors were discriminated against by this measure.

Mrs. Mailly: Wishing will not make it so.

Ms. McDonald: I certainly would like to see more Canadian control and investment in our cultural industries, but I do not want to close the door to people being able to buy what they want in the way of books or magazines from other countries. My concern is that there be good Canadian books and magazines and films that they can see. I do not think there should be a tariff on American, British, French or any other books that come into this country. I do not think there should be taxes on books. I was appalled that the Conservative Government would put a tax on books.

Finally, I simply want to say that if the Hon. Member's point is that she wants to see a loss of control in our cultural industry then she should make it very clear that she is repudiating government policy of increasing control in those areas.

Mrs. Mailly: You know very well that that is not what I am saying.

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

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I sincerely wish to thank the Hon. Member for Essex—Windsor (Mr. Langdon) for putting forward this motion today. I am delighted to have the opportunity to set the record straight on the Government's policy on investment.

Let us start first with statistics which have been tossed around this House over the last few days by some members of the Opposition.

[*Translation*]

It has been asserted, Mr. Speaker, that according to Investment Canada's 1986 Annual Report, 95 per cent of all foreign investment has been acquisitions and only 5 per cent has been new businesses.

Mr. Speaker, this is playing with figures. Those figures are based on asset values, which, taken by themselves can be distorting. Acquisitions involve a mix of small, medium and large businesses with well established asset bases. By contrast, new business values reflect only short-term start-up estimates. These are typically modest and in no way reflect the potential growth and future of the new business. A more accurate way of expressing what is happening in the economy is to state that 60 per cent of the investment transactions recorded by Investment Canada were acquisitions and 40 per cent new businesses.

We all know that new businesses are the major source of new jobs and new technologies. In many acquisitions, Mr. Speaker, the Canadian corporation has been in financial difficulty and the foreign investor has been the source of job preservation.

Foreign investors also bring new capital, new management, new technologies, and access to new markets and thus contribute to Canadian corporate growth.

Using updated figures (July 1, 1985 to March 31, 1987), the number of new businesses coming under the Investment Canada Act totalled 631 and not 573 as previously mentioned. The value of short-term planned investment associated with these proposals amounted to over 1.4 billion dollars with planned employment creation of 10,240.

• (1530)

[*English*]

The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) mentioned that foreign acquisitions amounted to $20 billion and that once again the Government was selling Canada out. The Member should know that more than $10 billion worth was already owned by foreigners and is only moving from foreign hands to foreign hands. That leaves only

$10 billion of foreign acquisitions. The Member should know as well that this has allowed the Government to maintain jobs which were in difficulty.

I should mention as well that the total stock of business capital in this country is $1.5 trillion. When he said that we are selling Canada he should be more informed on economic information. Once again, members of the Opposition are good at playing with figures.

[*Translation*]

And I have to stress that Investment Canada's figures record only a fraction of the investment that is made in Canada. Investment Canada does not take into account either investments by Canadians or investments by the very large community of international investors that are already operating businesses in Canada. The best example, Mr. Speaker, is General Motors' $2 billion investment to modernize its two assembly plants in the riding of my hon. friend from the New Democratic Party, that is Oshawa.

Of course, this investment is not included in the Investment Canada figures mentioned by my hon. friend from Winnipeg—Fort Garry.

I would point out as well, Mr. Speaker, that for 1986, international capital flows into Canada, for direct investment, amounted to $6.8 billion. This, as all Hon. Members should know, is an indisputable record for Canada. Moreover, foreign portfolio investment in Canada almost doubled in 1986 to $25 billion.

Much has been made of the fact no Investment Canada case has been turned down. It must be remembered, however, that the mandate of Investment Canada is to promote investment by Canadians and non-Canadians alike. It is not to block investment, Mr. Speaker, but rather to ensure that foreign investment meets our country's objectives and our government's objectives, that is the objectives Canadians have set for us. Investment Canada encourages international investors to discuss their proposals prior to filling a formal application for review. Numerous investors are taking advantage of this service thus resulting in cases which have a high probability of approval. Frequently there are also informal discussions with investors who are interested in making investments in policy sensitive areas such as the cultural industries and the oil and gas sector. In these areas we have enunciated clear policies.

As a result of discussions involving proposals in these sectors, some investors conclude that their proposals are unlikely to meet the net benefit test and therefore decline to file a formal application. I submit, Mr. Speaker, that this is a much more positive and businesslike manner of safeguarding legitimate Canadian interests.

[*English*]

Now that I have clarified the misunderstanding which has arisen in the House over the past several days I would like to remind opposition Members, who may have forgotten, of what the economic situation was like before September, 1984. In 1984 we inherited an economy in which the unemployment rate was close to 12 per cent. It is now slightly over 9 per cent. Labour productivity was low, interest rates were high, and the chartered bank prime rate was 13 per cent. It is now 9.5 per cent.

The perception of Canada as a place to invest and do business in was, as we remember, very poor. In 1984, the World Economic Forum ranked Canada eleventh of 22 OECD countries in a competitiveness study. In 1986, Canada had improved its position to sixth. That achievement cannot be attributed to the efforts of the former Government and its policy.

The Government has contributed to a significant recovery in our business and investment climate. Over the past three years Canada's gross domestic product has grown at a rate second only to Japan. Employment growth has been first among all OECD nations. Corporate profit has become stronger and stronger. A recent survey reported that first quarter profits were 55 per cent above the level of the first quarter of 1986. All this has occurred, and yet our inflation rate has remained relatively stable at approximately 4 per cent.

When the Government came to power in 1984, we set out a national agenda which was outlined in two separate Throne Speeches and in the Agenda for Economic Renewal of November, 1984.

[*Translation*]

Canadians are all familiar with the basic elements of this broad policy. Let me mention them briefly: a basic assault on the federal deficit; a redefinition of the role of Government so that it provides a better framework for growth and job creation; privatization of companies no longer serving public policy needs; comprehensive tax reform; improved incentives for small business and entrepreneurs; a new science and technology policy; removal of obstacles to growth through deregulation, especially in such areas as investment, energy policy, and transportation; a basic reform of the financial services sector; new initiatives in intellectual property rights, including patents and copyright; a new Competition Act that has been introduced and which takes into account the new competitive environment; trade initiatives including strong support for new bilateral discussions at the GATT. In all of this, Mr. Speaker, what we have actually done is to make international competitiveness the conterpiece of our economic policy.

• (1540)

[*English*]

Yes, the centrepiece of this agent for economic renewal is to increase the international competitiveness of the Canadian industry.

Recognizing the importance of investment to Canada's international competitiveness, our Government introduced the Investment Canada Act as its first major piece of legislation. It

was designed to address the irritants which had arisen abroad as well as in Canada with regard to the treatment of non-Canadian investors. As well, the Act was drafted taking into account the new realities of the 1980s and the 1990s. It was not based on the fears of the 1960s and 1970s, which are being recycled in this motion moved by the Hon. Member for Essex—Windsor.

Investment Canada, a new agency established by the Act, has a threefold mandate. First, it is to review major investment in Canada by non-Canadians, to ensure that they are of net benefit to Canada. The factors used by the agency in examining those investments are: The effect of the investment on the level and nature of economic activity in Canada; the degree and significance of participation by Canadians; the effect of the investment on productivity, industrial efficiency, technological development, innovation and product variety; the effect of investment on competition within any industry or industries in Canada; the compatibility of the investment with national and provincial industrial, economic and cultural policies; and the contribution of the investment to Canada's ability to compete in the world markets.

In determining the relative merits of investment proposals, the Investment Canada Act calls for a net benefit test. The simplicity and clarity of rules, the timeliness of the decisions, and the fairness of the test have all served to improve greatly the climate for investment, while safeguarding important Canadian interests.

Investment Canada has two more very important functions. It has a role to encourage more investment in Canada by Canadians and non-Canadians. In that regard it works very closely with representatives of the provincial Governments and the private sector and has developed a very good relationship with those partners. Here, the emphasis is on technology-bearing investments and on joint venturing, two areas which are critical to Canada's future international competitiveness.

[*Translation*]

Furthermore, we have witnessed a slowing down of the growth of foreign direct investment, and a change in its sources. Japan has now displaced the U.S.A. as the number one source of foreign direct investment. As well the U.S.A. is now the predominant destination for investment. All of this has resulted in much increased international competition for new foreign investment.

I would like to say a few words about the new international investment environment which has changed considerably over the last two decades. In today's more competitive international environment, the very definition of investment has been broadened to cover the commitment not only of tangible assets such as capital and equipment, but also of non-tangible resources like production know-how and management talent.

What are the implications for Canada? Mr. Speaker, it means that we must become more focussed in our approach. We are concentrating on four main elements which affect our international competitiveness.

Firstly, technology. In today's international economic environment, rapid technological change coupled with the skyrocketing costs of basic research have driven even the largest companies into partnerships. For example, the new global standard for the compact disc is the result of collaboration between Sony of Japan and Philips of the Netherlands. Many corporations, universities and governments create consortia just to spread the costs of basic research and to focus the strategic technologies which underly progress in this industry.

Secondly, entrepreneurship. The entrepreneur manages technology and resources in an innovative way to bring products to market. According to a 1984 OECD report, of the total number of Canadian companies engaged in R&D, 77 per cent are entrepreneurial firms with fewer than 100 employees.

Thirdly, global orientation. The global market-place is a reality. Companies are adopting global strategies that allow them both to source and market on a global basis. Sony's Walkman and Ford's international car are good examples of products made for a global market.

The fourth element is new forms of investment which contribute to the Canadian economy without increasing external control over it. Technological change today demands flexibility which can be better served by various forms of industrial co-operation in order to share and exchange information, to secure a broader supplier base, to spread the costs of basic research, to penetrate foreign markets, or to undertake projects beyond the capacity of any one company.

[*English*]

Contrary to the allegations of the Opposition, Investment Canada does not encourage takeovers. While takeovers have increased in Canada, we are not unique. This is part of a world-wide trend. It is the nature of the current business climate and Canadian businesses are taking part in it as well. McCain's, Papier Cascades, Fleet Aerospace and Peoples Jewellers are only a few examples I could use of dynamic Canadian firms expanding abroad. By focusing only on acquisitions in Canada, the Opposition is ignoring the important new investments which are being made by non-Canadians. These are investments which are creating new jobs and fostering economic growth. The list is very impressive.

Our record in promoting and protecting the interests of Canadians through investment is clear and it is good. We have not only created new jobs, we have also saved jobs which would have been otherwise lost. We are increasing our efforts to attract technology intensive investments that make important contributions to Canadian industrial development.

As the Trade Minister has told the House on several occasions, the kind of disastrous scenario portrayed by the scaremongers on the other side of the House would never be acceptable to us and has never been put to us by the Americans. Ultimately, our new investment policy is the best symbol of our country's fitness and economic success.

The fact that Canada has an agency dedicated to promoting investment represents a new national self-assurance about Canada's economic dynamism. It reflects a powerful impulse to co-operate and to compete in the markets of the world. Canadians are looking for partners. They are willing to forge new economic alliances. They are fit and ready for the challenge of a global economy.

• (1550)

The Acting Speaker (Mr. Paproski): Before questions and comments, I would like to recognize the Hon. President of the Privy Council.

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BUSINESS OF THE HOUSE

EXTENSION OF STANDING ORDERS—WEEKLY STATEMENT

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been discussions with House Leaders with regard to business for next week and also in connection with the provisional Standing Orders which would expire on May 29, 1987.

I think you will find there is agreement, Mr. Speaker, to the following motion:

> That, the order adopted by the House on Tuesday, April 14, 1987, in relation to the Standing Orders, which was to expire on Friday, May 29, 1987, be extended to expire when the House adjourns on Friday, June 5, 1987.

While I have the floor I would like to indicate to the House the order of business for next week. Monday, of course, we will meet to hear the President of France, Mr. Mitterrand, at 3 p.m. That will be the only order of business for Monday. Tuesday will be an allotted day. Wednesday we will proceed to Bill C-57. I understand there have been some discussions among all Parties to dispose of that item in all its stages on that day.

The Acting Speaker (Mr. Paproski): Does the Hon. Deputy Prime Minister, the President of the Privy Council, have unanimous consent to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—FREE TRADE—INVESTMENT

The House resumed consideration of the motion of Mr. Langdon:

> That this House condemn the Government for its refusal to reject flatly U.S. demands for unlimited investment freedom in Canada as part of the free trade negotiations, since these demands would threaten Canadian sovereignty and cultural integrity by removing Canada's ability to review and limit U.S. investment, so as to promote Canadianization and to ensure that U.S. investment does benefit Canadians by creating jobs, enhancing exports, expanding research and development and increasing sourcing from domestic suppliers.

Mr. Langdon: Mr. Speaker, I would like to respond to the comments of the Minister of Regional Industrial Expansion (Mr. Côté, Langelier). I am disappointed that the Minister has not taken up the main bulk of my criticism of Investment Canada with respect to this motion, which is the very poor record, as we have been able to judge it, of monitoring and follow up by Investment Canada to see to it that companies from other countries which make commitments when they come into Canada stick to those commitments.

I cited this morning three particularly dramatic cases of which I will remind the Minister. Sheller-Globe of Canada Ltd., despite stating its commitment to great expansions in Canada, shut down just in the last couple of weeks in Windsor. Cross-LaSalle was taken over by the Cross and Trecker Corporation with the approval, in this case, of Investment Canada. This was a case which came under Investment Canada. It too was shut down in the middle of a strike despite commitments it had made to expand employment. Shortly thereafter it expanded its facilities in the United States in areas represented by right to work laws. I also mentioned the case of the Gulf and Western takeover of Prentice-Hall in which Simon & Schuster promised to promote 10 Canadian authors per year. In committee sessions last week, Investment Canada admitted to us that it has been well over a year since the takeover was approved, but no arrangement has yet been worked out with Simon & Schuster, and, of course, the catalogue of its books for this year, of which I have a copy, do not include any of these promising Canadian authors.

[*Translation*]

I also have, Mr. Speaker, another question that was put by a man who worked for the Department three and a half years, that is Mr. Paul Stothart who recently left his job with the Department and stated in a study on 21 foreign subsidiairies that those companies provide much fewer jobs in proportion to their sales than do parent companies. This is a question which I have to ask. Is it not possible for Investment Canada to enforce regulations and monitor the situation so that such subsidiaries will create more jobs in Canada because otherwise the lack of job increase will be the consequence of foreign investments. I think that this is very important and this is the

reason why such a motion has been introduced. It is essential to have some control over foreign investments, but it does not mean that all investment will be denied. However, we need an effective control.

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member will not have time for a supplementary. Are there any other Members who have questions or comments for the Minister? The Minister of Regional Industrial Expansion (Mr. Côté, Langelier).

[*Translation*]

Mr. Côté (Langelier): Mr. Speaker, I would like to start by correcting some of the statements made by the Hon. Member. When we are talking about records or statistics that do not appear to be favourable, I may remind the Hon. Member that the prime objective of Investment Canada is to promote foreign investment in Canada, by Canadians and non-Canadians.

As I said earlier, this year, because of certain changes and a new climate of confidence the Government has been able to create, not only with our American allies but throughout the international scene, we have had record investments totalling nearly $7 billion.

The Hon. Member referred to certain commitments that were not met by companies that acquired certain interests in Canada. He was referring to the publishing industry and to Prentice-Hall and Gulf & Western. The Hon. Member pointed out that the duration of the commitment to retransfer equity into Canadian hands was one year. Mr. Speaker, the company's commitment is for two years. The Government's policy to protect our cultural identity says that companies that take over another company must divest their interests within the two years following the takeover, and that is exactly what we are trying to enforce. In the cases mentioned by the Hon. Member, it is exactly that commitment we are trying to enforce, and that is why negotiations are still going on.

Mr. Speaker, I would also like to point out that 75 per cent of Investment Canada's budget goes to promotion instead of regulation. Previously, the latter activity tended to stop investment instead of promoting it. When these commitments are made, the Government's reponsibility is to ensure that they constitute a net benefit for Canada. But how do we determine this, Mr. Speaker? It is not uniquely and necessarily in terms of shareholdings, but can be translated into increased productivity and job maintenance, and I wish, just as the Prime Minister himself did so eloquently a little earlier this week, to mention the case of Versatile which has had benefits throughout Canada. This allowed us, among other things, to maintain in the riding represented by my friend, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), over 1,000 jobs which would have been lost otherwise. That is the kind of responsibility and commitment which Investment Canada must pursue to ensure a net benefit for Canada.

In other areas, Mr. Speaker, its mandate will be to protect Canadian ownership of our technology where we already have the expertise. This is something we feel should be protected and which will indeed be protected.

For his information, I would like to indicate to my honourable friend that total investments in Canada amount to $75 billion a year. When considering statistical data, therefore, it is important to keep such things in their proper context. A while ago in my speech, I pointed out that over half of the takeovers these past few years had been of foreign-owned businesses. This means simply a property transfer from one foreign owner to another, Mr. Speaker.

It is therefore necessary to look at the figures and statistical data with the right outlook.

The Acting Speaker (Mr. Paproski): The time allocated for questions and comments has elapsed. Resuming debate. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has the floor.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to take part in this afternoon's debate on the motion moved by our colleague of the New Democratic Party on this very important issue.

Mr. Speaker, we know that the Government of Canada, and especially the Prime Minister (Mr. Mulroney), have neglected their duty throughout this whole free trade exercise. I am not saying this to rile my colleague opposite. I say so, Mr. Speaker, because it is true. I urge the Hon. Member opposite, when he goes back to his riding this weekend, to consider what I have just told him and especially to listen to what I am about to say. I am sure he will agree with me that once again the Prime Minister did let Canadians down.

And the Minister on the other side, who will soon climb aboard his limousine which in all likelihood is parked in front of the building, might consider as he rides in his limousine these very important issues which we—

Mrs. Mailly: A point of order, Mr. Speaker.

Mr. Boudria: Will you shut up!

• (1600)

[*English*]

The Acting Speaker (Mr. Paproski): On a point of order, the Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: I am sorry, Mr. Speaker, but you were distracted in speaking with the Minister—

Mr. Boudria: The Speaker was not distracted.

Mrs. Mailly: The Member opposite has just used language that is not acceptable in this House. He has referred to the fact that the Minister is leaving, and made some derogatory remark about his personal behaviour.

I do not think that is acceptable. He is already deteriorating in tone.

The Acting Speaker (Mr. Paproski): I will check the "blues". If the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), who has been here now for a couple of years, did say something that he in his own mind thinks was unparliamentary, I invite him to withdraw it.

If not, I will look at the "blues" and deal with the matter at the next sitting of the House.

The Hon. Member for Glengarry—Prescott—Russell.

Mr. Boudria: Mr. Speaker, first let me say to the Hon. Member across that I totally disagree with her claim that you were distracted. As we all know, the Speaker is never distracted. It is contempt for the Chair to suggest that the Speaker is distracted. We know that that is not true, and I resent that being said of you, Mr. Speaker.

Mrs. Mailly: You are an embarrassment to this House.

Mr. Boudria: To come back to the point she has raised, as insignificant a point as it is, and as is usually the case when that Member speaks, I merely brought to the attention of the House that I hope that the Minister this week-end, when travelling around in his limousine, would think about the issues that I am about to raise.

Mr. McDermid: What limousine? He drives a Chev.

Mr. Boudria: Mr. Speaker, what is unparliamentary about a reference to the Minister's limousine, which is probably double-parked or triple-parked outside, in the way that the limousines of Ministers usually are?

I suggest to you, Mr. Speaker, that if the Hon. Member opposite—

The Acting Speaker (Mr. Paproski): Order. As I said previously, I will examine the "blues". The debate has been running well this afternoon. It is Friday, May 22, and we still have 50-odd minutes to go. I would hope that Hon. Members would carry on in such a way that we could close off the week in a nice, friendly way.

The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

[*Translation*]

Mr. Boudria: Thank you, Mr. Speaker, I promise to speak more slowly in order not to mislead the Hon. Member for Gatineau (Mrs. Mailly). If I speak more slowly, perhaps she can get a better grasp of what I am saying, and so a better understanding. I would like, Mr. Speaker, to quote the Prime Minister, things he said in the past but, as you will see, did not happen quite the way they should have.

[*English*]

What we are talking about today, Mr. Speaker, is the Prime Minister's failure to address the issue of the United States wanting what I would consider to be unfettered access and unfettered limitation in terms of investments in our country.

Mr. McDermid: Those are your words.

Mr. Boudria: I wish to bring to your attention, Mr. Speaker, the comments of the Prime Minister in the days when he was the MP for Central Nova. On June 1, 1983, he said, as reported in *The Globe and Mail*:

> This country could not survive with a policy of unfettered free trade. I'm all in favour of eliminating unfair protectionism, where it exists. This is a separate country.
>
> We'd be swamped. We have in many ways a branch-plant economy, in many ways, in certain important sectors. All that would happen with that kind of concept would be the boys cranking up their plants throughout the United States in bad times and shutting their entire branch plants in Canada. It's bad enough as it is . . . "

Would you believe, Mr. Speaker, that the same fellow who is Prime Minister today is quoted as having said that in 1983! He said further, and again I quote:

> And things like auto pacts and fishing treaties, to name but two, are a small price to pay to have a wonderful country like Canada sitting on your doorstep. And so I limit my free-trade concept to strictly bilateral issues that benefit Canada and serve the relationship with the United States too.

Mr. McDermid: That is what we are doing.

Mr. Boudria: The Member for Brampton—Georgetown (Mr. McDermid) says that that is great.

Mr. McDermid: I did not say it was great. I said that that is exactly what we are doing.

Mr. Boudria: Well, it is not great, Mr. Speaker. The Prime Minister is not living up to commitments that he himself made.

I know that even the Hon. Member opposite knows better than what he is saying now. Let me again quote the words of the Prime Minister. These are comments made to *The Ottawa Citizen* by the Prime Minister on July 4, 1985.

We know, of course, the transformation that happened on his taking power. When he took power, his views of Canada and of the world, and particularly his views of the United States, changed dramatically. After all, the United States is very important to the Prime Minister. And even then, Mr. Speaker, he was a little bit more Canadian than some would believe he is now. I read from *The Ottawa Citizen* article of July 4, 1985:

> Mulroney corrected a reporter who asked about the Government's plans for free trade with the United States—"we never discuss free trade," the Prime Minister said.

That was his position at that time: "We never discuss free trade". Remember that, Mr. Speaker, because I will be coming back to it later. He went on to say:

> Enhanced trade or trade agreements impact not only on the United States but on our trading relations with allies, upon GATT—(in which Canada is a participant).

[*Translation*]

I will quote some more, Mr. Speaker. A little later, as reported this time in *Le Devoir* on July 8, 1985, the Prime Minister said: "I agree—with the term "enhancing in trade relations", but not with the term "free trade"". It is interesting to note how much this Prime Minister has changed.

Let us now see, July 18, 1985—

• (1610)

[*English*]

On that date the Prime Minister was saying: "In a discussion paper released last January that formally launched a debate on free trade, the Government stuck to its terminology of a comprehensive bilateral trade arrangement".

Let us see what we have here. We went to improving trade; we went to saying that we were not discussing free trade; we went to *amélioration des relations commerciales*; and then we went to a comprehensive bilateral trade arrangement. This was in the space of about a year and a half. We see that the Prime Minister's position has gradually changed.

We had a debate on free trade in March of this year. I should like to paraphrase what the Prime Minister said at that time about what we were undertaking with the United States: "We are engaging in negotiations for a trading arrangement under Article 24 of the General Agreement on Tariffs and Trade".

When I heard the Prime Minister make those remarks in March, I immediately left my chair—and I am sorry that I missed part of his speech, but I read it the next day—and went to the Library of Parliament to obtain a copy of the General Agreement on Tariffs and Trade. Mr. Speaker, do you know what Article 24 is entitled? It is entitled "Territorial Application, Frontier Traffic, Custom Unions, and Free Trade Areas". That is not bad for a fellow who only some time prior was not negotiating a free trade agreement at all. He did not even want anyone to use the term in his presence because it offended him. Do you remember, Mr. Speaker, that he said that to *The Globe and Mail* on June 1, 1983? We were not to discuss free trade in front of him. He did not want to talk about it.

What happened to the Prime Minister over that interval? Obviously, when he was singing with the President on March 17, 1985 in Quebec City that famous song which did irreparable damage to my television set, something happened to the Prime Minister to make him change so that his view went from what it was in 1983 to what it is today.

Mrs. Mailly: I hope you do not have any Irish constituents because the song was "When Irish Eyes are Smiling".

Mr. Boudria: Again I hear the Hon. Member for Gatineau (Mrs. Mailly) making unusual noises across the way. I am sort of looking forward to her contribution in the House, but not all that much because it will probably not happen.

Yesterday the Government released a little booklet, a copy of which I have in hand. It is entitled *Trade Negotiations, Securing Canada's Future*. It contains the following subtitles: "The Talks: What's at Stake, Jobs for the Future, Opportunities Nationwide, Setting Rules for Services, Improving the GATT". This booklet will be used to stuff shopping bags at shopping centres.

Last night I thought I would read it and that I would be enormously well informed after doing so. However, when I first saw it, I asked myself: Why is the Government exposing itself at this point in the free trade negotiations? Government Members have been telling the House of Commons that they cannot reveal what is in the negotiations because they would be damaging their negotiating position. If that is the case, why are they publishing this booklet on trade negotiations?

Further, seeing that the negotiations are not finished, I really wonder about the wisdom of the Government of Canada spending $12 million of taxpayers' money to convince us that selling our sovereignty to the Americans is good for us. I have some difficulty understanding that.

Nevertheless, I read the booklet last night. I wanted to see what was in it for the people I am called upon to represent in the House of Commons. As you know, Mr. Speaker, I represent an agricultural riding in which there are many dairy farmers, some farmers in the business of egg production and poultry, and generally supply-management agriculture. I had heard the Minister of Agriculture (Mr. Wise) tell us in the past that supply-management would not be negotiated away. We heard the Prime Minister sort of weasel around it but not really ever say that supply-management was not on the negotiating table.

I said to myself that surely the booklet would tell me about supply-management. I turn to page 15, to the paragraph entitled "What About Agriculture?", which reads as follows:

> To the extent we can make progress in the Canada-U.S. negotiations in defining allowable subsidies or reducing other non-tariff barriers such as health and technical regulations, it will contribute to the resolution of these problems in the multilateral negotiations.

So far I am wondering what that has to do with agriculture, as you probably are, Mr. Speaker. Further it indicates:

> In the bilateral context we are not negotiating the status of farm marketing boards.

A little further on it says:

> Both Canada and the U.S. have their own unique systems for marketing farm products in a manner that is responsive to their domestic constituencies. Essentially, agricultural trade issues are global in nature.

I am sure you have noticed, Mr. Speaker, that nowhere in there does it say that supply-management will not be negotiated away.

It talks about marketing boards but not about supply-management. Obviously you know, Mr. Speaker, as do all Members of the House, that that is not necessarily the same thing. Many marketing boards have nothing to do with supply-management at this time.

For instance, there are dairy marketing boards, and that is a supply-management commodity. On the other hand, there are marketing boards like the flue-cured tobacco ones, if that is the proper name for them, which do not have a system of supply-management. There are others like the pork producers marketing board which do not have a supply-management component.

This brochure itself cost $350,000 to publish. However, the publicity surrounding this exercise will cost some $12 million, as I said before. Those funds are being spent, and the farmers of my riding do not know whether the Tories across the way will negotiate, give away, and surrender our supply-management system. I say that to the Hon. Member for Gatineau and other Hon. Members across the way. They should be concerned about it. It is important for all Canada.

I should like to refer to another group which is very concerned about free trade. It is not getting any satisfaction from the Government. I am referring to egg producers. I received a package of information from them which contained a subparagraph entitled "Impact: 47 per cent of producers at risk" and indicated:

> In order to determine the effect of free trade, the Canadian egg industry compared domestic farm costs with the cost of U.S. eggs transported to major Canadian markets. Canadian producers with costs above those of imported American eggs are at risk. Canadian producers with costs equal to or less than the U.S. landed cost are competitive.
>
> If American eggs were allowed free access to Canada, 47.5 per cent or 930 Canadian producers would be at risk.

I do not want 930 farmers to be put out of business. It is bad enough that the present Government ended the moratorium on farm foreclosures. In the next 12 months 1,000 farms on which the Farm Credit Corporation holds mortgages will end up being the property of the Government of Canada, according to the information given by the FCC at committee yesterday. With that sad state of affairs, I do not want to see any more farmers in trouble.

[*Translation*]

Clearly, Mr. Speaker, farmers producing commodities that are now dependent on supply management do not want to see their marketing system traded away or otherwise dismantled in those free trade negotiations.

This is why it is important for this House to take a stand on this issue. It is important that I bring it to the attention of all members in this place.

Mr. Speaker, in October 1986, I received a statement from the Dairy Farmers of Canada, from which I will quote this one paragraph:

"Dairy Farmers wish to express hereby their solid conviction that any dismantling of or disruption in the overall policies and programs currently in place, including the milk supply management program, would be totally unacceptable."

This shows, Mr. Speaker, I am not alone in wanting to keep that system—producers themselves want it. And I urge the Government once more to state once and for all whether their industry will be protected. I note unfortunately that my time is coming to an end, or very nearly so. I wish I had more time to comment on that important matter today.

• (1620)

[*English*]

I would like to bring another issue to your attention, Mr. Speaker. People in the dredging business in Canada have not been getting fair access to contracts in the United States or elsewhere. Most countries have protective measures to protect those who are in that dredging business. Here in Canada we do not. People in the dredging business in Canada, because of the Jones Act and other legislation in the U.S., cannot work in the U.S.A. At the same time, the Americans have free access to come here and they do so in connection with many large contracts. I invite the Government of Canada to think about issues like this. It is fine to talk here, as the Conservatives do, suggesting that we will give away this and that to the Americans, but it is time that we started to think that we do not have unfettered access to the American market. It is important for Canadians to assert our sovereignty and to ensure that the Government and the Prime Minister get the message that Members of this House do not want the PM to give away our country.

There are many important issues to be talked about in the free trade negotiations. I am not satisfied with the way things are going. The people whom I represent in the House of Commons are not pleased either. It is time that the Government started to sharpen up in the way it is handling this issue.

Mr. O'Neil: Mr. Speaker, it continues to amaze me to hear the indignation of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) and members of the Opposition when they hear that the United States is speaking publicly about concessions that it wants to gain in these negotiations. It seems to me that that would be most predictable and it would be quite surprising if we did not hear Mr. Murphy, the U.S. negotiator, indicate what it is he wants from Canada. When Members speak in this House in the manner in which they do, such as the Hon. Member for Glengarry—Prescott—Russell, really they are helping Mr. Murphy in great style in his negotiations.

The Hon. Member spoke about the dredging problem. He makes the point about the need for stable, increased and ongoing access to the American market. That is what the negotiations are all about. There is no agreement to criticize. We were in the process of reaching an agreement. To suggest that Canadian farmers or any other group of Canadians will lose a, b, or c as a result of these negotiations is not only premature but it is also blatantly dishonest. These negotiations are taking place in an effort to achieve for all Canadians the opportunity to maintain and enhance economic opportunities.

Mr. Boudria: Mr. Speaker, there was a comment by the Member but no question. However, I will comment briefly on

what the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) has said.

As to the first part of the Member's comment that somehow Mr. Murphy or his cohorts in the U.S. are supposed to be making these public declarations the way they are at the same time as our negotiator is supposed to be keeping quiet, the logic of it somehow escapes me. If they are negotiating in private, they should both do it, and if they are negotiating in public they should both do that as well. It should not be one person operating under one set of rules and another person operating under another set.

In terms of my making comments here in the House of Commons, I would suspect that an American congressman speaking in the United States probably would want to ensure that his area is well protected. He has the right to do so. I have the right just as well to speak here to ensure that the interests of the farmers, the shoe manufacturers, the factory workers and everyone else in the riding of Glengarry—Prescott—Russell who asked me to represent them in the House of Commons are heard here, and that is exactly what I intend to do.

Mr. McDermid: Mr. Speaker, I have a brief question. I appreciate the Member's representations on behalf of his constituents in the rural communities. I have met with many farm groups, including the milk farmers, not only in my area but across this province and from across Canada.

One of the good things about these negotiations is the consultative process that is going on. It is the biggest consultative process ever put together for a project such as this. It has proved very beneficial and has provided the Government and our negotiators with some very pertinent information.

The final sentence in the speech of the Hon. Member for Glengarry—Prescott—Russell was that the Government had better smarten up and do something. The Government is doing something. We are having negotiations on a bilateral trade agreement with the United States.

The Liberals have not yet decided what their policy is on trade. We hear from the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) on one side that he is against the negotiations. We hear from the Hon. Member for St. Henri—Westmount (Mr. Johnston) that he is in favour of the negotiations. The Right Hon. Leader of the Official Opposition (Mr. Turner) agrees with both of them. We are not sure exactly where the Liberal Party stands or what it would do differently. Would the Liberals negotiate a bilateral agreement with the United States, our largest trading partner and the largest trading bloc in the world today? Or would the Liberals stick with the GATT process, which is a long drawn out one, probably four years to negotiate and a number of years to implement after that? Just exactly what would Liberals do when it comes to trade negotiations? Would they have them or would they run away and hide?

Mr. Boudria: Mr. Speaker, the people who have chosen to run away and hide when issues become a little too contentious are those across the way. They are the ones who made 338 promises and have tried to weasel out of most, if not all of them with the exception of capital punishment, which is probably the only one they should not have delivered.

I do not apologize that we here on this side of the House of Commons are trying to hold this Government accountable. We are trying to tell the Government that it cannot say something in 1983, something different in 84 and something yet different in 1985 and then talk about free trade in 1986. The people of Canada just will not go for that. What we need from the Government is a Government that is honest and sincere with the people, telling them exactly what is going on every step of the way, recognizing that some of the things being negotiated have to be done in private. Any negotiator knows that and all Members of the House of Commons know that.

We need, nevertheless, some basic assurances from the Government. We are not getting them. Not only that, but we are not getting what the same Government and the same Prime Minister promised some time ago. I could reread every single one of those contradictory statements that I read 10 minutes ago. That is not what the Government was elected to do. It was not elected to say one thing and do the opposite. The Government is elected to govern.

Our role here in the House of Commons is to hold the Government accountable. I intend on my part to continue to do that. I do not want to see the supply-management system given away by this Government when it has so far refused to give the assurance that it will not be. I challenge the Hon. Member across the way to show me in the documentation given out in shopping centres yesterday where it says that supply management will be protected. I will even lend him my copy of the document if he does not have one.

• (1630)

Mr. Waddell: Mr. Speaker, I have a short comment and a question. It seems to me there have been three aspects to this debate. The first is a fight over what the free trade negotiator, Mr. Reisman, has been saying. The Minister claims the Government and Mr. Reisman have been consistent. The Hon. Member for Essex—Windsor (Mr. Langdon) said they were inconsistent and that this was hurting negotiations.

The second aspect is a debate on Investment Canada itself. The Hon. Member for Broadview—Greenwood (Ms. McDonald) made a case for the fact that Investment Canada is not working properly in monitoring the commitments made by foreign firms involved in takeovers of Canadian firms.

The third aspect is the broad ideological debate on foreign investment. The NDP has, I think, a fairly straightforward position on that. We are not against foreign investment but we think it needs control. The investors have to be forced to reinvest their profits, do research and development in Canada, get Canadians on their boards of directors and as partners,

they have to try to buy Canadian, and finally they have to employ Canadians and act like good corporate citizens of Canada.

I have set out what I think is a reasonable position with respect to foreign investment and I point out to the Hon. Member that we are going to have a lot more of it. When the British rule over Hong Kong ends we are going to get a lot of investment from there. That is already happening in western Canada.

Does the Hon. Member agree with those kinds of provisions for the control of foreign investment? Would he take away or add to them? Does he have any further policy suggestions we could use?

Mr. Boudria: Mr. Speaker, in order to save time I will address what the Hon. Member has referred to as the ideological debate over control of foreign investment. As he will know, and I think one of his colleagues raised it, as did the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), Investment Canada has not refused any applicant, according to its annual report. That tells me something. On the one hand, applicants were so fantastic no one dared to refuse them, which is somewhat unlikely. Or, the more likely scenario, the Government has a deliberate policy of not refusing any application. This is for two reasons: First, its own ideological bent; second, because the Government did not want to offend Americans when it was negotiating this trade agreement. Both reasons are wrong, in my view. You never negotiate from a position of weakness no matter what you want to do. To bend over backwards before you start or in the middle of the process is not doing this country any good. The Americans sure did not stop imposing countervailing duties on us while they were negotiating.

As to control, not that I was a part of it but the previous Liberal Government enacted the Foreign Investment Review Act. It may have had flaws. It certainly made a few people in the U.S. get their backs up. Perhaps amendments were required. Some people brought to the attention of this House that someone opening a hotdog stand or what have you had to go through the application process. That may have been unreasonable sometimes, maybe not. After all, the largest chain of restaurants in the world is McDonald's and they sell hamburgers and other fast food. It is an important business. Nevertheless, we need foreign investment legislation similar, perhaps not identical, to FIRA. We need some form of protection.

Second, with respect to research, it is important to note that since the Government has been in office, 94 per cent of the foreign investment went to takeovers only. The Science Council of Canada said quite clearly that in those circumstances you do not get research in branch plants. That is not good for our country. In the debate on Bill C-22, the drug legislation, we wanted guarantees there would be research and not just branch plants.

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

[*Translation*]

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I welcome this opportunity to represent the Minister of Communications (Ms. MacDonald) in this debate on a question of historic significance for this country.

[*English*]

I am also proud to stand in this House and speak about the achievement of our Government in building a stronger, healthier and more vibrant nation, more secure in its identity than ever before. A nation whose cultural sovereignty has never been more cherished. A nation which recently reached a new maturity, as witness the responsible way the 10 Premiers of our country, representing all of the people of Canada, dealt with the inclusion of my native province in the constitutional Accord. It is also a nation whose artistic and cultural communities have never been accorded a more important place in the priorities of a Government.

Unfortunately, we are debating today a motion which is both misguided and mischievous on such a crucial matter as the economic future of our country. The motion is fundamentally flawed. Why? Because it is intended to create uncertainty. However, I have faith in the people of Canada, unlike the NDP which fears the free expression of the public's choice. I believe in the common sense of the people of Canada and in their sense of purpose and pride. I also believe these grow stronger every day, not weaker.

I am not a timid soul. Neither are most Canadians. Therefore, I am saddened that this motion pretends there is a threat to our nation, that Canada has been presented with demands by the U.S. Government for "unlimited investment freedom in Canada". What absolute nonsense. Yesterday the Leader of the Official Opposition (Mr. Turner) said that our neighbours had asked for "a total unfettered right to buy up any Canadian business they want". Then he said "wide open investment". What do we hear about today? We hear about "unlimited investment" that would "threaten Canadian sovereignty and cultural identity". Yesterday he cited newspaper reports of an interview with our chief trade negotiator, Simon Reisman, and asked why the Government had not said no to suggestions that the American investor should be able to buy Canadian newspapers, radio and television stations, or publishing firms.

● (1640)

The Leader of the Opposition did not read the newspapers very carefully yesterday. I think that happens to him more and more often these days. He should look more closely at those reports, as should all Canadians who are interested in the trade negotiations and the firm commitment of the Government to strengthen and enhance our cultural industries and our national identity.

I would like to quote briefly from an article by Terrence Wills of *The Gazette*. It reads:

> Reisman's mandate does not—

—and I underline the word "not"—

> —include bargaining the removal of restrictions on U.S. ownership in areas like Canadian chartered banks, newspapers or radio and TV.

This is a person from the media speaking. The article continues:

> Nor is the Canadian team authorized to negotiate elimination of such policies as ensuring Canadian control in book publishing, or a majority of Canadian directors on the boards of foreign companies.

All the poppycock from the Member for Glengarry—Prescott—Russell (Mr. Boudria), who has now left after giving a very low-quality speech as always—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member knows that she should not reflect on attendance in the House. The Hon. Member could be in the lobby watching the Hon. Member on television. I do not think a reflection upon who is and who is not in the House is necessary at this time of the day.

Mrs. Mailly: I am sorry, Mr. Speaker, I got carried away. However, I must note that there is no one on the other side and yet this is an NDP motion. I find it rather spooky to be speaking to my own people. I am preaching to the converted.

As I was saying, the article is quite clear. Mr. Reisman has a clear mandate to maintain and protect Canada's cultural industries. They are not an issue in these talks. This is not news. This has been the stated position of the Government from the very outset of the trade negotiations. The Prime Minister (Mr. Mulroney), the Secretary of State for External Affairs (Mr. Clark), the Minister for International Trade (Miss Carney), the Minister of Communications (Miss MacDonald) and many, many Members on this side of the House have made our position known to Canadians, to Americans, and to Members opposite on countless occasions.

Let me remind Members of the words of the Prime Minister in this House in September, 1985. He said:

> Our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character—these are the essence of Canada. They are not at issue in these negotiations.

[*Translation*]

I repeat that neither our political sovereignty nor our social programs nor our commitment to fight regional disparity—this on-going Canadian problem we have tried to resolve by spending enormous amounts of money but which is still with us—and certainly not our cultural identity or our language, Mr. Speaker, none of these are at issue in the trade talks.

[*English*]

The motion before us suggests that the Government has not been firm with the Americans on this issue. The movers have surely forgotten the message that the Prime Minister took directly to the American people in his speech in Chicago in December of 1985 when he said:

> When it comes to discussing better trade rules for cultural industries, you will have to understand that what we call cultural sovereignty is as vital to our national life as political sovereignty . . . . In the United States you cast the net of national security over more areas than we; in Canada we cast the net of cultural sovereignty more widely than you.

[*Translation*]

That is also what the Minister for International Trade had in mind when she said last October that a clear message had been sent to our negotiators that the present Government's ability to protect and enrich Canadian culture would not be on the table. The essence of our Canadian identity cannot and must not be compromised. That is clear. Or, as was said in this respect by the Secretary of State for External Affairs (Mr. Clark) on another occasion: The question whether certain Canadian cultural industries require certain specific support measures is a matter of internal policy falls outside the purview of trade negotiations.

[*English*]

As you can see, Mr. Speaker, the Government's position has been unequivocal. To suggest otherwise is, as I said, mischievous, which is a polite way of saying that they are stretching the truth. All Members know how many times this matter has been raised in the House and how straightforward we have been in reiterating our fundamental belief in the need to maintain and enhance support measures for the arts in our cultural industries.

Only eight weeks ago the House spent a full day debating a motion of the Minister for International Trade in support of the negotiations. That motion specified very clearly that the Government would continue to protect our political sovereignty, social programs, agricultural marketing systems, the auto industry, and our unique cultural identity.

During that debate the Minister of Communications spoke of the new maturity of our nation, of the inherent strength of our national character, of the self-confidence of a country whose identity is no longer in question. She reminded us all of the richness of our heritage, of the broad sweep of history that has brought together peoples from many cultures to form a unique society proud of its heritage and distinct in its social, cultural and political traditions.

Ours is an outward looking country, a nation whose voices are heard and whose presence is felt around the world and in many fields; in architecture and the arts, in music and dance, in science, in medicine, in engineering and in commerce, to name but a few.

[*Translation*]

Communications and other cultural ties that are crucial to the unity of our country arise from the make-up of our population, our cultural heritage and the special cultural mosaic and diversity that people from every part of the globe have brought, and continue to bring, to this vast country of ours. Canada plays a unique role in the world, a role of which

it can be proud. In fact, our country is both a member of the Commonwealth of English-speaking countries and of *La Francophonie*, so that it has a privileged relationship with about one hundred countries.

Mr. Speaker, we are also developing privileged ties with the Pacific Rim countries, another group that shares some of our goals and aspirations, including trade and even a desire to improve the standard of living of their people. The Hon. Member for Vancouver—Kingsway (Mr. Waddell) mentioned earlier that he saw this new burst of agreements with Pacific Rim countries more or less as a threat. Mr. Speaker, I can say quite frankly it is not a threat, any more than Quebec's pride and its desire to express its distinct identity within this great country of ours was a threat to this country, and we have acknowledged as much. We know today that by strengthening our regions, our provinces and our cultures we are strengthening the country. So we should not fear the influx of ideas from afar or new alliances that, in fact, can only strengthen our culture and our identity, not harm it.

By recognizing the need for an ongoing dialogue with Quebec, our Goverment was able to achieve a historic breakthrough in its relations with this province. Decisions relating to culture and communications are now prepared in a spirit of cooperation and cordiality, a spirit that never existed previously between Ottawa and Quebec. Indeed the signs are there, Mr. Speaker: the second francophone summit will take place in Canada, yet for 20 years we had not managed to hold such a summit, and here we are working on our second!

Our Government has every reason to be pleased about its record with respect to support for cultural endeavours. It has created cultural agencies, launched assistance programs and adopted regulations and tax measures in this field. There is no denying that such initiatives play an essential role by encouraging and supporting cultural achievements in this country. Our negotiators have said so to the Americans in no uncertain terms. There is no question of putting on the table either these institutions or our sovereign power to take fresh or different measures as the evolution of our situation may require.

• (1650)

[*English*]

Members of the Government have spoken often of the special needs of our artists and creators, and of the need to maintain support programs for the cultural industries. We have done much more than talk. We have demonstrated our commitment through thoughtful, well-planned and concrete measures designed to respond directly to the concerns expressed by the artistic and cultural communities.

When the Government came to office it launched a thorough and intense program of consultations, touching on almost every aspect of the cultural portfolio. We have seen the several reports which have been presented to the House by the standing committee studying the various aspects of culture and communications. They are very thoughtful reports that are very useful to the Minister in preparing legislation. Some of this legislation has already been introduced and more will come soon. We are doing more than talk in our attempt to help cultural industries.

We did much more than consult, we acted. Through those actions we have made it clear to Canadians and to the Americans, who are listening, that the ability of Canadians to express themselves to Canada and the world is not negotiable.

Let me remind Members of the House of some of those initiatives in order that we might better judge the motion before us. The Investment Canada Act itself was one of the first major legislative initiatives of the Government. In that Act, cultural concerns were of central importance. Cultural industries have special status under that Act and are subject to more stringent review procedures. The message is very clear.

In a similar vein, the Government adopted a publishing policy to protect the health of the Canadian publishing industry. We have also introduced a strong new book publishing development program, and have increased funding for the Canada Council to support Canadian writers. The Government also introduced a new feature film distribution and production fund and created a fund to support dubbing and subtitling.

We opened the doors to allow the film industry to benefit from other government programs to which it did not have access before. For example, Employment and Immigration Canada's training funds were made available to help Norman Jewison establish a film institute in Toronto.

[*Translation*]

We have set up the sound recording industry assistance program to encourage the Canadian record sector to produce and market musical programs and products. We have set aside additional funds for the Canada Council to improve access to performing arts throughout Canada, and as much as possible to stabilize the financial situation of artistic concerns. We have approved royalties which compensate Canadian authors when their works are loaned out by public libraries. This had been unheard of, Mr. Speaker. We created a special fund designed to increase the efficiency of and the access to public archives and libraries. We have adopted new measures concerning French language television. We acknowledge the distinct character of French language radio broadcasting, and we give priority to the need to design specific policies to take these realities into account. The Government firmly believes that the choice of French programming available throughout Canada must be improved. Not just in Quebec, everywhere else in Canada! This is why we are involved in TV Ontario's French network at the Canadian level and, at the international level, in the TV-5 network whose programs are aired in Europe and Africa. Mr. Speaker, we belong to the world's great French fraternity.

[*English*]

At the moment, the Government is preparing legislation to license the importation of films into Canada. This legislation will permit Canada, for the first time in almost 60 years, to

exist as a distinct national film market. Previously, Canada did not exist as such a distinct market.

In the field of broadcasting, where the need for balance between Canadian and foreign cultural productions is most critical, we will be conducting a fundamental overhaul of the Broadcasting Act. In a matter of days we will be introducing new copyright legislation.

All of these initiatives cut across the full spectrum of the cultural portfolio. They nurture individual creators and performers, and they foster the economic health of the cultural industries. They are not meant to restrict freedom of choice but to enrich it, by ensuring that each of us as consumers of art work and cultural products will be able to choose from Canadian images, ideas and music as well as from the best from other countries.

These measures are not the work of a Government that takes cultural sovereignty lightly. They are not the work of a Government that would sacrifice national identity for political or economic ends. These are measures that are testimony to the Government's commitment and it is a testimony that has been heard and respected by both sides in these trade talks.

Mr. O'Neil: Mr. Speaker, I want to congratulate the Hon. Member for Gatineau (Mrs. Mailly) for her thorough, well researched speech on the negotiations with the United States. I am particularly pleased to hear her references to cultural institutions and the cultural fabric of this country, representing, as she does, a culturally unique part of our Confederation.

Does she foresee a trade agreement to be something analogous to the trading arrangement that is reflected in the Auto Pact? When we in eastern Canada hear the negative remarks about a trade agreement, we look at the Auto Pact and wonder how the Member for Oshawa (Mr. Broadbent) can stand in the House to oppose a trade arrangement that will benefit Atlantic Canada in the same way as the Auto Pact benefits his constituency.

Mrs. Mailly: Mr. Speaker, while these two subjects are of different magnitude, they do have many common elements.

The first reaction of the Opposition, including the former Liberal Government and the socialist Opposition, to the proposition of an Auto Pact was one of great dissension, fear and doom and gloom. That is in common with what is happening in this case. There are similarities with the Auto Pact. There is also a great resemblance in the benefits to our country of both arrangements.

The Acting Speaker (Mr. Paproski): It being five o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 82(12), proceedings on the motion have expired.

Pursuant to Order made Thursday, May 21, 1987, this House stands adjourned until Tuesday, May 26, 1987, at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Tuesday, May 26, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF SEVENTY-SEVENTH INTERPARLIAMENTARY CONFERENCE

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House the report of the official parliamentary delegation which represented Canada at the Seventy-seventh Interparliamentary Conference in Mango, Nicaragua on April 27 to May 2, 1987, in both official languages.

* * *

PETITIONS

CANADA POST—OPPOSITION TO CORPORATE PLAN

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have the honour to present a stack of petitions from residents of Falkland, Avola, Lions Bay, Sorrento, and Monte Creek, British Columbia.

They are concerned about the proposal of the federal Government to seek financial self-sufficiency by 1990 for the Canada Post Corporation and believe that it will result in cutbacks, in deterioration of service in the Post Office, and consequently will be at the expense of service to Canadian consumers, particularly those in rural areas.

They also believe that proposed measures have already resulted in the closure of many rural post offices and the cancellation of routes in rural communities, which will mean a drastic reduction in services in these small communities.

Therefore, they call upon the Government to make improved service the highest priority for Canada Post and to instruct the Government to abandon the policy of closing rural post offices and cancelling rural postal routes.

RIGHT TO LIFE OF THE UNBORN—LEGISLATIVE PROTECTION

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, pursuant to Standing Order 106, I wish to table the following petition which indicates in part that all human beings are deserving of legal protection from unjust attacks upon their lives and that the present law regarding abortion does not provide such protection; wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to amend the Criminal Code so that unborn human beings are protected by law from abortion.

RIGHT TO LIFE OF THE UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have the honour this morning to present petitions signed by residents of Fort Frances which call upon Parliament to support the passage of Motion M-37.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 114.

[*Text*]

INMATES IN FEDERAL SECURITY INSTITUTIONS OVER AGE 60

Question No. 114—**Mr. Nunziata:**

How many inmates in federal (*a*) maximum (*b*) medium (*c*) minimum security institutions are over the age of 60 and, in each case, what is the age and parole eligibility date of the inmate?

Hon. James Kelleher (Solicitor General of Canada): Our response is as follows:

(a) Number of inmates in maximum security institutions: 8

Date of Birth	Parole Eligibility Date
1924-01-14	1992-06-21
1925-10-15	2005-12-18
1922-10-12	1978-02-10
1920-05-21	1979-02-17
1925-06-24	1988-05-28
1921-02-17	1973-11-23
1922-09-04	1988-09-13
1925-01-19	1992-06-21

(b) Number of inmates in medium security institutions: 73

1923-06-13	1992-05-21
1921-05-17	1987-03-19
1923-06-18	1977-06-19
1921-04-01	1990-04-21
1921-07-07	1986-03-29
1926-04-13	1986-09-04
1917-07-19	1974-03-20
1921-04-21	1987-12-18
1921-11-18	1988-01-24
1925-06-04	1987-03-21
1925-07-09	1987-01-17
1926-01-01	1991-07-04
1923-05-20	1990-04-18
1923-12-05	1977-03-20
1920-11-20	1974-09-23
1926-01-17	2009-12-25
1918-10-28	1977-08-15
1924-01-24	1976-01-16
1925-03-30	1977-03-12
1922-02-26	2002-02-10
1919-09-25	1990-02-04
1922-10-06	1988-07-24
1923-10-02	1981-09-29
1919-06-11	1995-09-05
1924-03-12	1986-01-30
1913-09-03	1974-05-24
1924-12-14	1987-10-23
1924-09-20	1985-10-02
1919-07-05	1973-10-10
1925-09-15	1982-10-02
1923-06-11	1987-08-07
1926-03-04	1987-05-31
1925-07-28	1988-03-10
1924-12-25	1987-05-15
1912-06-15	1979-09-10
1914-02-15	1993-11-15
1924-08-28	1987-05-23
1925-07-16	1990-05-11
1911-10-01	1989-02-28
1920-05-01	1977-10-01
1926-04-19	1993-04-08
1925-03-11	1986-08-22
1925-05-13	1979-05-29
1923-01-11	1994-01-12
1924-10-04	1984-06-05
1920-08-31	1986-09-08
1916-03-29	1988-01-23
1922-09-23	1988-01-09
1908-10-31	1988-05-10
1921-08-26	1976-04-06
1913-10-26	1980-11-21
1915-02-15	1988-02-28
1917-07-01	1970-11-06
1917-04-03	1969-10-15
1924-03-19	1972-03-18
1924-06-03	1983-08-08
1916-06-23	1956-07-13
1901-07-22	1966-05-03
1925-01-23	1983-04-08
1921-02-17	1987-10-02
1924-12-16	1967-05-24
1916-05-10	1987-10-08
1920-05-13	1986-07-06
1923-03-26	1986-06-06
1923-08-25	1988-10-27
1914-02-02	1979-10-27
1926-03-11	1983-12-16
1913-03-10	1987-07-27
1923-10-19	1971-07-02
1916-05-06	1987-09-03
1915-11-27	1987-09-12
1924-08-25	1980-07-19
1921-01-07	1990-08-26

(c) Number of inmates in minimum security institutions: 37

1914-12-04	1987-12-24
1924-06-03	1986-12-15
1925-03-11	1992-01-16
1921-04-27	1986-08-21
1916-08-05	1988-03-27
1925-11-23	1987-05-26
1920-01-10	1989-10-06
1921-10-10	1987-12-15
1924-01-31	1981-10-09
1919-01-20	1988-08-03
1925-03-13	1986-05-31
1921-09-24	1987-03-04
1922-12-12	1988-03-26
1922-07-29	1989-03-16
1922-06-22	1988-02-13
1917-04-06	1969-07-16
1920-01-13	1995-04-03
1922-06-27	1988-05-02
1923-01-17	1988-04-14
1919-08-25	1987-06-03
1919-12-27	1984-09-01
1921-07-21	1989-04-17
1925-04-15	1985-12-15
1925-03-19	1972-08-17
1926-03-09	1985-09-30
1918-12-13	1989-06-04
1923-03-01	1984-11-15
1920-12-30	1986-10-04
1924-07-11	1987-04-16
1925-05-05	1986-09-25
1909-10-02	1990-08-02
1920-05-13	1985-09-26
1916-07-28	1972-10-28
1923-10-02	1988-10-15
1923-04-07	1976-06-28
1923-08-31	1980-07-31
1925-07-11	1969-06-21

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

Mr. Speaker: I should advise Hon. Members that before calling Orders of the Day I undertook to return to the

Chamber this morning with a ruling and I am prepared to give that ruling now.

I would ask the attention of the Chamber and I assure the Right Hon. Leader of the Opposition (Mr. Turner) that I will not be overly long.

* * *

• (1110)

PRIVILEGE

ALLEGED BREACH OF CONFLICT OF INTEREST GUIDELINES—MR. SPEAKER'S RULING

Mr. Speaker: I am now ready to rule on the question of privilege raised by the Hon. Minister of Consumer and Corporate Affairs (Mr. Andre) on Thursday, May 21.

[*Translation*]

I have studied quite carefully the question which the Hon. Member for Vancouver—Kingsway (Mr. Waddell) asked and about which the Minister complained, as well as the exchange which then followed. I am grateful to all Hon. Members who took part in the discussion, because they dealt with points which go beyond the narrow limits of a definite issue, points which interest us all considerably and which I shall deal with in this ruling.

[*English*]

In a previous ruling, which I delivered on May 5, I warned against the over extended use of our absolute privilege of freedom of speech. At the time, I said:

> Questions concerning conflict of interest guidelines are, of course, legitimate. Members are entitled to use facts they have been able to obtain and verify as the basis for such questions.

The question of the Hon. Member for Vancouver—Kingsway was clearly related to conflict of interest, although he stated by way of a supplementary question that he was not suggesting that the Minister was in a conflict of interest situation. He did, however, in the course of his question, refer by name to an individual who was involved in fund raising for the Hon. Member's constituency association. This led some of the Hon. Members who participated in the discussion to express concern with regard to the potential for abuse of our absolute privilege of freedom of speech, particularly when individuals outside this House are referred to by name. It is not simply that such people could be slandered, with impunity, without any redress available to them, but that wrongdoing may be implied simply by making a personal reference.

The media are swift to report any matter which smacks of scandal or impropriety, and false impressions can be created, not necessarily intentionally, by reporting parliamentary questions of the kind put by the Hon. Member for Vancouver—Kingsway to the Hon. Minister of Consumer and Corporate Affairs.

I think I should repeat what I said before, that the absolute privilege of this place is something that is necessary for free speech. It is necessary because Members of Parliament have to be able to speak freely without fear. That, of course, is why we have this privilege and its history is clear. But we are living in a day when anything said in this place is said right across the country and that is why I have said before and why I say again that care ought to be exercised, keeping in mind that the great privilege we do have ought not to be abused.

The Hon. Minister in raising his complaint, did so not only on his own behalf, but also in defence of the gentleman referred to in the question. The Hon. Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis) echoed this concern in referring to "the phrasing of questions which slander within the walls of the House not only the Minister but innocent people out there".

The Hon. Member for Peace River (Mr. Cooper) as chairman of the Standing Committee on Elections, Privileges and Procedure, has a particular interest and concern in this fundamental area of our responsibilities and expanded on this aspect of the matter. Frankly, I appreciated his thoughtful exposé of the problem, and the concern he expressed over what he described as "an evolving practice in the House of Commons of using names in here of people who are not Members of the House and, therefore, have no opportunity, no right and no chance to defend themselves."

I am sure that all Hon. Members would agree that we have a responsibility to protect the innocent, not only from outright slander, but from any slur directly or indirectly implied.

With the indulgence of the House, I should now like to refer to the issue of conflict of interest in the context of a Member's relationship with those who are active in fundraising on behalf of his or her constituency association. These remarks, of course, can apply to the relationship between any Member and any person in a riding association of that particular Member having to do with whatever activity might be in support of that Member.

The Hon. Minister for Consumer and Corporate Affairs freely acknowledged that some Members of his riding executive were employees of oil companies. He also said:

> I suggest that there are in this Chamber over 100 Members who have farmers as members of their associations but who nevertheless regularly participate in agricultural debates and vote on agricultural measures. I submit that there are at least 30 Members opposite whose association memberships include union executives, and yet they regularly participate in discussions and votes pertaining to labour matters. In no such instance would it occur to me to suggest a conflict of interest.

Those are the words of the Hon. Minister during the discussion on this particular point.

The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) agreed with the Minister that members of oil companies are entitled to be members of his organization. The Hon. Minister of State for the Canadian Wheat Board (Mr. Mayer), in what I think can be said a forceful intervention, endorsed these views and pointed out that many of the members of his own riding executive were farmers. Presumably no one would contest the propriety of the inclusion of

doctors on the riding executive of the Minister of National Health and Welfare (Mr. Epp), of lawyers on that of the Minister of Justice (Mr. Hnatyshyn), or of women on that of the Minister of State for the status of women. *Reductio ad absurdum* perhaps, but I think this illustrates the point.

[*Translation*]

Before going into the question of privilege itself, I felt I had to express a few general considerations on the points connected with it. It is always useful to set guidelines and I feel that we should avoid as much as possible mentioning by name people who are unable to defend themselves in any context whatsoever against innuendos. I suggest also that in the absence of any concrete evidence, we should avoid suggesting that there might be a conflict of interest simply because a member of a county association is involved in an activity of some sort or is a member of a given profession.

[*English*]

I come now to the complaint of the Hon. Minister of Consumer and Corporate Affairs. I have already stated that questions concerning conflict of interest guidelines are legitimate, and I did not rule out of order the question of the Hon. Member for Vancouver—Kingsway. The Hon. Minister, nevertheless, saw in the question an implied slur against himself and another individual named in the question. The Hon. Member for Vancouver—Kingsway assured the House that he made no accusation either against the Minister or the other person. His assurance was quite unequivocal, and I must take this into account. In addition, the Minister's direct and forthright statement, and the contributions to the discussion made by other Hon. Members, satisfy me that the Minister's reputation has suffered no damage and that no one is likely to question his integrity.

I, therefore, find that I cannot accord this matter precedence over other business. However, I would again remind the House that while questions concerning conflict of interest guidelines are legitimate, great care should be taken in framing them. I would particularly exhort Hon. Members to avoid referring by name to persons who do not enjoy our immunities. There may, from time to time, be exceptional circumstances in which the national interest calls for the naming of an individual. Such circumstances are rare, however, and I am sure that none of us would wish to take the slightest risk of harming an innocent person.

I would, however, like to add something. As I indicated before, matters like this are giving the Chair considerable difficulty. Of course, the Chair must, when a question of privilege is taken arising out of questions which offend someone, keep in mind that the question I have to decide, on a question of privilege, is whether or not the question has reduced the capacity of the Hon. Minister to do his or her duty as a Member of this place. That is the narrow question I have to face, and in this case I have no hesitation in saying that, as a consequence of the questions and the exchange that followed, the Hon. Minister's integrity is left without any question at all.

• (1120)

In my view, there has been no damage done to the Hon. Minister. As I have said, no Minister could have made a more frank response to the alleged innuendo of the question. Free speech in this place is dependent upon order. It is very important, especially when considering the extraordinary privileges we all enjoy here, that a lot of common sense be used.

I also want to say something else. I said the other day that the Opposition has the undoubted right to ask questions and to probe, and I also said that the Opposition has the undoubted duty to do so. I do not think there is any student of parliamentary history who would quarrel with that affirmation. I intend to be very vigilant in ensuring that those rights and duties are properly protected in this place. However, if ever there is an occasion when a Member feels very strongly that something should be revealed here, then I would ask that Hon. Members pursue that particular issue through a fact-finding mission of some care. If it is not required to do so in this place, then the appropriate procedure is to lay a charge and there are procedures under our rules providing for that.

In the interests of order, common sense and some concern for each other, I would ask all Hon. Members to be extremely careful on these matters. I thank all Hon. Members for their interventions the other day which, frankly, I found helpful.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—POSTAL SERVICE—LABOUR-MANAGEMENT RELATIONS

Right Hon. John N. Turner (Leader of the Opposition) moved:

That this House condemn the government for allowing the deterioration of Canada's postal service by undermining the principle of fair and equal services to all Canadians through the substitution of "super mail boxes" for door to door service and by the closure of rural post offices, and by exacerbating already disintegrating labour-management relations within Canada Post by removing labour representation from the Corporation's Board and by other confrontational actions, thereby increasing the threats of postal service disruptions or even shutdowns.

He said: Mr. Speaker, when we became a nation, a confederation, the Government had two principal roles; the first was to protect and defend the realm and the second was to deliver the mail. This Government cannot even deliver the mail.

[*Translation*]

Mr. Speaker, in our view, which is supported by our spokesman and colleague the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano), home delivery is an essential service that must be reinstated in Canada. When establishing the Canada Post Corporation in 1981, the then Liberal Government recognized that mail is an essential public service. It is neither an extravaganza or a luxury—it is a basic service that should be available to all Canadians.

[*English*]

In 1981, the mandate given to Canada Post was threefold; it was first to improve labour-management relations, second, to increase productivity and better postal service and third, to reduce the deficit. Each of these priorities was to be given equal weight. Thanks to that clear mandate, we saw for a while some progress in improving labour-management relations in the post office and on the deficit-reduction side. However, in the Budget of February 1984, the Government, through the Minister of Finance (Mr. Wilson), made it clear that the main priority of the post office was not to deliver the mail but to balance the books.

[*Translation*]

All that, Mr. Speaker, without any discussion here in this House, without any debate, without any regard for service improvement, without any regard for the improvement of management-employee relations. One thing only is all-important: to balance revenues and expenditures. We also want Canada Post to eliminate its deficit. But let us not forget the American experience. Their postal service needed 14 years to achieve that goal. It did not happen overnight.

[*English*]

By redirecting post office management to dwell almost exclusively on cost-cutting, the Government threw out the baby with the bath water. Services are being cut and Canadians are being short-changed. There has not been a postal strike since 1981. Now, because of the almost exclusive concentration of the Government on cost-cutting, labour-management relations have deteriorated to the point that there is talk of a strike. If there is a strike, the responsibility will rest clearly on this Government, because it has so reordered the priorities of the post office that management and labour are finding it extremely difficult, if not impossible, to work out their differences.

There are even some who hold the view that the Government wants a strike in order to make massive reductions in post office staff. Surely that would be too callous and too stupid even for this Government. However, we are putting the Government on notice today. It had better get its act together.

[*Translation*]

The Government should first reinstate the mandate given to the Canada Post Corporation in 1981 to improve labour-management relations, increase productivity and provide a better service, while reducing its deficit. Let us give management and workers the tools needed, and they will fulfil their mandate.

I am not blaming today the management of Canada Post Corporation, nor union leaders. Members of management are working within a framework. The Government directs them to make every effort to achieve savings. They try to comply with instructions. Their actions only reflect the mandate given to them.

[*English*]

Prior to Canada Post becoming a Crown corporation, the Liberal Government of the day had an interim policy of providing community mailbox service to new communities awaiting door-to-door delivery. It was never intended, and I repeat, it was never intended, that this temporary service should become a permanent replacement for home delivery. However, in June 1985, in response to the Government's fiscal instructions, the Post Office made supermailboxes a permanent feature. From that point forward, no Canadian who moved into a new subdivision in any part of Canada would receive door-to-door delivery.

By the end of 1991 there will be close to one million supermailbox addresses. At an average of two people per address, that means that there will be about two million second-class Canadians. That is unfair, unjust and discriminatory. We believe that every Canadian deserves fair and equitable service, every Canadian deserves equal treatment from his Government, particularly in the postal service, and every Canadian pays the same 36 cents for a postal stamp and so deserves the same delivery and the same service.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): In addition to unfairness, my colleagues have reported to the House repeatedly that the boxes do not even work. Some have been broken. For some, one key opens every box in the neighbourhood. Some were frozen over. Some could not be opened. Snow made some boxes inaccessible in wintertime. Surely one is not constrained from asking, did no one in the Government recognize that we still have a rough Canadian winter?

• (1130)

Some time ago in this House I asked the Minister responsible to get rid of the supermailboxes. I asked him to restore door-to-door delivery. In response all we have had is a massive advertising campaign to convince Canadians that the supermailboxes are a great idea. They are not a great idea. They are not even a mediocre idea. They are a lousy idea and we ought to get rid of them.

How are the physically handicapped supposed to get to these boxes to pick up their mail? What about shut-ins? What about the elderly with low incomes who want to keep in touch with their families and who may not be able to use long distance? It is totally unacceptable that the Government is going to force an 80-year old widow to trudge through the snow in 40 degree weather to try and get her mail from a frozen supermailbox. That is assuming the mail is even there. Her pension cheque may not even have been delivered. She would then have to trudge back empty-handed after exposing herself to that kind of deprivation and sometimes risk. That is not the sort of thing

Canadians want to tolerate, and that is the sort of thing we are calling the Government to account for, and about which we are putting it on notice.

[*Translation*]

Mr. Speaker, if that is the Tory vision for the future, I want no part of it, nor I am sure the majority of Canadians.

Let us look at other "bright" ideas put forward concerning rural mail—the elimination of home delivery, that is delivery to roadside boxes, and its replacement by superboxes at major intersections.

[*English*]

Our farmers are already in deep trouble. A way of life in our rural communities is being threatened by the crisis in agriculture. Yet the Government now proposes to make it more difficult by forcing them to drive 10 or 15 miles a day, every day, just to see whether they have any mail. What about the closing down of rural post offices? We could see as many as 5,000 rural post offices being replaced over the next five years. these are social centres in many rural communities.

In *The Ottawa Citizen* this morning I noticed a letter from a former parliamentarian, in fact one of the greatest parliamentarians in my day in the House of Commons, the Hon. J. W. Pickersgill. His letter dealt with this very subject. He pointed out another aspect of closing down rural mail and I quote him:

> But it is not as great a hardship as Canada Post is perpetrating in rural areas, by closing post offices in small settlements and by eliminating rural mail delivery. Closing public post offices and substituting wickets in stores or private houses will be deeply resented because of the loss of privacy by the users. Canada Post should not have the authority to do that.

We agree wholeheartedly with Mr. Pickersgill.

The issue before you and the House is very simple, Mr. Speaker. Canadians want the mail delivered. They want it delivered daily. They want it delivered door-to-door. That is the issue and we put it before this House. When Canadians mail a letter they want it delivered, they want it delivered personally, and to the person to whom they sent it.

It is not complicated, yet what do we see? We see rates going up and service going down. We have one of the most expensive postal services in the world and we are not getting value for money. The reason is that the Government does not seem to understand that the Post Office cannot cut its mandate to deliver the mail.

What good does it do to balance the books by eliminating services? That is the easiest strategy in the world and it is also the stupidest. It does not take any planning at all—just cut the service. We suggested and the unions have suggested to the Government that the way to balance the Post Office's books is to improve the service, make it more imaginative, modern and competitive. That is the way to balance the books, not cut service to Canadians from one end of the country to the other.

The Government, through the Post Office, cuts the mail service. Who cares if a few million Canadians are short-changed? Who cares if a few million Canadians are turned into second-class citizens because they are not getting the same standard of service? Who cares if the elderly or handicapped cannot get to those supermailboxes? Who cares if in the process the Post Office loses its credibility? Who cares, the Government says, if other competitive services arise because people simply stop using the Post Office? Who cares? Obviously the Government does not care, but I believe most Canadians do care, and deeply. They feel this is fundamental. They pay taxes and, once more, they pay for stamps and they want equal service right to their door.

We believe that door-to-door mail service is an essential service, a basic service, that should be available to all Canadians in every part of Canada. We intend to see that basic service restored and that is a clear, full, and unequivocal commitment to Canadians.

Some Hon. Members: Hear, hear!

Mr. Speaker: Questions and comments?

Mr. McKenzie: Mr. Speaker, there seems to be utter confusion in the House today and I think we better get the record straight. It was the Liberal Government which stopped expansion of home delivery in 1974. We had cold winters in 1974. It was a Liberal Government that started the supermailbox program in 1982. The Liberal Government gave full authorization for that. The Liberal Government allowed Canada Post to develop and build these supermailboxes at a cost of millions of dollars. They were first installed in 1983 under a Liberal Government. I checked with Canada Post and not one letter or any other objection whatsoever came from any Liberal about the supermailboxes.

Some Hon. Members: Oh, oh!

Mr. McKenzie: I think it is facetious of the Liberal Party to condemn the supermailboxes when they are the very people who authorized them to be designed, built and installed.

I read the letter of Mr. Pickersgill today. He was here 30 years ago when they started to install green mailboxes. I did not hear him object to that. The green boxes were first used by the Post Office over 30 years ago. The corporation under the previous Liberal Government used green boxes in both rural settings and to service urban growth. There is nothing new about these boxes other than the fact we have made improvements to them.

Another issue I did not hear the Right Hon. Leader of the Opposition (Mr. Turner) talk about was the cost. Where is the money for door-to-door delivery going to come from? I did not hear one word about that. It is going to cost something like $500 million to $1 billion to provide door-to-door service. I would like to see it back, but we also have to talk about where the money is coming from.

• (1140)

The Leader of the Opposition also mentioned that there are no improvements in the Post Office. That is not correct. There

have been a lot of improvements at Canada Post since Mr. Landers took over. Over the last two years the volume of work mail has increased by 6.8 per cent while the number of employees has decreased by over 2,000 at a savings in excess of $60 million. This represents an efficiency improvement of 7.5 per cent. During the same period the over-all efficiency of the service sector in Canada increased by only 2 per cent.

Since 1984, 206,000 homes and businesses, a number equivalent to a city the size of Ottawa, were provided with service using 750 fewer people. That is efficiency. This represents an address growth of 2 per cent with 4 per cent fewer delivery people. We must all act in a responsible manner. If we are going to restore door-to-door mail delivery for all of these homes we will have to discuss the cost.

One of the issues that has been discussed in the Government Operations Committee is declaring Canada Post an essential service. We have heard from many witnesses over the last two years that they could not survive another strike. Dozens of small businesses have had to close down. They just cannot afford another strike. We have seen the evidence.

I have recommended to the committee that we get quotes from the private sector for delivering mail in the new urban areas which are serviced by the supermailboxes. That is an alternative which I have offered. It costs $25 an hour to put a postman on the route. If we want to have postmen in all these areas we will have to discuss the cost.

Is the Leader of the Opposition proposing that we borrow money or that we have a 50-cent or 60-cent stamp to pay for the additional cost of door-to-door delivery? He has a responsibility to tell us what he wants done. Does he want us to borrow the money and have a bigger deficit, or does he want us to increase the price of stamps to pay for the door-to-door delivery he has requested?

Mr. Turner (Vancouver Quadra): Mr. Speaker, the hon. gentleman has not recognized the fundamental thesis I was advancing, which is that Canadians are entitled to equal postal service for the 36 cents they pay for a stamp. It is the Government's responsibility, through the Post Office, to improve services and labour-management relations, to widen the variety of services available through the Post Office, and to balance the books through improved service and not by cutting service, potentially at the expense of two million second-class Canadian citizens, and that will be the result of the Government's practice.

Mr. Keeper: Mr. Speaker, I welcome the support of the Leader of the Official Opposition for door-to-door delivery. I heard what the Member on the government side said with regard to costs. The adoption by the Liberal Party of the policy of door-to-door delivery is different than its policy was when it was in office. Are the Liberals now also prepared to enable the Post Office to be involved in revenue-generating activities? This is a strategy for solving the problem of costs which the Government has failed to examine and pursue. In fact, when the Liberals were in office they failed to pursue that as well.

Does this new Liberal thinking involve not only fairness in terms of door-to-door delivery, but also a realistic look at revenue-generating activities for the Post Office so that we can balance the books while delivering service?

Mr. Turner (Vancouver Quadra): Mr. Speaker, in our meeting with the postal unions we said that we were quite willing to look at constructive ways of widening the range of postal service in an imaginative, revenue-producing way.

Mr. Oberle: Mr. Speaker, I have a brief question. I am interested in the so-called Liberal doctrine of fairness and equity in terms of access to the service of the Post Office and the cost. The Right Hon. Leader of the Opposition (Mr. Turner) knows that not all people live in Vancouver Quadra or Rockcliffe. If the Liberals have that kind of doctrine, why is it that all Canadians who live in rural areas and have to pick up their mail in rural post offices are required to pay a fee for maintaining a box in addition to the expense of having to drive to the Post Office to pick up their mail, often in 40-degree below temperatures?

Mr. Turner (Vancouver Quadra): Mr. Speaker, the hon. gentleman who lives in Prince George in the constituency which he represents, he will know that I am speaking for people in his area too when I ask for better service. Surely he does not deny that the quality of service should be a mainspring of the postal commitment to the country.

Without being overly critical, I must say that it takes 14 days for a letter to be delivered from Vancouver Quadra to the House of Commons in Ottawa. I do not know whether he receives any better service in Prince George, but when I am up there later in the summer I will travel some of the rural routes with him. We will see what his own constituents want. I think he will be convinced of the argument I am making.

Mr. Friesen: Mr. Speaker, I know the right hon. gentleman has developed a sizable reputation for his involvement in business. He has been on the board of directors of a number of corporations. I suspect that during those days corporations were going through what we now call down-sizing because of increased expenses and reduced cash flow. In view of his experience in the private sector, how would he advise the corporation, which one might say is bankrupt every year since it needs a cash infusion from taxpayers, to expand its services in the way in which he asks it to?

Mr. Turner (Vancouver Quadra): The experience I had in business indicates to me that if you want to balance the books of the business or increase its profit potential you do not cut its main product.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, before I begin my formal remarks I would like to comment on some of the statements made by the Leader of the Opposition. He says "do not cut the deficit". He says, "above all, meet the demands of the Opposition first and foremost". He implies that we should not worry about the

deficit. When challenged on it he says that he would do this through better management, better services, by somehow being more efficient and so on. As my colleague, the Member for Winnipeg—Assiniboine (Mr. McKenzie), pointed out, that is precisely what is happening. In fact, if the Right Hon. Leader of the Opposition (Mr. Turner) had done a little homework he would be aware of it. I suggest he might have started by reading the report of the review committee on the mandate and productivity of the Canada Post Corporation, the Marchment Committee, which is a very simple, very terse, very complete description of the problems of the Post Office and the solutions to those problems. If he examines what the Post Office has been doing *vis-a-vis* this committee report he will see that that is precisely what the current executive of the Post Office has been doing.

The situation in the Post Office really started during the time that the first Government of which he was a member was in power, in 1970 and 1971. As a result of innovations brought in by his colleague, the Hon. Erik Kierans, presumably with the blessing of the Cabinet of which he was a member, the staff of the Post Office increased from 40,000 to 60,000. That was a 50 per cent increase with no equivalent increase in the amount of mail. The Right Hon. Leader of the Opposition knows that full well. He knows that until then, the Post Office had a good delivery record and was well respected as an organization. It only deteriorated as a result of the innovations brought in by the Government of which he was a member. It is only in the last two years that we are beginning to get the operations back on track.

• (1150)

The Right Hon. Leader of the Opposition also said that everyone must have the same service. Again, he knows that since the Post Office was created almost a century ago there has never been one uniform service for everyone in the country. There has been general delivery, rental boxes, green boxes, delivery door-to-door and rural routes. The Hon. Member is advocating a change from what has been in place for almost a century, by calling for uniformity.

Finally, let me respond to his comments that the handicapped, elderly, shut-ins and others do not get door-to-door delivery. If he were to check with the Post Office he would discover that everyone of those persons receive door-to-door delivery in their area, even those areas of expansion where supermailboxes are being put in place as a result of the policy began by the Liberal Government in 1983. The fact is that those people in the category described by the Right Hon. Leader of the Opposition receive door-to-door delivery. Those who are physically incapable of getting to the box will receive door-to-door delivery.

The motion put forward by the Opposition today represents a flagrant disregard and lack of understanding of the challenge that Canada Post Corporation faced after years of Liberal mismanagement. The Opposition let the postal service deteriorate to the point where it was abominable. The labour relations environment has been poisoned, and the management of the Corporation has not been given the freedom to act on its mandate. It is a postal service that was driven into the ground by political interference, more of which the Right Hon. Leader of the Opposition is proposing. The most blatant example of this was the absence of a clear delivery policy.

The Opposition talks about fairness. Is it fair that the Liberal Government froze the extension of door-to-door delivery some 24 years ago, then refused to direct the then Post Office Department to implement a permanent alternate delivery system for Canadians? In fact, green groupboxes were installed all over the country as a temporary measure. While those temporary measures began rusting away, and postal customers grew more and more frustrated, the Liberal Government refused to direct the Post Office to develop a delivery policy. Instead, it applied band-aid solutions.

Through the 1970s, the Post Office Department knew well in advance when an election was about to be called because the Liberal Government would thaw its freeze on letter carrier delivery just before the election or by-election. That was its policy. This is but one area of the Liberal Government's abuse of the Post Office that left Canadians frustrated and postal employees equally frustrated.

Delivery was not the only area where the Liberal Government failed the Post Office Department. There was no clear rate policy, except that there should be no talk of a rate increase at any time that could impact on an election. Rate increases came after the election, never before. Rates lagged to the point where there was no increase in revenue while the Treasury Board marched on, buying peace and making outrageous settlements with the postal union that included restrictive clauses that effectively tied the hands of the postal management. The House will recall Joe Davidson of CUPW who said in the 1970s: "The public be damned". That is the legacy that the Liberal Government gave to Canadian postal users.

The fact that the Leader of that Party can stand in the House and say that this Government allowed the postal corporation to deteriorate is evidence of how the Liberal Party thinks. Now they believe it is perfectly acceptable to ask their children to pay for postal service to make up for their mismanagement. There was a $500 million deficit in 1982-83 as a result of mismanagement for which future generations will have to pay. In essence, the position of the Liberal Government, and now apparently the position of the Liberal Party, is that future generations will pay for the cost of delivering the mail today. That is not responsible.

I could go on to talk about the travesties of the Liberal Government, but that is not constructive. Constructive is the approach of this Government to the woes of the postal service.

Let me deal with some of the progress Canada Post has made. After that 42-day strike in 1981, there was a consensus in the House among all Parties that it would be preferable to have the Post Office become a Crown corporation, to remove it

from political interference in which Treasury Board Ministers would weigh the political costs versus taking the responsible action *vis-à-vis* management. There would not be as much opportunity for political interference by Members who wanted to assure their re-election or damage the opposition Party by using the postal service to do so.

The Crown corporation was created in June, 1985. A few years after its creation, one of my predecessors, as Minister responsible for Canada Post, announced the Marchment Committee to study the mandate and productivity of Canada Post Corporation, to see how the system was working after four years of operation as a Crown corporation, and to determine what changes would need to be implemented to ensure that the system would be there in the 20th century.

Members of that committee were drawn from the private sector. The committee travelled across the country and consulted extensively with all interested groups, especially postal users. Following the hearings, the Marchment committee made 43 recommendations to the Minister with respect to Canada's postal service. The Government passed these along to the board of directors of Canada Post Corporation. The recommendations of the Marchment committee were the basis of a five-year plan tabled in the House in November.

The Government is not running Canada Post by ignoring it, or by directing the corporation to act in the Government's political interest. The Crown corporation is expected to manage its operations in the same way that we expect the management of Air Canada to manage its responsibilities, the management of CNR and Petro-Canada or any other Crown corporation to manage their operations. We expect the corporation to manage its operations properly, in the interests of the shareholder and not for the political benefit of the politicians who happen to be responsible at any particular time. That is the only responsible mandate that a government could or should give to a postal service.

I want to deal with some of the recommendations of the Marchment committee, and compare them with the direction Canada Post has taken. The first recommendation of the 43 made by Marchment was that the primary goal of the corporation should be the provision of a consistently reliable service within acceptable standards for first and second-class mail. We agree absolutely. The major thrust of the entire 1986-87 corporate plan is more reliable service, including more reliable service to more points of call. Every year some 130,000 new addresses are created in Canada as people move into new homes and open new businesses. Canada Post moves promptly to serve all these addresses in ways that are both convenient to the customer and efficient in terms of costs. Canada Post is moving to end long line-ups at general delivery counters where people pick up their mail, and to get rid of the green boxes that people say they do not like.

Canada Post will make it easier to buy stamps and other postal products, by using the expertise of the private sector to sell stamps and other postal services in places where postal customers shop and at times that are convenient to postal customers. In fact, over the next 10 years the number of places where people can buy stamps and other postal products will increase by 50 per cent, bringing the total number of locations to approximately 18,000. I was surprised that the Leader of the Opposition said this was a retrograde step which will mean less service. There will be a 50 per cent increase, with 6,000 new postal outlets at places where people shop, whether they live in the country, the city or the suburbs. Those who go to the drugstore, to the supermarket or to the shopping centre will be able to buy stamps at retail outlets that are open until nine o'clock or ten o'clock at night, as are other shops. Presently, stamps being sold through Post Office operations alone are only available between nine o'clock and five o'clock, when customers are also working. Therefore, this improved service can only be an improvement. This has to be nothing but an improvement. Furthermore, it will in fact improve the service and, indeed, be more beneficial financially to the corporation and to the people of Canada.

• (1200)

The second recommendation of the Marchment Committee was that an acceptable level of service be defined as two days maximum for local mail and three days maximum for mail within the same province and four days maximum from coast to coast. The second page of the corporate plan of Canada Post Corporation, which was tabled in the House in November, reads:

> Canada Post will adopt minimum standards for the delivery of properly prepared first class lettermail, all to be measured from after the date of mailing: of two days within the same city, three days between major centres within a province; and no more than four days between major centres from province to province.

That is a realistic commitment to service, service which is being met constantly. That service has improved and is consistent and reliable is evidenced by the fact that Canada Post now handles a greater volume of mail than it ever did before. Customer confidence in Canada Post has increased and the volumes are there to prove it.

The Marchment Committee also recommended that Canada Post develop a more reliable system for measuring on-time delivery performance from mail box to recipient and that this performance measurement be done by independent external researchers. Canada Post is in the final stages of negotiating a contract with Clarkson Gordon, a respected independent auditing company, which will audit its performance on a quarterly basis and report that information to the public. The Opposition, or any other critics will then not be able to make the claim: "The service is going to pieces", because the evidence will be there by independent auditors. That will remove a political arrow from the quiver of the Right Hon. Leader of the Opposition, so he should bear that in mind as he writes his notes for the next election campaign. We will have independent auditors to challenge any assertions of poor service he might make.

Those are the plans of Canada Post for consistent, reliable service which postal customers told the Marchment Committee

is the number one priority. The number one priority is to know that when a citizen mails a letter it will be delivered within a certain period of time. That is being addressed and we will all be able to know it.

The Marchment Committee also told the Government that the corporation should continue to be financially self sufficient in order to relieve taxpayers of the need to subsidize users of the postal system, beyond those subsidies specifically provided by Parliament. The corporate plan is aimed at ensuring that Canada Post will not require Government operating funds beyond the fiscal year ending March 1988. This financial turnaround which will ensure that future generations do not have to pay the postal costs of postal users today, will not be achieved through excessive increases in postal rates.

[*Translation*]

Mr. Speaker, postal rates, as the price of any other service, have to be increased from time to time. However, Canadians will no longer experience any large and unexpected increase in the cost of mailing a letter.

Canada Post has undertaken to base its future rate increases on inflation rate, that is the rate of increase of its own costs, and to limit the increase to 1 or 2 cents per year.

[*English*]

The other two factors which enter into the break-even equation are improvements in the efficiency of the corporation's operations and increased volumes, which translate into increased revenues. As I heard the Right Hon. Leader of the Opposition, that is what he was suggesting the Post Office should do. In fact, it is doing that. Increased volume comes from greater reliability and the two go hand in hand. The better the service you give the customer the more business the customer gives you. However, increased volume creates a net contribution only if additional costs incurred are significantly lower than additional revenues. To spend $1 million to gain an additional $500,000 worth of revenue is not really a paying proposition. Yet, that in essence is what the Opposition is talking about.

Price control through reductions in operating and overhead costs have been successful in the turnaround to date. These reductions occur as the amount of mail which can be processed mechanically increases. To this end the corporation is improving the processing capability of current equipment through modernization. The corporation is also purchasing state of the art equipment which reduces the number of times mail must be passed through it to be sorted. Improved productivity and improved reliability go hand in hand.

Introduction of state of the art technology is only one part of improving productivity. The other part is eliminating many of the restrictive practices which now prevent Canada Post from running its business on the same basis as any other business or industry. Those restrictive operating practices were embedded in the labour contracts Canada Post inherited from the previous Liberal Government when Canada Post was launched as a corporation five years ago. They stem from the days when negotiations with postal unions were not carried on by the people who actually managed the postal operation, the only people who could really know the full implications of a proposed contract change. Those restrictions also resulted from legislation which was used to end postal strikes. Peace at any price was the motto, anything to make certain there was no postal strike while the Liberals were looking to re-election. In this round of negotiations, the corporation is seeking to end these restrictive practices.

The Right Hon. Leader of the Opposition thinks increased efficiency and better operation are the ways to get better service and reduce the deficit. That is in fact what I am told the post office is attempting through these negotiations, so I presume the Opposition is supportive of that initiative.

The Marchment Committee recognized that in years prior to becoming a Crown corporation, years of Liberal Government, wage increases in the Post Office outstripped those of both the private sector and other elements of the Public Service. The report also recognizes that we have to bring the over-all costs into line, not by asking employees to take salary cuts which would not be fair. I would not advocate, nor would the management of the Post Office, that anyone take cuts in wages won by hard bargaining in the past. However, Canada Post is asking for more flexibility to manage the corporation like a business so it can achieve the efficiency talked about by the Right Hon. Leader of the Opposition and we can provide the increased service for which everyone is asking.

[*Translation*]

Mr. Speaker, the Marchment Committee has also recommended that the Corporation should review its management structure in order to reduce the number of levels between its employees and senior management. This is the recommendation that has been acted upon the most rapidly by the Corporation. During the first year of its five-year plan, the Corporation has reduced to six the number of levels of its management. During the same year, it has cut the highest level of its management by 26 per cent.

[*English*]

Canada Post is cutting into the overhead. It has made a 26 per cent cut in upper management, as an example of the kinds of things it expects to happen so we can reach the efficiency and better service called for, while at the same time breaking even.

The Post Office is on the right track. We cannot cure 25 years of mess in just two years. Most importantly, we as responsible parliamentarians have to give Canada Post the opportunity to do that. We cannot continue to interfere politically for short-term political objectives or for short-term political motives and expect that this long standing problem will cured.

I ask all Hon. Members to try to be responsible and understand what is happening. I ask them to learn more about the Post Office and recognize we all have a responsibility. Yes, we have a political responsibility to try to get re-elected and

form governments, but we have a bigger responsibility to this country to act responsibly in regard to important institutions such as Canada Post.

Mr. Deputy Speaker: I will recognize first the Hon. Member for Saint-Leonard—Anjou (Mr. Gagliano), then the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) and then the Hon. Member for Winnipeg North Centre (Mr. Keeper).

[*Translation*]

Mr. Gagliano: Mr. Speaker, let me say at the offset that I will have the opportunity during this Opposition day on the Post Office to put the facts straight from the record rather than from the Minister's opinion. However, I would like to ask the Minister if he would like to answer a question which is being asked ever since Canada Post introduced the supermailboxes in Canada, with the concurrence of the Conservative Government . . . In committee, we put the question to the President of Canada Post Corporation and to the former Ministers responsible for postal services. I wonder if the present Minister could tell us as well as Canadians how much it costs to put the superboxes in place, how much it costs to build the small sidewalk and the box itself and what is, for example, the expected life of these boxes? Has this been planned? How long will it last? What is the maintenance cost? As Canada Post has always told us, the cost of home delivery of mail by letter carrier is $113 per home per year. However, if mail is delivered to superboxes, the cost is around $80 per year and if mail delivery to superboxes is contracted out rather than left to unionized letter carriers, then the cost would be 45 $.

If Canada Post is accountable, as it says, could we be told how much these radical changes, these changes in essential services, which it would want us to get used to will cost? What is the true cost? Is there a plan? Has the whole question of superboxes been examined? We must remember that not so long ago, as soon as the supermailboxes were introduced, a number of problems surfaced. It seems that Canada Post did not even have a safeguard program. Could the Minister tell us exactly what the status is on superboxes and what is their cost? Unless the intent is to play around with an operating deficit and a capital budget . . . We know that the Minister of Finance (Mr. Wilson) has the habit of presenting a Budget but we would like him once and for all to talk in terms of accountability and about the fact that Canada Post is accountable to Canadians . . . But we would also like Canada Post and the Minister in charge to tell us the truth.

• (1210)

[*English*]

Mr. Andre: Mr. Speaker, while I do not have on the tip of my tongue all the figures, my understanding is that the capital costs associated with supermailboxes can be recouped in about three and one-half to four years as a result of savings. So there is a three-and-a-half to a four-year recovery cost which means that this is a very good investment. I say that to comfort the Hon. Member who seems worried about the amount of the capital expenditures.

I should also point out that we can have some comfort in this fact because the United States has used superboxes since 1978. It ceased any expansion of door-to-door delivery at that time in terms of new suburbs. Again, in this area, as in a great many others, we have the American experience from which we can learn. That is one of the reasons why the Post Office is quite confident that this move makes good economic sense. I think the figures are there, if the Hon. Member wants to pursue the matter further.

Mr. Keeper: Mr. Speaker, I have a question for the Minister with regard to the issue of door-to-door delivery in suburban areas. A number of weeks ago the Minister responded to a question in the House from a back-bench Member of his own Party. The question was about the need for service in suburban areas. The Minister seemed to have left the door open at least a crack regarding the possible provision of door-to-door services. He indicated that this year he was focusing on costs and deficit reduction. He pointed out that next year he would be in a position to look at service.

What I want to know from the Minister is this. In attacking the Opposition today, which advocates the provision of door-to-door service, is the Minister slamming the door shut on the whole question of door-to-door delivery in suburban communities? Is he abandoning the possibility that suburban communities will receive treatment equal to the rest of urban Canadians?

Mr. Andre: Mr. Speaker, I want to point out that the supermailbox, the community mailbox, has been around for some time in the United States, which was ahead of us. We have had them in Canada for a number of years. When a survey was carried out of people who received service in this fashion it was found that 93.4 per cent were very or somewhat satisfied with that type of service.

Mr. Orlikow: That is nonsense!

Mr. Andre: The Hon. Member likes polls which support his position—

Mr. Orlikow: I will send you my correspondence on it.

Mr. Andre: His correspondence results from the fact that he and his colleagues went around knocking on doors saying, "Look, its outrageous that you are not getting door-to-door service. You should write a letter". So the person says, "Well, what the heck, I will write a letter". Then members of the New Democratic Party count the letters and say, "My goodness, people are outraged".

The fact of the matter is that if members of the New Democratic Party think it is time to get ready to move their Leader into 24 Sussex and that door-to-door service should be provided everywhere where it is not in Canada now provided, I

think they have a responsibility to explain where the additional $1.5 billion will come from over the next four years. Will they take a responsible position and tell the House from where that money is to come? Do they want stamps to go up the 10 cents or 12 cents that is required? Are they prepared to see income taxes go up? Are they prepared to see money come out of unemployment insurance? From where are they prepared to see the money come?

The Marchment Committee established that what people want is reliable service. They want to know that the mail will be delivered. They want to know that when it is posted it will arrive at its destination within an appropriate period of time. That is the first priority which they set out to the Marchment Committee.

Mr. Keeper: Answer the question directly.

Mr. Andre: That is what is being worked on. If the Hon. Member thinks, never mind that, it is important that it be put into a mailbox on the fence or the side of the house, even if it is two weeks late, then let him advocate that position. Otherwise I think he can only responsibly say from where the money will come.

Mr. McKenzie: Mr. Speaker, I have a comment and a question for the Minister. It was certainly interesting this morning to listen to the Leader of the Opposition (Mr. Turner), the architect of our debt. We will never forget his performance as Finance Minister when he turned a $700 million surplus into a $5 billion deficit. He talked about providing service and doing this and doing that. I did not hear one word from him about from where the money would come. We now know why we are in such a mess today. He made irresponsible comments this morning. I see that he has left the Chamber with his tail between his legs.

I am glad the Minister talked about the size of the executive. That is an issue I worked on in 1983 and 1984. The size of Canada Post's executive was allowed to grow to a size of four pages when listed. It had something in the order of 30 vice-presidents. The list of executives went on and on. Since we formed the Government we have reduced the size of the executive, thus saving a tremendous amount of money for Canadian taxpayers.

There has been a lot of false and misleading information spread around about rural mail delivery. Can the Minister enlighten us fully on what will happen with rural mail delivery?

Mr. Andre: Mr. Speaker, there will be no closing of any rural routes, contrary to the accusations made by members of the Opposition for their own political purposes. If any changes are made to rural post offices, they will be made after consultation, first with the Member of Parliament, and then with the community. Things will have to change. I suppose I should have brought with me the name of the community in Manitoba in which the postmaster retired and did not want to do the job any more. There was no one in the town who wanted to handle the post office. There were no businesses in town. There was no choice. There are only seven families left in that community. There was no choice but to set up a group mailbox. People had to go to the next town, where they bought their groceries anyway, to buy their stamps.

That situation goes into the statistics. Members of the Opposition say, "Aha, Canada Post shut another post office. They said they would not do it and they did it". That sort of thing happens as demographics change. I guarantee that the net result of any changes will be improved service, not reduced service in those communities, because a good chunk of those 6,000 new postal outlets that will be opened will be opened in rural Canada.

Mr. Orlikow: Mr. Speaker, as of a year ago I had 1,500 suburban residents who did not receive door-to-door delivery of their mail, as do residents in the older part of my constituency. These people are angry because they believe they are being treated as second-class citizens. They can only get their mail from supermailboxes. They are no different from suburban residents in the area of Winnipeg—Assiniboine or of Winnipeg—St. Boniface. They want to know why they are being treated as second-class citizens and why they cannot get the same service as that offered to residents in the older areas. If it is too expensive for them, they ask, is it not too expensive for people in the older areas? What would the Minister tell these people? They believe they are paying their fair share of taxes and, despite that fact, they are being treated as second-class citizens.

• (1220)

Mr. Andre: Mr. Speaker, if one lives on a farm—

Mr. Orlikow: I am not talking about the farm.

Mr. Andre: We are talking about classes of citizens.

Mr. Orlikow: I am talking about city residents.

Mr. Andre: We are talking about classes of citizens. If one lives on an acreage outside of town, if one moves to the country for its clear air, one is not attached to the sewer system or to the water system. One needs a well and a septic tank.

The fact of the matter is that one cannot guarantee the same services to everybody in the country, wherever they live, be it in downtown apartments in centre-town areas, in the suburbs, or in acreage areas around cities.

Mr. Orlikow: We are talking about urban residents.

Mr. Andre: The fact of the matter is that it has never been that way.

It used to be that the New Democratic Party was the Party of the future, the Party of change. Now it is the most reactionary Party in the House. I am surprised the Hon. Member is not on his feet decrying the fact that we no longer have daily milk delivery. How about the handicapped people who no

longer have milk delivered to their houses? Should he not be on his feet raging? They do not have daily bread delivery any more. I mean, it is outrageous that people must go out in the cold of night and winter to buy bread. Oh, my God, is that not a terrible thing?

Mr. Orlikow: Answer the question.

Mr. Andre: The NDP should be outraged at this terrible reduction in service, that we no longer have bread and milk delivered to our homes. It is a scandal. We should do something about it.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, let me begin by making it quite clear that the New Democratic Party feels that door-to-door delivery should be extended to all suburban residents, that all urban residents should be treated equally.

I personally made a tour across the country and visited various suburban locations. I consulted with the people about mail delivery and discovered that a very significant proportion of the people living in suburban locations felt betrayed by the Government. They felt that they were being treated as second-class citizens and that it was simply unfair that they should be denied the service which their neighbours or people across the street received. I visited communities in which the entire communities were surrounded by residential areas which received door-to-door delivery. It is incomprehensible to these Canadians why they should be treated as second-class citizens when they pay the same taxes and the same postage rates.

I welcome the conversion of the Liberal Party to this policy. I welcome the fact that the Liberals have seen the light. They have come out clearly as saying that they favour door-to-door delivery. In fact, they went a little further in the House today, saying that they would support revenue-generating activities at the Post Office. I welcome the Liberal Party catching up and taking this policy stand.

I am a little shocked by the Government's attack on the Liberal Leader for the adoption of this policy. It is interesting that the Minister said that the old policy of the Liberal Party was to freeze the extension of door-to-door delivery until an election and then make it available when an election was coming. He indicated that that was how we knew an election was coming. Rather than criticizing the Liberal Government for doing that, Canadians want the Minister to thaw. They want him to change his policy. They want to be treated fairly. They would like door-to-door delivery extended to all urban residents, so that it is not an election issue and cannot be played with, sort of like turning on the tap a bit when we are approaching an election and shutting it off when the election is over. I call upon the Minister and the Government to treat Canadians fairly. I call upon the iceberg to thaw.

We in the House are addressing the question of postal service by way of an Opposition motion for the third time in the last few months. It is a measure of the failure of leadership on the part of the Government when it comes to postal service. In fact, it is an indication of the false leadership which it is providing in this area. The Minister has become the "Pied Piper" of the postal service. He plays a beautiful tune and he promises to deliver the mail, but he is leading us down the garden path.

What I want to examine thoroughly today is just what the Government is saying with regard to postal service and what it is saying in the present context. I will deal with what is the Government's policy with regard to the Post Office and then the politics of the whole question of postal service.

I will begin by looking at what the Government is saying. It is quite simple. The Government is saying that if only the unions would give in people would receive service. The management of the Post Office has said that if only the unions would give up clauses in their collective agreement everyone would have service and the deficit of the Post Office would disappear.

It is a rare occasion when the President of the Post Office speaks out. He is usually closeted away. He has a reputation for being like an oyster, for keeping his thoughts to himself. However, when did he choose to speak out? He chose to speak out in the middle of the negotiations which are ongoing right now and said in effect if only the unions would give in, we would solve the problems of the Post Office.

Rather than playing the role of mediator, rather than problem solving, rather than finding a way for the negotiations to come to a successful conclusion so that people would be assured of continuing service, the Minister jumped into the fray with his big boots and tried to kick the unions while they were down. He said that if only the unions were not so powerful, if only the unions did not have such restrictive collective agreements everything would be fine at the Post Office and everybody would get service. He indicated that there would be no cost problems and that everything would be hunky-dory.

If three parties are involved in providing a service, is it credible to think that only one of them is to blame, that only one of them is responsible for the lack of adequate service? In this case we have the Government, the management of the Post Office, the unions, and the workers. Is it really credible to pick out one party and say that it is the one to blame? Is it credible to say that management's hands are clean, the Government is virtuous, but the unions are to blame? The Government is seeking to blame the unions for its own lack of leadership in the area of providing postal service.

I know from my experience as a parent—and I am sure it is the case with any Canadian parent—that when there is a squabble going on, usually it does not make any sense to blame one of the people involved. My two young boys are very energetic. They often play very co-operatively with each other. However, when they get into a fight, when they are screaming and yelling and I cannot take it any more, I rarely find it productive to blame one of them, to say that it is David's fault and not Eddie's fault. This is the approach the Government is

taking. It is trying to take the approach that one party is to blame. That is not realistic. It does not fit with human experience.

• (1230)

Let me give another example, Mr. Speaker. When we are talking about labour-management relations and service at the Post Office—and obviously to provide service we need successful labour-management relations—we are talking about making a deal. Usually a deal is between two Parties, but in this case there are three Parties because the Government is directly involved. What is a deal? It is the result of give and take. It is not the result of one party giving in and the other party taking, because you cannot make a deal that way.

Let us look at the most recent deal with which Canadians are familiar, namely, the Meech Lake Accord. That is a deal. We can criticize it, we can say it is inadequate or it is great, but fundamentally it is a deal. The Prime Minister (Mr. Mulroney) wanted to bring Quebec into the Constitution. Quebec had its five demands. Other provinces had different demands. There was give and take.

If we are to have continued service at the Post Office we have to bring about a negotiated settlement. We have to have a deal, which means give and take. What the Government is saying up to now is take, take, take, that the only one to blame for the lack of service at the Post Office is the unions. That is what the Government is saying in the present context. Is it any surprise that the unions feel they have their backs up against a wall?

Management at the Post Office is asking for the elimination of the cost of living clause, which is a normal part of most collective agreements these days. The cost of living is going up, but if the Government is successful in its economic policy presumably inflation will not rise at an exorbitant rate so this clause will have no impact.

The Government is asking for the elimination of 8,700 jobs. If you were working in a situation in which 8,700 jobs would be cut from your workplace, Mr. Speaker, I am sure you would feel insecure, just as I am sure most Canadians in a situation like that would feel insecure, and can understand why people are asking for job security. So it is not surprising that unions feel they have their backs up against the wall. It is necessary for us to have a negotiated settlement in this area for service to continue. Just blaming one of the three key parties involved will not bring us the solution that we need. Nor will it assure continued service.

It surprised me to learn that the Government was using a part-time conciliator in the negotiations between the Canadian Union of Postal Workers and the Government. The Government had appointed someone who had no time available on his calendar until October and could only make time available when other items were cancelled. Is that a serious approach to important negotiations? The Government should have appointed someone who was available full time, the best conciliator available in the country, because these negotiations are crucial to Canadians.

Let us now look at this situation in a broader perspective, the perspective of Government—Post Office policy. What choices do we face with regard to Post Office policy? Do we go with the Conservative Post Office policy or do we continue with the drift established under previous Liberal and Conservative Governments, a drift that has got us nowhere, or are there other alternatives?

First, what is the Progressive Conservative policy? It is to put the priority on eliminating the Post Office deficit and consequently cut service. While the Government is seeking to eliminate the deficit it is preventing the Post Office from getting involved in revenue generating areas. Not only is the Government seeking to eliminate public subsidy of the Post Office, it is also seeking to eliminate the possibility of cross-subsidization, which is another way of paying for the service. The Government has put the priority on deficit cutting rather than on service.

The Government has substituted mailboxes for home delivery. The Government is treating Canadians in suburban locations as second-class citizens. We heard the Minister justify this today by saying that the Americans have done it first. We know that the Prime Minister is an admirer of Ronald Reagan, but surely we do not have to follow, lock, stock and barrel, what the Americans do.

With regard to rural service, the Government has over the last few years been cutting back on rural routes and it has been closing post offices. There has been no firm indication up until now that the Government is willing to change its policy regarding rural Canada. This whole question of reduced service has spawned an organized protest movement throughout rural Canada, demanding that the Government cease to be a threat to rural life. It is time that the Government woke up and took rural service seriously.

The Government, to reduce service in the rural area, is following a policy of privatization, a policy it is following in the urban areas as well. Customer services are being turned over to the private sector. The Minister said that you can get more convenient hours that way. Then why not change the hours of the existing post offices if that is the key? In the process of franchising post office outlets, what the Post Office and the Government is doing is giving away revenues. The only post offices that you can franchise are those making money. No one will want to take on a franchise for a post office if it is losing money. The ones that you can franchise are those presently making a profit. Revenues will be given away which will further starve the Post Office, aggravating the deficit situation. Along with that will be a continued policy of service reduction at the Post Office.

Another area of policy which the Government has made clear by its actions rather than its words is in the whole area of on-time delivery. How fast do you get your mail? We see letters take a week to go across town or a couple of weeks

between cities. Instead of tackling that problem and finding out how to solve it the Government has watered down standards. Instead of same day delivery the Government has gone to second day delivery. The Government has sought to produce statistics of reliable service by watering down the service.

What we have is a government policy which is one of reduction in service, of increase in postal rates and of focusing on the deficit rather than on service. Service is what Canadians want. Over the last 20 years under Liberal and Conservative Governments the quality of the postal service has gone down.

But there is an alternative, Mr. Speaker. We should decide once and for all why we have a Post Office and recognize that it is a public service. We no more expect the Post Office to make a profit than we would to expect health care to make a profit or airports to make a profit. We subsidize the transportation industry which ties the nation together. It is legitimate to use taxpayers money to subsidize and pay for a public service. Why do we pay taxes if it not for public services? The Government wastes a great deal of money in certain areas. What about taxation write-offs? I am thinking about the closets of the Prime Minister, money that came out of public funds. What about the capital gains write-off that gives money to very high income earners? The Government wastes money but when it comes to a public service such as the Post Office, an essential communications service, a legitimate use of taxpayers' money, not much is done. Let us not run away from that. At the same time, let us enable the Post Office to compete in areas in which it can make a dollar, gain revenue and cross-subsidize. This is a policy common to transportation and communication systems in Canada and could work for the Post Office as well. There is an alternative to what the Government has proposed.

• (1240)

I would like to step back from this question and take a bird's-eye view of the politics of the situation. The Government is seeking to blame the unions for the lack of adequate postal service. By using the unions as a scapegoat, it is hoping to gain public approval. The Prime Minister is trying to play Ronald Reagan. He is trying to take on the big unions and whip them into line in order to gain public approval for himself. He is pretending to be the champion of the public when in fact he is avoiding the real issue. This approach will not provide the kind of service we need. By blaming the unions, the Government is trying to satisfy its back-benchers, those people who are willing to use the Post Office as a whipping boy.

Canadians want results. They want good postal service. They want their mail to be delivered on time. They want the same kind of service as their neighbours receive. They want rural communities to be supported rather than undermined by reductions in postal service. Canadians want the Government to take a problem-solving approach to postal service rather than one of blame. They want the Government to look seriously at the Post Office and to establish a bottom line for service, the kind of service Canadians want. Canadians want the Government to structure the postal service so it can be paid for adequately, recognizing that it is a public service.

Once again we find ourselves addressing the question of postal service because nothing has changed since the last time we addressed it. Nothing has changed because of the lack of leadership of a Government that is seeking to take us down the garden path. The Minister responsible for the Post Office has become a Pied Piper who is singing a sweet tune but is not delivering the mail.

Mr. Taylor: Mr. Speaker, the Hon. Member for Winnipeg North Centre (Mr. Keeper) talked about fairness. I would like to make a comment or two and then ask him a question.

In my riding there are hundreds of farmers who have to drive anywhere between one mile and 25 miles to get their mail. They do so at their own expense. If they do not want to stand in line at the post office or if they want to get their mail after hours, they have to pay $10 or $15 per year for a box.

In my riding, there are hundreds of people who live in towns and villages and have to walk to the post office. If they do not want to stand in line or if they want to get their mail after hours, they too have to pay $10 or $15 each for a box.

There is a city in my riding of about 11,000 people called Airdrie. It is located on both sides of the main highway going through that area. Nobody there gets their mail delivered. They have to go either to the main post office or to the sub-post offices to pick up their mail. Again, if they do not want to stand in line or if they want to pick up their mail after hours, they have to pay $10 or $15 for a box.

There are about 7,000 people in the City of Drumheller and the rural population around the City of Drumheller is another 5,000 or 6,000. They too have to pay for boxes. They do not get their mail delivered to their homes.

When the Hon. Member is talking about fairness, I wonder how he rationalizes the fact that thousands of Canadians get their mail delivered right to their homes without paying one cent. They do not have to pay for boxes, nor do they have to pay extra taxes for that service. It is an extra service. Is that fair?

Is the Hon. Member prepared to try to make the situation fair by recommending that all city dwellers pay $10 or $15 per year so that they are paying the same as people in rural areas? We talk so glibly about fairness, but I would like to hear the NDP Member indicate how fair he is prepared to be. Is he prepared to recommend that city residents who get mail delivered right to their homes pay $10 or $15 each per year?

Mr. Keeper: Mr. Speaker, I welcome the Hon. Member's question because I think it is a good one. What I find unfair about what the Government is doing right now is that it is cutting back on rural postal service in different ways than it is cutting back in urban areas. However, the common element is a watering down of service.

The Government has said that those living in new suburban developments will not get door-to-door delivery and will have to have a box. Canadians who live in those areas obviously feel slighted, that they are being treated unfairly, because just down the street others are getting their mail delivered to their doors. In fact, there are suburban communities in which those living on part of a street have to go to the box and those living on another part of the street get door-to-door delivery. That is where that resentment and feeling of unfairness comes from.

What is unfair about the Government's policy is that it is not only reducing service in the urban areas but it is also reducing service in the rural areas. I know from my visits to rural communities that the post office is seen as being an essential element of a rural community. If the post office is pulled out, one of the essential services of a rural community is pulled out. I find it unfair that the Government is closing rural post offices and is shutting down rural routes, home delivery in the rural areas.

The Hon. Member for Bow River (Mr. Taylor) is a government Member. If he feels that paying $10 for a box is unfair, why does he not get the Government to change it? If he thinks, as he has suggested to me, that urban residents should pay $10 for home delivery, why does he not get the Government to do that? He is the Member who is in Government. He is the Member who has the power and the responsibility. I would ask him to ask the Government why it continues the policy of reduction in rural services. Why does he tolerate that?

Mr. O'Neil: Mr. Speaker, it is obvious from today's debate that many members of the Opposition are not aware that in small-town Canada and rural Canada, for decades many people have walked a mile or so to the community post office. Door-to-door delivery in those areas was never contemplated.

I would like to follow up on the question put by the Hon. Member for Bow River (Mr. Taylor) which was not answered by the critic for the New Democrats. How can the Hon. Member justify the preferential treatment given to urban dwellers? Perhaps he can respond by saying that in Mulgrave and Port Hawkesbury, which are in my riding, door-to-door delivery should be introduced. However, my constituents are far more realistic than that. They expect responsible Government and fiscal management.

• (1250)

If I went to my home village of 1,000 or 1,500 people and said we are going to have two or three postmen delivering mail every day to their door I do not think they would be very impressed with our fiscal responsibility. They are well aware of the financial position of the country—not of the Government but of the country. They are well aware of the debt load that not only they but their children carry. They are well aware that the greater the financial burden on all Canadians, the greater the risk to important social programs. They are well aware that the greater the resources freed up for social programs, the greater the security for their long-term social well-being.

I have to say to the NDP critic that his Party cannot have it both ways. They either want to put in place a sound financial structure for the people of this country to ensure the long-term future of important social programs, or they do not. It seems to me that what I continually hear from the NDP is nothing more than the case being put forward on behalf of the big unions. I can tell him that no union dues are checked off at the pay office and directed towards my campaign.

Mr. Keeper: Mr. Speaker, I am a little surprised at the last comment of the Hon. Member. He says no unions give money to his campaign.

Mr. O'Neil: Union dues.

Mr. Keeper: I wish the Hon. Member had balanced that by indicating what the banks gave to his Party's campaign. The major banks gave $50,000 to the Conservative campaign. If the Hon. Member wants the debate to consist of those kinds of insults, we can do that. However, I think this is a time to deal seriously with the question of postal service.

The Hon. Member talked about a strong financial structure for the country. I agree with that. I agree that there should be an end to waste in the spending of public money. It should start with the tax system. Why has the Government insisted that anyone who makes capital gain of $500,000 can do so without paying any taxes? That is an unfair use of public money. Why do we have $30 billion or $40 billion a year in tax write-offs? The Auditor General has asked if this money is being used effectively. Those are serious questions concerning whether we have a sound financial system and whether we can provide the services we need, including postal service.

The Hon. Member talked about preferential treatment for urban dwellers. I wish he would get up in this House and fight for adequate service for rural residents rather than seeking to divide and rule and sow the sentiment that somehow urban dwellers are getting special service—

Mr. O'Neil: It is true.

Mr. Keeper: —and therefore it is all right for his Government to continue to cut back on rural service, savage his rural community, and undermine the existence of rural Canada. If he wants to address a postal service issue, that is the issue he should address.

As everyone knows, Britain is a country governed by a right-wing free enterprise Conservative Prime Minister, yet that country has postal service twice a day. It is taking on thousands of new workers in the Post Office in order to deliver the mail. It is possible to have a sound financial structure and even a Conservative philosophy and still give good mail service. Why does the Member not take up that challenge and fight for rural postal service rather than trying to create negative attitudes towards urban dwellers?

Mr. Deputy Speaker: We are about to resume debate.

[*Translation*]

Does the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) wish to resume his speech after oral questions?

Mr. Gagliano: Yes, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: Is there unanimous consent to call it one o'clock and allow the Hon. Member to begin his speech after Question Period?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

HUMAN RIGHTS

CHILE—RETURN OF CARMEN QUINTANA TO TESTIFY AGAINST SOLDIERS WHO SET HER AFIRE

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, Carmen Quintana, a university student who was savagely beaten last July 2, will be leaving Canada to return to Chile next month. She will be testifying against the soldiers who doused both her and a friend with gasoline and then set them afire during an anti-government demonstration in Santiago. They were then wrapped in blankets and driven to the outskirts of town where they were both dumped in a ditch. Carmen survived but her friend died four days after this horrendous display of cruelty.

Carmen Quintana's courage to face her adversaries now in a court room is to be admired and honoured because she is returning to a terrorist regime where the word justice has a definition other than that with which Canadians are familiar. The Chilean system of justice violates the dignity of their people which is seen in how Pinochet's Government is handling Quintana's case.

The lieutenant in charge of the army patrol that attacked Carmen and her friend was freed on $25 bail after the army prosecutor reduced the charge from manslaughter to negligence for failing to take the youths to hospital. In other words, the brutal and deadly burning of youths who are seeking democracy is endorsed in this terrorist country.

Carmen Quintana testified before the United Nations in February and is calling on Chileans and Chilean sympathizers to unite against the dictatorial regime of Auguste Pinochet. I now call upon the Government of Canada to do the same and let the Government of Chile know that Canada is watching Carmen Quintana upon her return to testify in Chile.

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CHALLENGE '87

EMPLOYERS URGED TO HIRE STUDENTS DURING SUMMER

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, Canadians do not usually forget their first jobs. In less than one month as Canadian schools terminate for the summer hundreds of thousands of students will be looking for summer jobs, usually their first job which often has a tremendous impact on a person's future.

This tremendous energetic resource should be encouraged and promoted whenever possible. If businesses small and large, and private individuals across the country, would make a small effort to hire a student for a full-time or part-time job this summer, the rewards would benefit Canada as a whole.

I encourage all individuals to remember their first job and hire a student this summer, which will result in tremendous rewards.

* * *

[*Translation*]

NATIONAL ENERGY BOARD

DEMAND THAT SARNIA-MONTREAL PIPELINE BE CONVERTED TO TRANSFER NATURAL GAS LIQUIDS—NEED FOR GOVERNMENT INTERVENTION

Mr. Robert Toupin (Terrebonne): Mr. Speaker, the Quebec Minister of Energy stated recently that if the National Energy Board turns down the application to convert the Sarnia—Montreal pipeline to natural gas liquids, first, Montreal East will lose petrochemical investments to the tune of $750 million, and the 20,000 petrochemical jobs in Quebec would thereby be in jeopardy.

The Quebec Minister also stated large oil corporations oppose the project and multinational corporations would rather have the pipeline carry to Sarnia the oil delivered by tankers in Montreal, which would mean for the short term, mainly the medium term and the long term, the death of the Quebec petrochemical industry and the loss of thousands of jobs.

It is important and urgent, Mr. Speaker, that the Canadian Minister of Energy, Mines and Resources (Mr. Masse) make representations to the National Energy Board, as requested by his provincial counterpart.

S. O. 21

[*English*]

EMPLOYMENT

JOB CREATION IN ATLANTIC CANADA—PRIME MINISTER'S STATEMENT

Mr. George Henderson (Egmont): Mr. Speaker, unemployment in Atlantic Canada is unacceptably high. In some areas the official unemployment rate is 30 per cent. The unofficial rate is much higher. Since September, 1984, the Conservative Government has slashed its budgets for regional development and job creation. Atlantic Canada has been hardest hit by these cuts.

However, what did the Prime Minister (Mr. Mulroney) recently say? On Tuesday of last week he claimed that his Government had created jobs in Atlantic Canada at twice the rate of the previous Government. Nothing could be further from the truth, Mr. Speaker. Then, on Thursday, the Prime Minister gave a regional breakdown of his Government's job-creation record. He seemed to have forgotten what he said only two days before. On Thursday he said, "Some 46 per cent of the jobs created were in Ontario, 28 per cent in Quebec, 22 per cent in western Canada, and so on". The "and so on" is Atlantic Canada.

The figures show that three regions got 96 per cent of the jobs created while the "and so on", the Prime Minister's new description of Atlantic Canada, got only 4 per cent of the jobs. The words "and so on" are an insult to our region. The unemployed in Atlantic Canada are fed up with the Prime Minister's exaggerated rhetoric. What they really need is concrete action by the Government to create jobs.

* * *

[*Translation*]

EXTERNAL AFFAIRS

ECONOMIC CO-OPERATION BETWEEN FRANCE AND CANADA

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the visit of the President of France is a historical, major event for Canada, and testifies to relations of trust with our Government.

As a Member for Quebec, I am pleased to see that the French President recognizes that Canada is a bilingual country, while recognizing Quebec's cultural identity.

If the representative of a French unilingual nation reached that conclusion, I sincerely believe it is because of the efforts of this Government and the Prime Minister (Mr. Mulroney) who recognizes Quebec's distinctive nature, what with Quebec's entry into the Canadian Constitution.

Moreover, as the Member for Drummond, I can testify to the economic co-operation between France and Canada, in view of the recent location of a number of French industries in my constituency.

For example, Société Yvan Paques Inc., Sopréma, Disque Américc and Fromagerie Lemaire, who just reached an agreement with France, are concrete examples of that co-operation.

Mr. Speaker, I will conclude by referring to the partnership started in 1985 between Cascades Corporation and Béguin Saye, which now benefits the economies of both countries by creating jobs on both sides of the Atlantic!

* * *

• (1405)

[*English*]

WELFARE

FOOD BANKS IN CITIES—NEED FOR CHANGES IN WELFARE SYSTEM

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in Toronto, Canada's most prosperous city with the lowest unemployment rate, there are now 180 voluntary agencies doling out food baskets to people. In my city of Winnipeg there are now 98 groups doing a similar job. Many of the people who need help from these food banks are children. The same situation is happening in every city and town in Canada, from the Atlantic to the Pacific.

People do not want to depend on charity to meet their needs for food. Surely it is time for the Minister of National Health and Welfare (Mr. Epp) to meet with his provincial counterparts in order to assess the reality of the disaster which has befallen us, and to realize that the present welfare system is not working. Surely it is time for him to work with his provincial counterparts to change the system so that people will no longer have to depend on charity as they do at the present time.

* * *

TOURISM

CAPE BRETON—EXTENSION OF FLEUR DE LIS TRAIL URGED

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Fleur de Lis Trail in Cape Breton is a major tourism issue. This tourism issue does not only get support from opposition Members of Parliament, but also from municipalities, including the Municipalities of the County of Cape Breton, the Town of Louisbourg, the Municipality of the County of Richmond, the Cape Breton Island Mayors and Wardens Council, as well as the Cape Breton Island Tourism Association.

All of them have called upon the Government of Canada and the Government of Nova Scotia to provide the necessary funding for extension of this very famous and highly scenic

trail. Unfortunately, the Government of Nova Scotia, aided and abetted by the federal Government, has done absolutely nothing.

We have called upon the Deputy Prime Minister (Mr. Mazankowski) to consider the possibility of providing moneys under the Federal-Nova Scotia Agreement on Highway Strengthening. Unfortunately, the Deputy Prime Minister (Mr. Mazankowski) and the Minister of Transportation in the Province of Nova Scotia have turned thumbs down to thousands of Canadians in that particular region of our country seeking assistance to build an extension to the Fleur de Lis Trail.

I call upon the federal Government to reverse this negative decision and to come through with some positive contributions in order to increase tourism opportunities in industrial Cape Breton.

* * *

FORESTRY

IMPORTANCE TO ECONOMY OF CAPE BRETON—ASSISTANCE FOR LAND OWNERS ADVOCATED

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, in my riding the forest industry is critical to our long-term economic health, to the maintenance of jobs, and to the creation of new employment. Forest management practices are therefore of utmost concern to me.

In Nova Scotia approximately 75 per cent of the land is owned privately. This contrasts with the situation in other provinces where most land is Crown owned.

To address the management needs of private wood-lot owners, the Government of Canada is funding forest group ventures. The province is also a sponsor. These are co-operatives formed by wood-lot owners. Land owners receive financial help to administer land management programs and to cover the cost of the silviculture work itself.

Today I want to recommend to the Minister of State for Forestry and Mines (Mr. Merrithew) that a group venture application to be submitted by more than 80 Antigonish County land owners receive early approval.

This group is aggressive and responsible and knows from first-hand experience the benefits of good forest management.

Since my election, four such ventures have been established in my riding. I look forward to announcing funding for this group as well.

S. O. 21

NARCOTICS

GOVERNMENT'S ACTION ON DRUG ABUSE—NATIONAL DRUG STRATEGY

Mr. Don Ravis (Saskatoon East): Mr. Speaker, our Government has clearly demonstrated its commitment to combating drug abuse in Canada, with a new five-year plan announced yesterday. I wish to congratulate the Minister of National Health and Welfare (Mr. Epp) on this comprehensive action plan.

For years Canadians have expressed concern over drug abuse. Unfortunately, they have not known where to get accurate information, or where to turn for support and assistance when dealing with drug related problems.

The federal Government has taken a leadership role in educating Canadians on this social menace with the Action on Drug Abuse plan. I know that these measures will give parents in Canada hope for a better future for their children.

The national PRIDE office located in my riding, a drug education organization comprised of parents, teachers and police, has witnessed drug abuse by children at the elementary school level.

• (1410)

I might add that last week it had its national convention in Saskatoon, attracting over 1,600 people from across Canada. PRIDE estimates that nearly 600 children have dropped out of school in Saskatoon, a majority of these cases a result of drug abuse.

Attacking drug abuse is not only important for the preservation of our society as a whole but it is important for those Canadians who may, like these children, become victims of drugs. It is for these children that I give my fullest support to the plan of the Minister of National Health and Welfare.

* * *

ENVIRONMENTAL AFFAIRS

DEPLETION OF OZONE LAYER—PARLIAMENT URGED TO ABOLISH USE OF STYROFOAM CUPS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, you will know, as other Members know, that growing attention is being paid to what is known as the depletion of the ozone layer.

Although I know that Governments are working in a co-ordinated fashion around the world to arrive at the policies and steps which need to be taken, one thing we could do right now would be to diminish the production and consumption of commodities and substances associated with the depletion of the ozone layer. One of those commodities is known as foam plastics or styrofoam.

S. O. 21

I ask all Hon. Members to consider that Parliament and many other institutions across the country contribute to the problem of the depletion of the ozone layer by persistent use of styrofoam cups and foam plastic containers.

I ask you, Mr. Speaker, and other Members of the House to consider whether or not in the very short future we, as the House of Commons, the Parliament of Canada, could set an example for what Canadians could do collectively and individually in the short term in respect of this environmental problem, and consider the use of alternatives in this case.

* * *

HUMAN RIGHTS

ARRIVAL OF DANYLO SHUMUK IN CANADA—ROLE PLAYED BY MEMBERS OF PARLIAMENT

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, for many years the imprisonment of Mr. Danylo Shumuk, a Ukrainian dissident, was a matter of concern in the House. The Secretary of State for External Affairs (Mr. Clark) and other Members of Parliament, including myself, brought his plight to the attention of the Canadian people and the Soviet authorities on many occasions.

Mr. Shumuk was the longest prisoner of conscience in history, having spent over 40 years in Nazi and Soviet prison camps.

This past Saturday I had the pleasure of welcoming Mr. Shumuk to Canada on behalf of the Canadian Government. He will be living with his nephew and family in Lumby, a community in my riding of Okanagan North.

Upon his arrival, Mr. Shumuk acknowledged publicly his debt of gratitude to the Prime Minister (Mr. Mulroney), and particularly to the Secretary of State for External Affairs, as well as to other Members of Parliament who supported his cause. He said:

> I came to Canada because freedom is the very essence of life. I have abandoned my own country. I came because I was not free. I am here because, despite all my losses, I gained freedom which means everything to me.

Members of this House can be proud of the role they played in helping Mr. Shumuk achieve that freedom.

* * *

[*Translation*]

CHILDREN

NATIONAL MISSING CHILDREN'S DAY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, on Sunday, May 24, the Child-Find organization released 15,000 balloons in Montreal on the occasion of National Missing Children's Day. A photograph of a missing child was attached to each balloon. Several fathers and mothers launched balloons bearing photographs of their own children. The release of these balloons was a very moving moment for all who took part in a ceremony that was repeated in all Canadian communities where Child-Find is represented.

Mr. Speaker, sad to say, a considerable proportion of missing children are children who have been abducted by their own parents. Abduction of a child is illegal and should not be condoned, whether by strangers or by a divorced parent.

Although the Divorce Act has been amended, it does not have enough clout to prevent this kind of thing from happening. We think it is important for the Government to act with greater firmness in this area.

I therefore urge the Government to act quickly to enforce the new Divorce Act more rigorously, in order to stop the abduction of children, and I also recommend setting up follow-up and support programs for the parents of missing children.

* * *

CANADA-FRANCE RELATIONS

IMPACT OF VISIT BY PRESIDENT OF FRANCE

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, yesterday, we had the pleasure of welcoming to the House Mr. François Mitterand, President of the Republic of France. The speech he gave on this occasion was one of the best speeches we have heard here for some time. I may add that his speech and his visit mark a major chapter in our history, and I am convinced that there will be lasting benefits as a result of this visit by France's number one man.

Personally, and as Chairman of the Canada-France Interparliamentary Association, I am delighted with the new direction that Mr. Mitterand's visit has given to relations between our two countries, and I trust that in future, they will draw their inspiration from the humanitarian ideals of this great politician.

Friday, I am going to France to head the Canadian delegation to the Twentieth Annual Meeting of the Canada-France Interparliamentary Association. I may say that after the President's speech, I am looking forward with even greater enthusiasm to this official visit.

• (1415)

[*English*]

ENVIRONMENTAL AFFAIRS

RECOMMENDATION CONTAINED IN REPORT OF WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this morning Jim MacNeill, Secretary General for the World Commission on Environment and Development, appeared before the Standing Committee on Environment and Forestry. We discussed what Canada can do in the implementation of the Commission's report.

For instance, Canada can speak strongly in favour of the implementation of the recommendations when the General Assembly of the United Nations meets next October. Or, the Government can have the report examined by each federal Department and agency. Such a review may reveal policies that are not sustainable. For example, on energy we might find out that instead of promoting fossil fuel combustion, namely, coal, gasoline and the like, we should instead promote energy efficiency and the use of renewable sources of energy. Or, take agriculture. We may find that Canada's existing policies are incompatible with sustainable development as indicated already by the Senate report on soils. Or, take the flow of Canada's foreign aid. We may discover that the quality of assistance needs to be substantially improved in order to sustain development.

I urge the Government of Canada to elevate the environment and sustainable development to the centre of the decision-making process if we are to ensure economic growth for generations to come.

* * *

NARCOTICS

GOVERNMENT'S ACTION ON DRUG ABUSE PLAN WELCOMED

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I applaud the Government's move to act against the serious problem of drug abuse. This problem was brought home to my attention recently by information concerning problems in the Niagara Peninsula in our schools. We, as parents, were warned that our small children might be given stickers that apparently transmit LSD type drugs through a child's skin. The stickers were in the form of a star or cartoon characters.

What kind of individuals do we have in society that would jeopardize the health and life of our children in this way? In the midst of this, I am disappointed to see reports from the Opposition's critics questioning both the seriousness of the drug problem, and even the Minister of National Health and Welfare's (Mr. Epp) sincerity in trying to deal with it. I would suggest to them for once forget such partisan comments and co-operate with the Government. Everyone must realize that drug abuse among children and, indeed, Canadians, threatens the well-being of all of us.

* * *

NARCOTICS

GOVERNMENT'S ACTION ON DRUG ABUSE PLAN—COMMITMENT CHALLENGED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I, for one, would like to challenge the Government's commitment to fighting drug abuse.

Last night in our committee we heard from the Native Council of Canada which has been seeking a meeting with the Minister of National Health and Welfare (Mr. Epp) for over a year, a meeting to discuss the very serious problem of those teenagers in Alberta who died after drinking photocopy fluid. The Minister promised them a meeting last year.

He still has not had the guts to meet with the Native Council of Canada which Council pointed out that half a million native Canadians living off reserve and non-status Canadians will not be covered by his drug abuse plan, half a million Canadians who have been ignored by this Government, half a million Canadians among whom the level of substance abuse, both through alcohol and drug abuse, is three times the national average.

Why would the Minister refuse to meet with the Native Council of Canada? Why has he ignored the tragic deaths of those teenagers in Alberta who died after drinking photocopy fluid?

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EXCELLENCY AMINTORE FANFANI, PRESIDENT OF COUNCIL OF MINISTERS OF THE REPUBLIC OF ITALY

Mr. Speaker: Order, please. I want to draw the attention of the House of Commons to the presence in our Gallery of the President of the Council of Ministers of the Republic of Italy, His Excellency Amintore Fanfani.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

CANADA-FRANCE DISCUSSIONS—EAST COAST FISHING RIGHTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are delighted with the presence of Signor Fanfani

here and we are pleased that President Mitterrand of the Republic of France is also in Canada. I think all of us appreciated very much his thoughtful speech of yesterday.

• (1420)

I would like to ask the Prime Minister what progress he made with the President of the French Republic on the serious issue of France's completely unacceptable claims to fishing rights off the East Coast. Did the Prime Minister get any commitment from President Mitterrand to accept the simple fact that the waters off Newfoundland are Canada's waters and Canada's waters alone?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we had some very good discussions with the President and with his ministerial group on a number of occasions yesterday and today in regard to this problem which I set out here in the House, and which the Minister of Transport addressed directly to the President of France at a luncheon meeting yesterday. We conveyed very directly and very seriously the concerns of Newfoundland and Atlantic fishermen, the questions of importance to them and to the sovereignty involved in this matter, and I certainly got the strong impression from the President that it was his desire to co-operate by attempting to seek a satisfactory resolution to a very difficult problem.

[*Translation*]

FISHING QUOTAS IN GULF OF ST. LAWRENCE—ATTITUDE OF FRANCE—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Apparently, Mr. Speaker, the Prime Minister has been unable to settle the dispute over the 200-mile economic zone, that is obvious. So I wonder whether he did manage to solve the overfishing problem created by the French in the Gulf of St. Lawrence. It is a different but related question. Will France put an end to such overfishing, or should the Prime Minister again admit that no progress was made yesterday or today?

Right Hon. Brian Mulroney (Prime Minister): Well, Mr. Speaker, the Leader of the Opposition seems to suggest that no progress has been made unless one's interlocutor did accept one's position at a meeting. He knows very well that this is not at all the way international relations are conducted. We do have a serious and very complex problem on which the Canadian delegation focused during yesterday's constructive debate.

I got the impression that the President of the Republic fully appreciates the significance of this problem for Newfoundland fishermen. The Minister of Transport could not have been more direct when he raised this question and its social implications for Newfoundlanders, as well as the overfishing problem. All aspects of this matter were vigourously dealt with by the Canadian delegation and hopefully we are getting closer to a solution. As a matter of fact, both Governments are negotiating and we hope the presidential visit will help solve this problem in an efficient manner.

[*English*]

AGRICULTURAL TRADE SUBSIDY WAR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister appears to have had about as little success with President Mitterrand as he usually has with his good friend President Reagan.

May I turn to the agricultural trade war? Did the Prime Minister succeed in obtaining any commitment from President Mitterrand to use his influence with his European partners to bring an end to the hazardous and very costly trade subsidy war with the United States that is wreaking havoc with Canadian farmers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my friend is worried or concerned about progress with President Mitterrand. He was a member of previous Governments and I think he would be the first to admit that the very presence of the President of France yesterday and his comments to this nation indicated that there has been tremendous progress.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In regard to the specific question of the agricultural trade wars and the subsidies, that too was raised not only in a bilateral context and alluded to by the President himself yesterday in his speech but in the larger context of the Venice Summit where Canada and the other industrialized nations will hopefully be making progress toward the elimination of what has become a completely unacceptable situation for our farming community.

OVERFISHING BY FRENCH OFF EAST COAST

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in dealing with foreign powers this Government, to date, by allowing the French to overfish, has behaved like the wimp of the western world. Now for the first time it appears as though the Prime Minister understands the seriousness of the French overfishing on the East Coast. Yesterday he said: "France must surely be aware of the seriousness of the issues it raises for our fishermen in Atlantic Canada as well as for Canadian sovereignty." Did the President of France, after listening to the Prime Minister and the Minister of Transport, say that he is now aware of the seriousness of the issue and that this country considers French overfishing to be a threat to our sovereignty? If so, what was his response?

• (1425)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the President of France, after having the opportunity of listening to me putting before him the situation as seen from the point of view of a Maritime Canadian and a Newfoundlander, and after having explained to him the position of the Newfoundland fishermen and the dependence of Newfoundland upon the fishery, displayed sympathy with and a sensitivity for our position. He indicated he thought with goodwill on

both sides and good political management this is an issue that can be successfully resolved.

Mr. Baker: Mr. Speaker, a government official is quoted as saying following the meeting that the Minister of Transport spoke eloquently for 15 minutes. I wonder in which language.

PRESENT SITUATION BETWEEN CANADA AND FRANCE

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the President of France said: "I want to come close to the soul of the Canadian people". We are not worried about the soul of the Canadian people. The Government should be concerned about the salt-water sole and the codfish and the herring that the French have so blatantly overfished this past year.

I ask the stand-in for the Prime Minister whether we are now any closer, even a small step closer, to preventing the French from overfishing Canadian waters for the next four years while the negotiations are ongoing, like they did this past year? Were they even asked to stop overfishing? Or, are we just to be content with the impotent act of closing our ports like big tough guys, whoop-de-do, ports they do not even use in the first place?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, certainly *La Comédie Française* could use the hon. gentleman. As to my language, I assure you it was one of the official languages. I pointed out to the President of France, who I found to be very sensitive on all sides—

Mr. Waddell: He is a socialist.

Mr. Crosbie: Socialists outside the country are usually much better than the ones you find inside.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Absence makes the heart grow fonder, I suppose.

I suggested to the President of France that there was no connection between the need to go to arbitration on the question of the boundaries of St. Pierre and Miquelon and the question of quotas. They are not linked. I suggested that the arbitration matter should proceed without attempting to use it as a reason to get greater quotas from Canada.

With respect to the question of the closing of ports, the effectiveness of that step is shown by the fact that the French delegation on many occasions, both yesterday and before, have asked us to rescind that measure. They would hardly ask us to do that if it was such a no-account matter as the Hon. Member says it is. It is a sign of an erect and capable Government pursuing a vigorous policy.

• (1430)

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM—POSSIBLE PETRO-CANADA BID

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to preface my question to the Minister of Energy, Mines and Resources by saying that it was certainly a pleasure to see the Conservatives rise in the House and give a five-minute standing ovation to a socialist, whether Canadian or otherwise.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Broadbent: Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The recent issue of the *Financial Times* reports that Petro-Canada is considering making a bid for Dome Petroleum along with other corporations.

The Minister stated in the past that Petro-Canada could make such a bid if it did not include Government funds. Is this still Government policy?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, in the way of a comment on the preamble of the Leader of the Socialist party, I would like to tell him his Party could take a lesson from the Government on how to welcome foreign heads of state, whether socialist or capitalist, Mr. Speaker.

Second, in direct answer to the question, I explained on a number of occasions in this House that Petro-Canada has a business mandate. That mandate was given by this Government, and the mandate is there. Within that mandate, it behooves Petro-Canada to make decisions pertaining to its business operations.

[*English*]

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if I understand the Minister correctly the *Financial Times* may be on to an important Canadian development. Is the Minister now saying that it is government policy that Petro-Canada can go ahead, perhaps with two other companies which are mentioned in the same story and, if it is deemed to be in its commercial interest, can make a joint offer for the purchase of Dome Petroleum?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, this Government's position has been clear and specific. First, we want to solve the Dome problem through the private sector in Canada. Second, we also stated that Petro-Canada has a business mandate.

I intervened in no way for or against, as to the direction Petro-Canada should take.

[*English*]

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, will the Minister be quite clear? Is he saying that because the Government prefers a private sector solution Petro-Canada cannot, even if it deems it to be in its commercial interest, participate in such an offer? Or is he saying something which could be in the Canadian interest, that if Petro-Canada so decides, and if it has the capital at its disposal, it can, in conjunction with TransCanada Pipeline or some other companies, make an offer for Dome?

Will the Minister clarify this very important commercial and energy question now?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Leader of the socialist Party is raising a whole series of ifs. It is not for us at this point to answer all the ifs that may come up in the matter of Dome.

I will repeat for your benefit the principles on which we work—we have ensured, by our action, by the policy we developed, that other corporations would bid for Dome. We ended up with three bids. Dome as a corporation is reviewing those bids with its lenders, its shareholders, and as everyone else the Minister is looking at and monitoring the process.

We are seeking a solution by the private sector. On the other hand the Government, a number of months ago and indeed at the beginning of our mandate gave Petro-Canada a mandate to operate as a business concern. It is its responsibility to make day-to-day judgments regarding its action, Mr. Speaker.

* * *

[*English*]

AUTOMOTIVE INDUSTRY

FUTURE OF PARTS INDUSTRY—MINISTER'S ASSURANCES—DEPARTMENTAL STUDIES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. On February 16 at hearings held by the committee of the House looking into the automotive industry the Minister, in response to questions, said, "You talk about threat of jobs, overcapacity—but I disagree with that. Here we have jobs. We know that".

At that same time his own Department had prepared studies which show that we are facing a loss of a minimum of 15,000 jobs in automotive parts manufacturing and the automotive industries. Why would the Minister give a committee of this House those kinds of assurances when his own Department had prepared studies showing the absolute opposite to be the case?

Can he tell us now whether he will start listening and responding to the reports of his own Department and come clean with a policy which will respond to the severe crisis being faced in our automobile industry?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, there have been many reports issued by different associations. The Government is very sensitive to the industry. We have demonstrated our intention of dealing with that and to issue a policy on the auto industry.

However, before we do that we want to consult and really answer the needs of the auto industry. We want to do that after full consultations with the mayors and the industry itself. We want to establish a policy which will answer the future needs of this industry and ensure that Canada will be prepared to answer future challenges.

TIMING OF POLICY INTRODUCTION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I want to remind the Minister that we are not talking about studies of some group or association. We are talking about a report which was prepared by his own Department. If I can offer a small suggestion, it might be worth while reading that report because it suggests that we are facing deindustrialization of the automobile industry unless the Government does something.

At the same committee hearing the Minister promised that there would be an automotive policy in two months. That was in February—four months have gone by. Can the Minister tell us now when the Government will present to the industry and to this House a clear statement on automotive policy? Will it be this week, next week or *mañana*, or never?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Again, Mr. Speaker, I suggest that the Government is well aware of the problem faced by the automobile industry, and we have expressed our intent to settle this problem after carrying out a thorough consultation of the industry. Everybody knows that the industry will be faced with over-production in 1989-90 and it is the Government's responsibility to set up policies which can help Canada and the industry to meet these needs in the future.

That is our intention, and as soon as we have fully consulted the industry and received its recommendations, we shall develop policies which meet the needs of the industry.

[*English*]

ENERGY

POSSIBLE PURCHASE OF DOME PETROLEUM—INVOLVEMENT OF PETRO-CANADA—GOVERNMENT POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my questions are in fact supplementary to those of my Leader, the Member for Oshawa. I listened carefully to the answers of the Minister of Energy, Mines and Resources. He indicated that the Dome matter was one for the Canadian private sector. He, of course, is aware that Petro-Canada is a Crown corporation.

Has the Government told Petro-Canada not to get involved in this deal? If that is not so, if Petro-Canada decides to get involved in the deal, does it have the green light from the Government to do so?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Government's position is clear and definite. We are seeking a solution of the Dome problem through the private sector.

Second, Petro-Canada has a commercial operation mandate.

Third, the Government has received no application from the Petro-Canada board of directors about the Dome issue.

[*English*]

PROPOSED PURCHASE BY AMOCO CANADA

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the fact is that the solution so far is that Amoco, the large American oil company, is still the leading candidate to buy Dome. Is there any truth to the remarks in the article in the *Financial Times* which says that federal officials have been advised by Mr. Simon Reisman, Canada's free trade ambassador, not to interfere in the sale of Dome to Amoco? Is that true? Is that the real reason why the Government, in spite of public opinion polls, in spite of Canada's future energy security and in spite of demands by the Canadian people for a Canadian solution, is still favouring Amoco, the large American oil company?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the answer is a clear and definite no.

* * *

• (1440)

[*English*]

AUTOMOTIVE INDUSTRY

INDUSTRY'S RECOMMENDATIONS TO MINISTER

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. He has just told the House that he is waiting to consult with the auto industry before bringing down a new automotive policy. Is it not a fact that he met with the industry on April 16, over a month ago, and that he received recommendations from the industry?

He has had reports from his own Department in his hands since 1986, saying that if the present situation continues, under which Japanese and other offshore manufacturers are not compelled to obey the requirements of the Auto Pact on jobs and content, it will displace jobs in Canada? What is he waiting for? Why does he not act now? Why is he putting at risk the most important manufacturing sector in Canada?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I said and I repeat that the Government is well aware of the particular problem of the automobile industry. We intend to act after having fully consulted the industry and the organizations concerned. This means the automobile industry and all politicians concerned with this issue. On April 16, as mentioned by my hon. colleague, I met the industry representatives and we agreed to hold a series of consultations and meetings to talk and deal with the conditions and recommendations raised by the industry. On the basis of these discussions, we shall submit a policy to the Government and indicate later on what are the terms of this policy.

[*English*]

CANADA-UNITED STATES TRADE NEGOTIATIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, is it not true that the real reason that the Minister is not announcing an automotive policy is that the whole thing is being held up so as to enable the faltering free trade negotiations to continue? If that is the case, will the Minister abandon that approach, bring down the policy, and not continue a position in which he is saying that the Government wants the United States and Japan to write Canada's automotive policy? Will he do his job and act now in the interest of Canadian jobs, and not let someone else in another country write our policy for us?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Again, Mr. Speaker, I shall simply repeat to my hon. colleague that we are in the process of developing policies after having had consultations with the industry, in contrast with what happened in the past when, on many occasions, the previous Government established, without consultation, policies which did nothing to meet the needs of the industries concerned.

[*English*]

NARCOTICS

GOVERNMENT'S ACTION ON DRUG ABUSE PLAN—COMMITTEE'S RECOMMENDATIONS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I am sure most of us welcome the long awaited announcement of his National Drug Program.

Some Hon. Members: Hear, hear!

Mr. McCurdy: Of course the Standing Committee on National Health and Welfare has found in its consultations that this program is designed not to attack an epidemic but an endemic which is characterized chiefly by abuse of alcohol and over-the-counter prescription drugs.

Now that the Minister has announced his program, will all of the work of the standing committee and the report that is to be published in September be trashed, or will the committee have a role in developing the details of this new national program?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to thank the House for its support and the Hon. Member for his comments. The work of the House of Commons Standing Committee on National Health and Welfare has not been pre-empted by yesterday's announcement as a result of the work done on behalf of the Government, by the leadership the Prime Minister gave on the issue, or by the further details that will be given by various members of Cabinet this week.

I believe the Hon. Member also knows that there are a number of issues with respect to treatment, prevention, and education which will need the co-ordination and help of members of the standing committee, of provincial Governments, of various Departments within the federal Government, and especially of people who work in drug and alcohol addiction centres across the country.

Yesterday we gave a very clear indication of the finances and the various amounts of money that are available for different programs.

As the Hon. Member will know, the provinces have primary responsibility in much of the treatment area. We have indicated to the provinces that we are putting this money forward to develop programs, especially where youth treatment gaps are identified. I very much look forward to recommendations from the standing committee in that area.

Mr. McCurdy: I hope the Minister will provide the standing committee with the details of his program.

NATIVE COUNCIL OF CANADA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my supplementary question derives from the committee hearings last night where we learned that the Native Council of Canada has been denied programming funds to address the problem of alcohol and drug addiction in off-reserve native communities. In view of the emphasis placed on that problem in his program, why has the Minister refused for the last year to meet with this group which is involved in the problems of a half million off-reserve native people?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, first, I would be very pleased to appear before the committee, not only to discuss the program but to table the various details, as my colleagues are presenting the various aspects of the program this week. I look forward to an invitation to discuss them.

With respect to the Native Council of Canada, let me say to the Hon. Member that I identified one of the problems in my first answer. The Hon. Member will know, as will my colleague, the Minister of Indian Affairs and Northern Development, that we have the NADAP for on reserve alcohol and drug programs. He will also know that there are treatment gaps for off-reserve native people, both status and non-status. As well, there have been problems as to provincial and federal responsibility.

I do not think that is a proper response and that is why the program was designed in such a manner that we can give youth treatment and other treatment to those very people.

I am willing to meet with the Native Council of Canada. Quite frankly, I think that is a spurious argument in an attempt to deflect from the real cause of the issue.

USE OF PAM PRODUCT IN AEROSOL FORM—DEATH OF TEENAGER

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Health and Welfare concerning off-the-shelf items. About two weeks ago in the City of Mission, we lost a young teenager as a result of using a product called Pam in the aerosol form. This has taken the lives of several youths in this country.

Will the Minister take these particular commodities into consideration when he is dealing with this problem, because it is one that has been brought forward to me and to other Members of Parliament?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I thank the Hon. Member for bringing that matter to my attention. I was aware of that, as well as the whole area of glue sniffing and gasoline sniffing. The program which we put forward was not only a drug abuse strategy, but an alcohol abuse strategy and a substance abuse strategy.

The point I am making to the Hon. Member and the House is that we want to make the programs that were outlined most effective, knowing that the best way to do so is by working with those people who work with Canada's young people, who work in the addiction centres and who know the streets and know the issues and who, frankly, need the money and

programming. That is the manner in which we designed the program that I announced yesterday.

* * *

• (1450)

FISHERIES

CANADA-FRANCE DISPUTE—OVERFISHING BY FRENCH FLEET

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Prime Minister. The Prime Minister said in the House a few minutes ago that the presence of President Mitterrand in the House of Commons yesterday was an indication of progress.

I want to tell him that the people of Newfoundland regard the Government of Canada's veto of President Mitterrand's planned stop in Gander, Newfoundland, as an indication of a lack of will by the Government of Canada in resolving the Canada-France fish dispute.

Given that measures were announced, including the closing of Canadian ports, as a means of pressuring the French to stop illegally overfishing in Canadian waters and the French have continued to overfish illegally, what new measures are being considered by the Government of Canada to be implemented to stop illegal French overfishing in Canadian waters?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there were two allegations in that question. With respect to the stop-over by the French President, the news report on which the Hon. Member is relying is inaccurate. It is false. It is wrong.

Some Hon. Members: Prove it.

Mr. Clark (Yellowhead): My word is being called into question, from her seat, by the Hon. Member for Hamilton East. If she wants to follow a formal procedure in the House and find the courage to do that, she may do that.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I have just stated the facts, and I know the Hon. Member will accept them.

Second, it has been our view that one of the important things to be accomplished in moving this file forward in a way that will be helpful to both Canada and to France is to have the French understand clearly the importance of this problem to Canadian fishermen and to the people of Newfoundland.

There can be no doubt that after the presentation by my colleague, the Minister of Transport, yesterday, the President of France and his Ministers understand very clearly the depth and the importance of this position to the people of Newfoundland and Canada.

CLOSURE OF CANADIAN PORTS TO FRENCH FISHING FLEET

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, unless the line that was established by the former Member for Yukon is still in place all the way into Liberal caucus meetings, then it is hardly befitting the Secretary of State for External Affairs to tell us what is true or not true and what was said or not said by representatives on behalf of the Government of Canada—

Ms. Copps: That's right.

Mr. Tobin: —with respect to the veto of a planned and requested stop by the President of France at Gander, Newfoundland. Those are the facts, and the Secretary of State knows it.

I repeat the question. The Government of Canada announced closure of Canadian ports as a measure to force the French to stop illegally overfishing in Canadian waters. The Government said at the time that it was the first measure to be taken to try to impose the law of Canada. It has failed.

What new measures are going to be implemented, and when are they going to be implemented?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I noticed that the Hon. Member had support, from her seat, from the Hon. Member for Hamilton East for his allegation. She was the only one to support him because his facts were simply wrong.

Some Hon. Members: Oh, oh!

Ms. Copps: Is there still a wire-tap into Liberal caucus meetings now?

Mr. Clark (Yellowhead): If the Hon. Member for Hamilton East will restrain herself, Mr. Speaker, I will try to answer the question.

Mr. Speaker: I think the restraining should probably be left to the Chair. The Hon. Minister.

Mr. Clark (Yellowhead): Mr. Speaker, I wish you well.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Mr. Speaker, there was no veto. Second, as I said in reply to the earlier question, and the second was a repetition of it, it was our view that it was very important that the French understand clearly and directly the importance of this issue to—

Mr. Tobin: Why didn't he go to Newfoundland?

Mr. Clark (Yellowhead): —Canadian fishermen. The question is: "Why didn't he go to Newfoundland?" That was a decision taken by the French. What we did was bring Newfoundland—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): What we did was bring Newfoundland and Newfoundland's concerns directly and personally to the attention of the President of France through the eloquent person of the Minister of Transport.

Some Hon. Members: Hear, hear!

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HUMAN RIGHTS

U.S.S.R.—TANYA INWOOD—REFUSAL OF EXIT VISA

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Secretary of State for External Affairs. I am sure he is aware that Tanya Inwood, the Russian wife of Kirby Inwood, a resident of Toronto, was again told yesterday that she and her eight-month old son, Misha, would not be able to leave the Soviet Union to live with her husband here in Canada.

The Soviet authorities have alleged that Mrs. Inwood possesses "Soviet defence secrets". I just returned from the Soviet Union last week. I spoke with many refuseniks who have also been denied exit visas with the ludicrous and cruel excuse of state secrecy.

Surely this case warrants a strong intervention by the Government, by insisting that the Soviet authorities allow Tanya Inwood and her son, Misha, who incidentally is a Canadian citizen, to emigrate to Canada.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me say that I think the visit made by the Hon. Member and the Hon. Member for Windsor—Walkerville on behalf of Parliamentarians Interested in Soviet Jewry was a very helpful and constructive visit. I want, as Foreign Minister, to express my appreciation to them for their work.

I agree with the Hon. Member. This question deserves, as it has received, very active intervention by the Government of Canada. We have made representations on at least 12 occasions.

As the House knows, this issue is one that is of deep concern to the Government. It is an issue of great emotional importance to the Canadians involved. It is an issue of general importance to everyone in the House. We have worked hard on it, on the Inwood case and on other cases. We will continue to work hard on that and on other cases.

In some circumstances we succeed. We have not yet succeeded in this case, but we intend to continue to try.

REGIONAL DEVELOPMENT

DIVERSIFICATION OF WESTERN ECONOMY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. I realize that the Minister knows western Premiers are meeting in Humboldt today and that part of their agenda includes diversification of the western economy.

I have here a document from the Minister's Department which outlines the marketing strategy of the new program called Industrial Horizons, which is yet to be announced and launched by the Department.

Why is there this delay in the launching of the new Industrial Horizons Program, a delay which concerns me because the western diversification initiative is a very important component of the Industrial Horizons Program? Why is there this delay? Does the Minister not realize that the economic problems in western Canada are extremely serious?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I think it can be said that the Government has been moving towards regional diversification as he had indicated in the last Throne speech. Since then, the Prime Minister has stated, and repeatedly so, his intention to see that Government deal with this issue as fast as possible.

Mr. Speaker, we have announced our intention of formulating policies with regard to the problems facing Western Canada. If I were the Hon. Member, I would also examine the record of the Government since it came to power in September 1984, particularly with regard to projects in Western Canada, and more specifically, what has been done for example in the riding of Winnipeg—Fort Garry, the announcement to the effect that Versatile will remain open and that Ford New Holland will open for business, the assistance to Cominco, which was also directed to Western Canada. Numerous projects have created and maintained employment as a result of policies of the present Government which address these concerns.

[*English*]

Mr. Nystrom: Mr. Speaker, he still did not tell the House why he has not launched the Industrial Horizons Program, or do I have to announce it on behalf of the Government?

GOVERNMENT FUNDING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a supplementary question for the Minister. I also have here an internal departmental description of the western diversification initiative, along with the different task force sectors which are described. When I go through the document I see no suggestion whatsoever of new funding or fresh money for western diversification.

What I want to know from the Minister is whether or not the Government is now going to commit itself to a lot of new

money to diversify the economy of western Canada, because the document does not say that? Are you going to do it or aren't you?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is again engaged in mutterings similar to what he engaged in during the course of the debate last Thursday. That is all they are, Mr. Speaker. I want to be as charitable as I possibly can to the Hon. Member. I can tell him that the documents he has represent the fact that he is out of touch, out of date, and he speaks for no one but himself and his group of leakers.

• (1500)

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Nystrom: They are all Tory leakers, Don.

* * *

AGRICULTURE

SPECIAL GRAINS PROGRAM—REQUEST FOR ADDITIONAL ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Prime Minister. He told the House a few weeks ago that when western Premiers called and demanded help for western prairie interests that he would respond.

Today Premier Grant Devine of Saskatchewan called on the federal Government to give a commitment of a minimum of $1.6 billion in a special grains program for the 1987-88 crop year. Now that the Premier has called on the Prime Minister to provide this assistance, will he respond in the way he said he would in the House and give a commitment to provide this additional assistance in the 1987-88 crop year?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the point that I made earlier, I think last week or the week before, was merely that in contrast to previous administrations, of which my hon. friend was a member, when western interests were involved and telephone calls were placed from western Premiers to the Prime Minister in Ottawa they went completely unnoticed and unanswered, I indicated that when western Canadians were in difficulty and through their Premiers they communicated with me, there was a response on behalf of the Parliament of Canada.

Mr. Benjamin: And what is your response?

Mr. Mulroney: My hon. friend asks what is the response. I am trying to give it.

I was out in Saskatchewan, in his province last week. There was, I think, a recognition by the farmers in Saskatchewan of the tremendous assistance that had been brought about by the billion dollar deficiency payment introduced last autumn which is the largest deficiency payment, I am informed, in the history of western Canada. There was an acknowledgement that that was very helpful.

There was an indication that there were problems coming up next year. We committed, of course, to try to work through the Minister of Agriculture with the farm groups, with individual farmers and with the Governments in this regard. We continue to do precisely that. I think that is the spirit which will solve these problems.

UNITED STATES AND EUROPEAN ECONOMIC COMMUNITY SUPPORT FOR FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a supplementary question. The United States, France and the EEC countries all provide a commitment to their farmers as to the level of financial support they will provide over and above the market value of the grain.

Why is it that the Government is not prepared to give a commitment now for the new crop year, the crop coming off this fall, to provide at least the same returns from the marketplace and the financial assistance provided by the Government as other countries are doing for their farmers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have been, as my hon. friend knows, very helpful to agriculture in western Canada. Agricultural assistance has, by and large, increased by some 350 per cent since this Government was sworn in. I think farmers are—

Mr. Benjamin: Where's the answer?

Mr. Mulroney: I am trying to provide an answer.

Mr. Benjamin: Tell us about the next crop year.

Mr. Mulroney: With regard to the larger implications, surely my hon. friend is not suggesting that this Government undertake the kind of policy that exists in the United States and in the European Common Market which has given rise to an agricultural trade war, which is precisely the kind of instrument that is debilitating western farmers.

We are working through the Cairns Group, through the OECD last week, through a meeting yesterday with the President of France, and we are meeting today with President Fanfani in regard to the Venice Summit, to take corrective action to ensure that this crippling artificial trade subsidy practice on the agricultural side, which is literally stealing Canadian markets and lowering Canadian commodity prices, ceases. My hon. friend should not be recommending the kind of solution which causes the problem rather than solving it.

Some Hon. Members: Hear, hear!

Mr. Foster: It is a no, a firm no.

Mr. Speaker: I would point out that while we got started late today, we are now pushing it a bit. I would ask Hon. Members to make their questions very short and that Ministers respond likewise. The Hon. Member for Cowichan—Malahat—The Islands.

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FISHERIES

RESOLUTION OF CANADA-FRANCE BOUNDARY DISPUTE

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Hon. Minister of Fisheries. The Minister of Transport made an eloquent statement of Canadian concerns about the boundary dispute and the depletion of cod stocks off Newfoundland to the French President yesterday. President Mitterrand himself made a reasoned response indicating that he favours a speedy bilateral solution, and if that is not forthcoming, an early reference to third party arbitration.

In light of this expression of reason and eloquence, what steps does Canada now plan to take to make sure that France is more forthcoming in the negotiations on the boundary dispute so that we do not have to be involved in this continued depletion of our cod stocks and that we will not get involved in any further sell-out of those stocks?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am surprised that the Hon. Member comes so late with his question on behalf of his Party, the Party which advocates forceful gunboat diplomacy in dealing with this issue.

I would remind the Hon. Member that a process of negotiation is under way and that this week's visit by President Mitterrand to Canada will give the President a perspective on Canadian concerns, as was indicated by the Prime Minister and described eloquently yesterday by the Minister of Transport. We expect that to have a very salutory effect on the solution which we seek to this serious problem.

Mr. Speaker: A short supplementary, please.

EFFECT ON CANADA-FRANCE RELATIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Government has indicated that it is only going to have more of the same. Did the Government make it clear to President Mitterrand that it regards the St. Pierre-Miquelon boundary dispute and the implications for Canadian cod resources as being absolutely central to Canada-France relationships, not peripheral, and that if there is going to be any improvement in those relationships, that that depends upon a satisfactory solution to the boundary dispute, satisfactory to Canadians and to Canadian fishermen?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I think the House will find that question rather repetitive as it was answered by the Prime Minister in more than one way in this House today that this issue is, indeed, a serious concern to Canada and was well addressed in the meeting with President Mitterrand yesterday.

Mr. Speaker: The Hon. Member for Hamilton East. One question, please.

* * *

MEDICAL CARE

NON-COVERAGE OF CERTAIN SERVICES IN ALBERTA

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of National Health and Welfare. More than two months ago I raised concerns in this House about the dismemberment of medicare in Alberta. The Minister to date has sat by and done nothing while we see the Government of Alberta cutting out eye examinations, foot care, and birth control counselling from its medicare plan.

Can the Minister stand in his place today, as he did last week, and justify these cut-backs, suggesting to the women of Canada that birth control counselling should not be a medically necessary service? Is that the position of the federal Minister of Health? If so, he should resign.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have always wondered why Premier Peterson was so pleased when that Hon. Member left his caucus.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): She is demonstrating every day why.

We have not stood idly by, Mr. Speaker. I will inform the Hon. Member again, and the Liberal caucus if they do not know, that medically insured programs under agreement between the Government of Canada and any provincial health care system are maintained under the Canada Health Act and the block funding under the EPF about which all of us know.

With respect to other services, some provinces go beyond contractual arrangements. They can decide whether or not they will be covered directly by the province or paid by the person who accesses the system. It has always been that way.

Further, with respect to the Alberta situation, we have asked for a list of services which it now intends not to cover under its insured program. To date there has been no indication that Alberta is outside the Canada Health Act.

Mr. Speaker: I regret that the time for Question Period has now gone by. I have a question of privilege by the Hon. Member for Nickel Belt.

PRIVILEGE

ALLEGED FAILURE TO COMPLY WITH STANDING ORDER 99(2)

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question of privilege arises from a statement by the Minister of Employment and Immigration (Mr. Bouchard) in this House on May 15, 1987. I served notice on you, Mr. Speaker, as soon as possible following the statement of the Minister.

• (1510)

The question of privilege I will try to present here this afternoon arises from certain statements made by the Minister on May 15.

First, on March 19, 1987, the Standing Committee on Employment and Immigration tabled its report in the House. At the very end of that report the committee indicated to the House and the Government that the committee requested that the Government respond to this report in accordance with Standing Order 99(2). Standing Order 99(2) reads as follows:

> Within 120 days of the presentation of a report from a standing or special committee, the government shall, upon the request of the committee, table a comprehensive response thereto.

I draw your attention, Mr. Speaker, to the operative word, "comprehensive".

Having said that, I want to point out that on May 15, the Minister tabled his letter to the chairman of the Standing Committee in which he said that, "the Standing Committee has suggested that we consider the recommendations as a package and we have done so".

There is nothing in the Standing Committee report that asks or even suggests that the Minister deal with that report as a package. There is no package deal. In fact, the Standing Committee's report to the House and the Government asked that the Government respond under Standing Order 99(2). We wanted a comprehensive response.

Furthermore, the only mention of the Standing Committee in the Minister's statement appears on page 8 of the statement where he said:

> Mr. Speaker, I would like to take this opportunity to thank each member of the Standing Committee on Labour, Employment and Immigration for their work on the Unemployment Insurance Program.
>
> Their report was most helpful in our consideration of not only the current program but the other proposals for reform we received.
>
> The committee suggested we consider its recommendations as a package and we have done so.
>
> I am tabling today a letter to the Chairman of the Standing Committee reflecting the contents of my statement which will serve as the Government's response to the Report in accordance with the Standing Orders.

In other words, the Minister said that his statement of May 15 is to be considered the comprehensive response to the Standing Committee.

First, we did not ask for a package deal or for a package consideration. Second, we asked that the Minister and the Government respond under Standing Order 99(2) which calls for a comprehensive response.

Furthermore, as recorded at page 6145 of *Hansard* of May 15, 1987, the Minister said:

> In the past six months the Government has considered carefully the advice of all of the commissioners. As well we have studied the recommendations of the Royal Commission in Newfoundland, the Macdonald Commission recommendations and those of the Standing Committee. Members of this House will know that there are sharp and irreconcilable differences among these studies.

Again, that is a false statement. In fact, the Standing Committee made a comparison between the Standing Committee's recommendations and the Forget Commission's recommendations, and that study was available to the Minister. I have it here and I will table it so that the Minister may peruse it if he has not yet seen it. We found that there were 22 areas in which we reached agreement. There was no disagreement between Forget, Macdonald and the Standing Committee on 22 areas. When the Minister said that there were irreconcilable differences, he knew not of which he spoke.

We asked for a comprehensive response. Let me take a look at some of the recommendations. We recommended that there be a common entrance requirement of 10 weeks of insurable employment. Was there a comprehensive response to that in the Minister's statement? We recommended that a common two-week period be retained. Was there a comprehensive response to that recommendation? We recommended that the benefits remain at 60 per cent of weekly insured earnings but that the possibility of phasing in an increase of up to sixty-six and two-thirds per cent in the future be explored by the new commission. There was no comprehensive response to that recommendation. We recommended that the waiting period be eliminated entirely for maternity and adoption benefits. Was there a comprehensive response to that recommendation in the Minister's statement? No way. We recommended that the current practice be retained for work-sharing arrangements. Was there a comprehensive response to that in the Minister's statement? No way. I am simply picking some examples out to build a case, Mr. Speaker.

Mr. Speaker: The Chair is listening very carefully. I think the Hon. Member is probably straying into debate. I would ask that he stay clearly on the point.

I am sure the Chair will appreciate the point when it comes to the time when I will have to reflect upon it and respond. However, I think the Hon. Member is perhaps going over into debate.

Mr. Rodriguez: Mr. Speaker, I do not want to stray from the point. The point I am trying to reinforce is that we made recommendations with respect to benefits, with respect to the administration of the program and with respect to the structure of the Unemployment Insurance Program. In fact, the Minister's statement of May 15 did not respond to that in a comprehensive way. In fact, it is in contravention of Standing Order 99(2).

I believe the Standing Order is being abused. The Minister said, for example, that the Standing Committee requested a package consideration, but it never did. There is no evidence to

suggest that we asked for a package consideration. The Minister also suggested that there were irreconcilable differences in our reports. As a member of that committee, I cannot accept that the Minister could so breach the rules and get away with it.

I believe that there are some courses that may be followed. You may want to ask the Minister to table a new report, Mr. Speaker, or else apologize to the members of the committee for his misleading statements. Finally, I am prepared to move a motion, which would be seconded by the Hon. Member for La Prairie (Mr. Jourdenais), that the whole question of response by the Government to Standing Committees be examined by the Standing Committee on Elections, Privileges and Procedure and that the Minister of Employment and Immigration (Mr. Bouchard) be called to that committee to answer charges that he misled the House by saying that the members of the Committee on Labour, Employment and Immigration wanted a package deal and that he blamed the members for the non-reform of the Unemployment Insurance Program as enunciated in his statement of May 15. I am prepared to move that motion. My hon. colleague from La Prairie, a member of the committee, is prepared to second that motion.

• (1520)

[*Translation*]

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I consider it my duty to rise on this question of privilege, since I am a member of the Standing Committee of the House on Labour, Employment and Immigration, a committee that submitted a report to the Government on the Commission of Inquiry on Unemployment Insurance.

The Hon. Member for Nickel Belt (Mr. Rodriguez) gave notice of the motion he has just read and described. He claimed that his privileges as a Member of this House had been infringed upon, basically because of the Government's brief response to the First Report of the Standing Committee on Labour, Employment and Immigration on the Unemployment Insurance Report and the reference to the Committee's 90 excellent recommendations that formed an indissolvable unit and were in fact supported by a various employer and employee organizations and other groups.

Mr. Speaker, I also want to mention the fact that 89 of the 90 recommendations received the unanimous approval of the three Parties represented on the Committee.

Mr. Speaker, I can assure you that the Government Members on the Committee, including my colleagues from Calgary West (Mr. Hawkes), Jonquière (Mr. Blackburn), Willowdale (Mr. Oostrom), York—Sunbury (Mr. Howie), Hochelaga—Maisonneuve (Mr. Desrosiers), myself, the Hon. Member for Nickel Belt (Mr. Rodriguez) and the Member for the Liberal Official Opposition, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) worked for a total of nearly 100 hours, examining unemployment insurance in Canada.

Mr. Speaker, it would have been a lot easier to consult the back-benchers of all three parties in the House, to find out whether their recommendations were to be seen as a unit or as separate entities. Mr. Speaker, no one bothered to. No one came to see any of the members of the Committee. No one asked any questions. Nobody made any enquiries. No one contacted me personally to find out whether the recommendations formed a whole or were to be seen separately. And by the way, I have been sitting on committees ever since I was elected to this House in September 1984, and I have never seen a committee report that received full approval.

Mr. Speaker, not quite like the Hon. Member for Nickel Belt, I am not so sure whether it is the Minister's fault, or whether senior officials failed to recognize the essential role played by the Parliament of Canada and the Members in governing this beautiful country of ours. Actually, Mr. Speaker, I have to go along with the premises of the Hon. Member for Nickel Belt. We must demand a full and frank response to our recommendations and to those made by other standing committees of this House. Otherwise, we should ask the senior officials to govern without a democratically elected Parliament. Mr. Speaker, I will never and cannot tolerate the perpetuation of a parallel authority, which became a practice under the previous Liberal Government that let officials dictate how to organize and administer the country.

Mr. Speaker, we, Members of this House, were democratically elected, and we make recommendations for good government. In this case, we have the Members of the Standing Committee on Labour, Employment and Immigration who were working morning, noon and night, and sitting six, seven or even eight times a week, with each sitting lasting for five to five and a half hours.

Let me tell you: When the President of the Commission on Unemployment Insurance, Mr. Gaétan Lussier, who, as it turns out, happens to be Deputy Minister of Employment—

Mr. Speaker: Please. I appreciate the seriousness of the problem—a complaint with some difficulties; however, we should not stray away from the core of the argument and I think that, just like the Hon. Member for Nickel Belt (Mr. Rodriguez), the Hon. Member is now straying into debate. The Chair therefore suggests that other Members might be willing to conclude their remarks, for as I said clearly, the Chair fully appreciates the point of view of the Hon. Member for Nickel Belt and the Hon. Member for La Prairie (Mr. Jourdenais). There might also be no point in making lengthy speeches. The Hon. Member for La Prairie may therefore wish to conclude his remarks, and I suggest that this might be done briefly.

Mr. Jourdenais: Mr. Speaker, I understand your decision and your suggestion. It is however important for me to document the points on which I am presently seconding the motion of the Hon. Member for Nickel Belt.

I was saying that when the Chairman of the Unemployment Insurance Commission was heard by the Committee, I asked

him personally what would happen with the report of the Unemployment Insurance Commission that we were studying and dealing with, whether it was going to find its way to the circular file, to file number 13, or whether he was going to submit it with suggestions to the Government. If I remember well, he just shrugged his shoulders and smiled. Nothing, no answer.

Mr. Speaker, when 90 equally important recommendations are tabled and recommended in a report, I firmly believe that they deserve a little more than those two little pages as an answer. But mostly with respect to the question we want to have debated, those recommendations which were not presented as a package should not have been considered as a package deal. Mr. Speaker, a department with nearly 25,000 employees and, believe it or not, 214 vice-chairmen, 214, could have tried a little harder.

That was not the greatest effort at productivity I have witnessed in my life as an Hon. Member, a businessman or a public man. It is the duty of the House, Mr. Speaker, through the Committee of Elections, Privileges and Procedure, to ascertain what a Government should do with respect to the recommendations of a Standing Committee within reasonable limits.

You have advised me, Mr. Speaker, to keep it short, but I cannot help mentioning that when I am sitting on that Committee and I ask precisely the Deputy Minister what he is going to do with the report, I always get the same answer: He smiles and shrugs his shoulders! All his face is saying: Out the garbage!

Maybe we should indeeed call as witnesses in this House all the senior officials responsible for the vagueness of the Minister's answer. They are his advisors. Therefore—

Mr. Speaker: I am really sorry to interrupt, as I consider the argument of the Hon. Member to be quite serious. It is an argument which concerns other Members of the Committee also, and I can assure you that the Chair fully appreciates the argument, and therefore there is no need to keep on with this matter as it is clear that the Hon. Member is now debating the matter.

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as you know, I believe questions of privilege are a good safety valve. However, the basic rule is that the question must be raised reasonably close to the time of its alleged occurrence. It is a little difficult for me to understand why, 11 days later, my hon. friend from Nickel Belt has awakened to the fact that his privileges have been breached. To have such a lengthy debate on an 11-day-old committee report is a bit beyond me.

• (1530)

Having dealt with that, it is quite clear that, if anything, this is a point of order rather than a question of privilege. You have made the point twice now, Mr. Speaker, that you have heard the case and that it has been made. I submit that there is no evidence of a breach of privilege of any Member of this House from any Party.

In closing let me say that comprehensive responses to committee reports are one of the key elements of the parliamentary reform which was brought in by the Government. It is a new effort to recognize the efforts of committees in preparing reports. Those responses are coming forward, either in direct response to a committee report or as part of, as in this case, a government response to another committee report, one independent of Members of Parliament.

We are breaking new ground with comprehensive reports. My hon. colleague may have an objection to it being «packaged» with other things, but I suggest that there has been no breach of privilege. As I understand it, there has been no breach of the Standing Orders by the Minister bringing forward his response as a «package». In fact, the report of the committee has been responded to by the Minister. I submit, Mr. Speaker, that there is absolutely no breach of privilege and that absolutely no *prima facie* case has been made.

Mr. Speaker: Perhaps I can help Hon. Members. The Minister, of course, has every right to respond if he wishes. The Chair has the point.

I do want to inform the Hon. Parliamentary Secretary that the Hon. Member for Nickel Belt (Mr. Rodriguez) gave me notice of this a number of days ago and I agreed that I would hear it later. If there is fault, it is with the latitude allowed by the Chair, not with the Hon. Member for Nickel Belt.

Mr. Lewis: Mr. Speaker, I will obviously respect your decision as to when questions of privilege are heard. I suggest that under parliamentary tradition the very reason for a breach of privilege taking precedence over all other matters is that a Member's ability to act as a Member of Parliament has been impeded. I suggest that these items are to be heard as quickly as possible rather than when it is politically opportune for someone to make the argument.

Mr. Rodriguez: Mr. Speaker, I think the last comment of the Parliamentary Secretary does not become him nor does it become the role which he plays as the Parliamentary Secretary to the House Leader.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: As you know, Mr. Speaker, I discussed the issue of raising the question of privilege with you and we agreed that I should raise it today. The fact is that the long-term performance of Members of Parliament has been impeded by a practice which has become very prevalent in this House. Committees work very hard and they table reports, and then the Minister stands up and gives a blanket statement that nothing will change or that the Government will do a particular thing. However, the Government never, never comes to

grips with each of the recommendations made by a standing committee.

Mr. Clark (Yellowhead): That's not true.

Mr. Rodriguez: The Minister went on in his statement to make all sorts of untrue statements.

[*Translation*]

Mr. Speaker: Order, please. The Hon. Minister has the floor.

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, we are going to try to be more concise, but also more substantial than those who raised that question of privilege. I think that things have been clear from the start. I regret, however, that House procedures should be used to try and transmit messages that cannot get across any other way because the other side does not care.

Well, things are very simple. I will quote our Standing Orders on the tabling of documents in the House.

In French it reads: "*Dans les 120 jours qui suivent la présentation d'un rapport d'un comité permanent ou spécial, le gouvernement dépose, à la demande du comité, une réponse globale.*"

[*English*]

In English it reads:

> Within 120 days of the presentation of a report from a standing or special committee, the government shall, upon the request of the committee, table a comprehensive response thereto.

I think that is very clear. That was done before and there was no question of privilege raised at that time. I would like to refer to something which can be found in the report tabled by the committee.

[*Translation*]

The Committee considers that its recommendations should be taken as a package. I think the question is clear, it is quite obvious. I repeat: The Committee considers, and on that committee, Mr. Speaker, sat—

Mr. Rodriguez: On what page?

Mr. Bouchard: I let you speak without interrupting.

[*English*]

I allowed the Hon. Member to speak. I understand that that is the way of the NDP. They speak but do not allow others to speak.

Mr. Keeper: Tell us what page you are citing.

Mr. Bouchard: Mr. Speaker, I will just repeat what I said. The committee requested that we give a comprehensive answer, and that is exactly what we did. As long as we are in government we will have the right to use the word "comprehensive" as we believe it should be used. It is the right of the Government to say that the answer it has given is a comprehensive one.

Finally, exactly the same answer was given to the sixth report of this standing committee on the backlog in the treatment of the status of refugee claimants. Exactly the same response was given one year ago and my friend did not raise a question of privilege. The Hon. Member need only look at his files. When the Hon. Member has something to say which he would like to be heard all across the country, there are ways to do it other than through a question of privilege.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I would like to make two brief contributions to this discussion. In the presentation of the Hon. Member for Nickel Belt (Mr. Rodriguez) he referred to a document, and he may have left the House with the impression that it was a committee document comparing the Forget report and that of the committee. It is in fact a working paper prepared for committee members by a researcher and not a document approved by the committee.

I see that the Hon. Member is indicating agreement. I believed that since the Hon. Member had offered to table the document, if you accept it, it should be labelled clearly as the production of a single researcher for the benefit of committee members rather than as a document approved by committee members.

I would also bring to your attention, Mr. Speaker, that in the two sessions of this Parliament the committee has presented a total of seven substantive reports to which there has been a differing pattern of responses. Some have been very detailed, indeed recommendation by recommendation, and one at least, to which I think the Minister referred, was very similar to this particular response.

I think you will find that that response was raised by the Member from Scarborough on a question of privilege in the previous Parliament. The previous Speaker in the previous Parliament dealt with the issue of a similar report. I just bring that to your attention as a potential precedent that you might wish to consult.

• (1540)

Mr. Dan Heap (Spadina): Mr. Speaker, I rise on the same question of privilege. I was surprised that the Hon. Minister tried to excuse his conduct on May 15 by pleading precedent. I happen to be concerned with the fifth and sixth reports, having worked on them for well over six months. It is similar to the situation that the Member for Nickel Belt (Mr. Rodriguez) has described with the report on which he worked.

In fact, the then Minister treated this House shabbily by simply refusing to answer the fifth report within 120 days, at which time he tried to excuse himself by saying that he would answer that in conjunction with the sixth report. The fifth report was primarily on refugee processing and the sixth report was on the backlog. I objected at that time but was overruled by the Speaker. However, it is untrue to suggest that no

complaint was made when the then Minister played fast and loose with the Standing Order.

When the time came due for a response to the sixth report, the then Minister gave the same shabby answer that he was not ready to answer. He simply said, in effect: "I have not done my work and I will not answer now, notwithstanding the rules". I objected again and was again put down by the then Speaker.

However, I did object and in fact retained a lawyer to take an action of *mandamus* against both the Minister of Employment and Immigration at that time and the Minister of State for Immigration. Procedural games were played by the Justice Department to prevent my entering that action, which were finally defeated. The action was entered, and within two days, the then Minister of Employment and Immigration was asked by a government Member what he would do about an answer to the report. She replied that the Minister of State for Immigration would be answering soon.

Against that background, the Minister of State for Immigration made the May 21 announcements. Not only were they incomplete, they also instituted new regulations that were operative as of that day, so that it was impossible to deal with both the question of privilege and the new situation created by the new regulations announced on that day. At that time I concentrated on trying to respond as positively and constructively as possible on behalf of my Party to the new regulations, which were unclear at that time and are unclear to this day. At that time they were not even made known to the officials who had to carry them out. That has been the subject of a complaint.

I consider it most inappropriate and most misleading, however unintentional, of the present Minister, who does not even have the courtesy to stay in the House to end the trouble he started. I would quote that as a precedent for his misconduct.

Mr. Speaker: I know that the Hon. Member for Spadina (Mr. Heap) would realize that it was only inadvertence that led him to comment on the absence of the Minister. The Minister was only briefly out of his seat and was actually coming back to the Chamber. It only shows why we have the rule that we do not comment on the absence of an Hon. Member in this place.

In fairness to the Official Opposition, since it is an allotted day of the Official Opposition, I think I must advise Hon. Members that I have the point. I believe the Chair has certainly given sufficient latitude to hear the argument. I think some of the argument is debate.

I want to assure the Hon. Member for Spadina, the Hon. Member for Nickel Belt (Mr. Rodriguez), and the Hon. Member for La Prairie (Mr. Jourdenais) that as far as the Chair is concerned there was an arrangement made to hear the matter today, or this week if not today. That arrangement was made by the Hon. Member for Nickel Belt and the Chair, and that must stand. If there is any complaint from Hon. Members, the complaint must be brought to the Chair.

With respect to the issues that have been aired in these interventions, the Chair will consider it all very carefully. I shall report back to the Chamber as soon as I can. I assure Hon. Members that I have the point and that I treat it as a serious complaint on the part of those who brought it. I will consider very carefully whether it is a point of order or a question of privilege.

I do caution Hon. Members to remember that there are limitations on the extent to which the Chair can interfere with proceedings that are either in a committee or proceedings that are sent from a committee to a Department. However, I have the point and I will deal with it fully. I want to assure the Hon. Member for Nickel Belt and others that the Chair clearly understands what the complaint is about.

Resuming debate. I would ask the co-operation of Hon. Members. There is no need to continue the debate on the question of privilege. Unless the Hon. Member for La Prairie (Mr. Jourdenais)—

[*Translation*]

—the Hon. Member for La Prairie on another question of privilege or a point of order.

Mr. Jourdenais: On a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for La Prairie has the floor.

Mr. Jourdenais: Mr. Speaker, I wanted to ask you for some guidance. Can I still raise a point of order about the statement by the Hon. Parliamentary Secretary who said a moment ago that the opposition and the Hon. Member where involved in petty politics. I stood up and supported him. I do not belong to the Official Opposition, but I want the work done by Members to be recognized.

Mr. Speaker: I am sorry, but the point raised by the Hon. Member for La Prairie has already been raised by another Hon. Member. Naturally, it is not acceptable, in the House, for an Hon. Member, whether from the Government or the Opposition side, to talk about the motives or the honor of another Hon. Member. That rule is very, very clear and as far as the Chair is concerned the matter is closed.

[*English*]

I should also advise the House that there was another question of privilege to be heard this afternoon. The Hon. Member has very kindly deferred it until tomorrow. In fairness, I think the Official Opposition Members should be allowed to continue their debate.

Supply

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CANADA POST—POSTAL SERVICE—LABOUR-MANAGEMENT RELATIONS

The House resumed consideration of the motion of Mr. Turner (Vancouver Quadra):

That this House condemn the government for allowing the deterioration of Canada's postal service by undermining the principle of fair and equal services to all Canadians through the substitution of "super mail boxes" for door to door service and by the closure of rural post offices, and by exacerbating already disintegrating labour-management relations within Canada Post by removing labour representation from the Corporation's Board and by other confrontational actions, thereby increasing the threats of postal service disruptions or even shutdowns.

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): This morning, Mr. Speaker, we began today's opposition debate on the postal service in Canada. To us Liberals the postal service is very important, and we have shown this earlier today when the Right Hon. the Leader of the Opposition (Mr. Turner) set the tone for this very important debate to express the views of the Liberal Party on the Canadian postal service.

Of course the position of the Minister responsible for Canada Post has been a great disappointment to me. Instead of taking this opportunity to unveil new measures to establish fair postal services he did nothing but level criticism at the Official Opposition, asking us to be responsible when in fact he himself has taken irresponsible action in the past few weeks, Mr. Speaker. Not so long ago the President of Canada Post stated—we must remember, Mr. Speaker, the context of very tense labour negotiations when he made his speech—the President of Canada Post said: "Strike or no strike, we will deliver the mail." A few days later the Minister responsible for Canada Post endorses the position of the President of Canada Post.

So, Mr. Speaker, when the Minister responsible—in this context, irresponsible might be more fitting—for Canada Post is asking us in the Opposition to be responsible, I wonder to what extent he understands what is at stake here, the seriousness of the situation facing us today when, in a few weeks and possibly sooner, our postal service may come to a full stop.

• (1550)

Mr. Speaker, in order to set the record straight, I will begin with the second reading debate on the Bill which established the Canada Post Corporation. In this regard, I refer to the Debates of the House of Commons of October 24, 1980, page 4075. At that time the Postmaster General, the Hon. Member for Papineau (Mr. Ouellet) said, and I quote:

Had management explained more clearly to the employees what it intended to do, had it involved the employees in the change, had it guaranteed, from the very start, everyone's job security, the employees would have understood that the machines were not meant to replace them but rather to help them in their work, and union leaders would have taken part in the operation rather than opposing it.

In the same speech, he added:

Crown corporation status will not remedy all our ills or difficulties. Every organization, be it government or industry, faces normal operational problems. However, with the streamlining of many of the facets of our operations and the support and good will of the employees, the Canada Post Corporation will be able to provide all Canadians with the postal service to which they are entitled and which they deserve. I want now to reiterate what I have said—

Those are the words of the former Minister.

—publicly and privately to union representatives, that is, I intend to have union representatives on the board of directors in order that they can get directly involved and participate fully in the good administration of the corporation.

That is the spirit in which the Canada Post Corporation was established in 1980-81, Mr. Speaker. It was precisely in the spirit of a full co-operation between management and staff. No modern and aggresive business can implement a successful corporate plan without a full co-operation between management and employees.

We only have to look at facts, Mr. Speaker. Since 1981, there was no strike. The reduction of the deficit was one of the goals, as well as to provide a better service and improve labour relations. Even as regards the reduction of the deficit, Canada Post made improvements since 1981 and the corporation improved its services in some areas.

But in 1984, Mr. Speaker, Conservative Members tried to imitate the Liberals during the election campaign and they promised the moon, the earth and everything else. But once in Government, they took off their masks, became real Conservatives and started to cut in services.

The excuse was that these cuts had to be made for the sake of deficit reduction, Mr. Speaker. We are very much aware of the problem and we agree on the necessity to work towards that reduction. However, we must not place the burden on ordinary people only, on those who are less fortunate than others, but we must call upon everybody. Mr. Speaker, what have we seen since 1984? Those who have been called upon to reduce the deficit are older people, handicapped people and small business people who have no alternative but to use Canada Post, whereas larger businesses can well afford private couriers . . . It is a truism to say that if postal workers go on strike, small businesses will be the first ones to be penalized. Mr. Speaker, these people will suffer because the Government, by not allowing Canada Post enough time to reduce its deficit, will be forcing a strike, and these groups will bear the brunt.

However, again for the sake of reducing the deficit, the Government had no hesitation in guaranteeing bank deposits over $60,000 in two Western banks. Of course, no small businesses had deposits over that amount, Mr. Speaker. Nevertheless, the Government did not hesitate, despite the fact that the operation cost us perhaps six or seven times the amount of the Canada Post deficit. I could give lots of examples, such as the Reisman Brothers case, the Port-Cartier penitentiary and so on. We know that in many instances this Government has been squandering public funds! But it has to make cuts when ordinary Canadians, and a service that

everybody needs are concerned. I would hate to forget as well the Old Age Security pensions de-indexation.

So, Mr. Speaker, if the Government wants to reduce the deficit, it must ask all Canadians to tighten their belts. But in the case of Canada Post, only the elderly, the small businesses, the handicapped, the housewives, will suffer from the poor postal service resulting from the policy of the Minister of Finance (Mr. Wilson), who said in his 1986 Budget that Canada Post must get rid of its deficit and balance its books by 1988.

Mr. Speaker, just this morning, my Leader, the Hon. Leader of the Official Opposition, said that it took the United States 14 years to achieve that result. But in Canada, a country so diversified, with only 25 million people and a territory larger than the United States, we want to reach in four to five years an objective that the Americans took 14 years to achieve. It is not good enough, Mr. Speaker. But in that case, the Minister of Finance decided to axe expenditures at Canada Post, and the management of the Corporation—under the direction of the Minister, has decided to cut the services, and we see the results.

Canadians are not satisfied with the service. We cut the door-to-door delivery by installing supermailboxes which are far from being "super", Mr. Speaker; they open by themselves, one key can open many of them, and there are also snow removal problems. Not long ago, a committee showed us pictures of the supermailboxes which had been installed for four to five months, and they were in a poor state. After only four to five months . . . Imagine how durable these boxes are! Just this morning, in response to a question, the Minister said that the investment will be paid for in four to five years thanks to all the savings made.

Mr. Speaker, we must analyse and put into perspective a number of things; since the effects of savings cannot be felt immediately, cuts have to be made. With your permission, Mr. Speaker, I would like to quote from the March 25, 1987 editorial of *Le Droit*, dealing with Canada Post Corporation:

> How important is postal service in our society? If one is to believe the complaints of users, it is one of the rare issues which concerns everybody—the role of the postal service is similar to that of public transit, but it is of greater importance. After all, some people never take the bus or the train, but very few people do not receive mail.
>
> However, given the size of its operating budget, Canada Post—is the least costly among Crown corporations. Given that the Government has had to provide 184 million dollars to Canada Post in 1985-86 fiscal year and that this accounts for only 6,2 percent of its operating budget, one is led to believe that no other Crown corporation of comparable scale (60,000 employees) has been able to match such a performance in modern day Canada . . .
>
> In the case of Canada Post, the federal Treasury has never had to finance more than 12 percent of the corporation's budget since it has become a Crown corporation, on October 16, 1981. In fact, the Government's share has gone from 10,3 percent in 1982-83 to 6,2 percent in 1985-86. The Federal Government contribution increased up until fiscal 1984-85—the 12 percent high previously mentioned—after which it decreased, as we know. However, in the face of such satisfactory performance on the part of a Crown corporation, the Federal Government is acting as if Canada Post should bring in the same kind of dividends as are to be expected from the sale of beer, wine or lottery tickets. In a country as vast as ours, the postal service must be considered an essential service and, as such, it should be managed in strict conformity with the committments undertaken by Government under the enabling legislation.

We therefore have, Mr. Speaker, in the March 25 editorial of the Ottawa newspaper *Le Droit* dealing with Canada Post Corporation, a clear indication of the type of Canadian postal service corporation which Canadians would like to see.

Mr. Speaker, with the Government's authorization, the Canada Post Corporation has reduced service not only in cities, but also in rural areas, that is to say, in both larger and smaller centres. Of course, everybody has heard about the closing of post offices in rural areas. Travelling from coast to coast in Canada, I have had the opportunity to hear just how concerned Canadians are about the Government's intention to get rid of these small post offices which were the very soul of villages.

Now, Mr. Speaker, I should like to describe how we, as Liberals, see post offices in rural areas. And I quote:

"In small towns and villages, the post office remains the establishment most frequently visited by local people. It easily becomes an information centre for the whole community. That is where people go to get information on such matters as social services and obtain income tax returns, as well as scholarship and job application forms. Postmasters often serve as resource people. The federal Government is present everywhere in Canada, and the post office remains a familiar place which brings the Government down to the dimension of man. The post office is a universal meeting place. It creates links in the community. It is a unifying force which gives the community and each and every one of its members a feeling of belonging."

This is how we see post offices in rural areas, in small villages, Mr. Speaker. I was quoting from a statement made by the Hon. Member for Papineau (Mr. Ouellet), the former Postmaster General.

Mr. Speaker, Canadians are quite concerned about what is going to happen to their post offices. They are also quite concerned about what is going to happen to their postal services. Every morning when they open their newspapers, in whatever language it is printed, they read about threats of strikes. Instead of acting as a mediator and trying to calm apprehensions, the Government throws oil on the fire and says: We have to be tough, we have to be rough, we have to crush the workers because we must carry out this plan which calls for the elimination of nearly 8,000 jobs.

• (1600)

Well, as I was saying at the very beginning, Mr. Speaker, for a corporate plan to be applicable, accepted and successfully carried out, you need the co-operation of both the administrators and employees. For the time being, the Canada Post Corporation has not obtained this co-operation. Quite the contrary. Together with the Government, it has sought confrontation by presenting its corporate plan without consultation. It has also taken action which is contrary to the spirit of co-operation on which the postal service was based at the time of its creation. When we were in Government, we, Liberals, had promised to have labour representatives on the board of the Canada Post Corporation for the very purpose of

creating the spirit of co-operation needed for a harmonious work relationship, to fulfil the mandate of ensuring a better postal service, reducing the deficit and maintaining a fair climate of labour relations.

Mr. Speaker, we have to be aware that we shall never have a good postal service if confrontation between labour and management does not stop. Up till this morning, on this opposition day, the Minister responsible for the Canada Post Corporation had the opportunity to give a clear signal to both parties by saying: "Let's sit down, please. Let's talk. Let's settle the problems. Let's see how it could be done. We could delay the privatization plan." That is the recommendation of the Marchment report which the Minister quoted this morning, but only the parts that suited him. Indeed, he did not say for example that the Marchment report recommends to wait till 1990 before considering the privatization of Canada Post, for it is only at the project stage, Mr. Speaker. He wants to privatize all retail outlets. He wants to install superboxes so that mail can be delivered by private contractors. Now do you think the Corporation's 60,000 employees will say: "Yes, Mr. Minister, because you want to reduce the deficit, we will do that at once!" It will have to be worked out through the negotiation process, with common sense and a lot of time. It took the Americans 14 years to work it out. But here, with only 25 million people, in a country as diverse and as vast as Canada, we want results within five years, Mr. Speaker.

It shows how unrealistic this Convervative Government is. Ever since they took office the small guy has had to pay while the rich always get more.

This is why, Mr. Speaker, today we condemn the Government for creating a situation that could lead to violent confrontation. Why violent? Let me explain. I have in front of me a press release issued by the Canadian Federation of Independent Business.

[*English*]

In its press release this morning, the Canadian Federation of Independent Business asked Gallup to conduct a poll to see whether or not Canadians wanted a postal strike. I am not surprised by the results.

Everybody in Canada wants the mail delivered. They do not care about a strike or the deficit; they want mail delivered. That is what is important, and the Government does not understand it.

The Government is using the confrontational method because it wants to reduce the deficit. The Canada Post Corporation was doing okay until the Minister of Finance said: "You have to balance your books in fiscal 1988".

It took 14 years for them to balance their books in the United States, and they want it done in Canada in five years.

I see you indicating, Mr. Speaker, that my time is expiring. Mr. John Bulloch said in the press release this morning that Canadians simply want the mail to get through and that they do not want to be used as pawns in a show-down with the forces, the forces being the Government, Canada Post management, and the union.

Canadians want their mail delivered. They want door-to-door service. They want to keep the rural post office as an identity, as a symbol of Canadian unity. I ask the Government and the Minister responsible for Canada Post to stop this confrontational attitude undertaken a few months ago, sit down with management and labour and come up with a plan acceptable to Canadians, workers and management.

• (1610)

Mr. Marchi: Mr. Speaker, I have listened with great interest to my colleague, the critic for the Post Office, who I think speaks knowledgeably and passionately about this issue. He has been at the forefront in trying to bring some sense into the Post Office.

When he talks about having the mail delivered not only door-to-door but as a unified service across the country I think he is hitting a significant nail right on the head, the same one that Canadians from coast-to-coast want the Government to understand.

What about a community with a postman, a postwoman or a postperson who delivers mail on one side of the street and then crosses over and does not? What kind of citizenship is this? There is only one kind of citizenship and that is first class citizenship.

But what about the person in the a subdivision who asks why the Government rationalizes not delivering door-to-door because of financing when that new subdivision gets an entirely new infrastructure from other levels of Government, new schools, new churches, new recreation facilities and new transportation arteries? Why is the Post Office different? Perhaps the buck is being passed to the municipalities. The Government is saying that the municipalities are not telling us in advance when these new subdivisions are being created. Therefore, the Post Office has no way of budgeting for them. I would like the comments of the Hon. Member, who has been very much involved in terms of the inequities this creates within a community and between communities *vis-à-vis* the concept of the supermailbox and whether it is economically efficient. Or is it almost the same when you consider the cost of having to maintain those supermailboxes *vis-à-vis* the fixing and the replacing of them?

Mr. Gagliano: I want to thank my colleague for the question, Mr. Speaker. In the past we had green boxes. Whether there was a lack of co-operation or a problem in management, the Post Office was unable to absorb all the new communities that sprang up so rapidly. Past policy was to have green boxes so people could receive their mail at the corner of the street on a temporary basis until the Post Office could organize the delivery route and install door to door delivery.

Some Members go around saying that the supermailbox is Liberal policy. I invite anyone to come to my riding of St. Léonard. It was built in the last 15 or 20 years. The only streets without door-to-door delivery are those built in late 1984, 1985 and 1986. My own house was built in 1983-84. I have home delivery. Two streets away people do not. I took a walk this week-end and I found not far from my house supermailboxes on a continuation of an existing street. Because the continuation of the street was built in 1985, people who live on that continuation do not have door-to-door delivery. That is the kind of discrimination that Canadians do not want to take. They are right. They pay the same taxes whether municipal, provincial or federal. Everyone pays 36 cents for a stamp. If one has to register a letter, one pays the same price whether or not one has home delivery. We are creating second-class citizens.

We have a deficit problem and we should face it rationally. Management and unions should sit down to try to improve performance in the Post Office, but not by way of confrontation. We must leave confrontation to the 1970s because we know the results of it. Canada Post Corporation was created in 1981 to avoid the confrontation which the Conservative Government and the new management of Canada Post is creating right now.

Mr. Scott (Victoria—Haliburton): Mr. Speaker, I have a question, but I shall comment first.

I am a Member with a rural area in Ontario. I have not had one post office closed where there was a need for one. Let me clarify that. Literally no post office has been closed in my riding where there has been a call for the existing rural postal delivery service.

I have been here through several Liberal Governments. I had far more complaints during those times than today. It seems we have a real scare tactic campaign today. Petitions are being organized, with which I will deal a little later.

Many rural Canadians are receiving their mail today delivered by the rural carrier who has been there for many, many years. The Liberal Opposition is trying to stir up discontent among Canadians. I think this is a disservice. I do not know who is distributing petitions, but they are out there and they are organized.

Is this a deliberate attempt to scare rural Canadians? If it is, this is a disservice on the part of both opposition Parties. If they are concerned about Canadians, especially seniors, they should help them to understand the current situation which was put in place by the former Liberal Government. Opposition Parties should not be trying to make political points by distorting things. Let us call the facts for what they are.

I eagerly await the Hon. Member's reply to my question.

Mr. Gagliano: Mr. Speaker, I am glad that the Hon. Member in his own riding has no closures of post offices. I would recommend that the Hon. Member read the postal plan because he will see there is a plan to close 5,000 post offices. The Opposition is not playing with scare tactics; Canadians are scared.

I have here different letters and statements from rural Canadian organizations and mayors. For example, there is one here from the Mayor of Trinity Bay who writes:

• (1620)

> The few businesses we have and on which we depend for our financial survival, have been kept here by services like the post office. Centralization for the sake of economy should not go to such extremes as to threaten the existence of small communities . . . We earnestly request that you look at ways to maintain the post office even if you must share with others some of the more costly aspects of the service. Sharing, where we live, is another word for survival and we know what it is all about. For God's sake do not help to destroy us!

That letter was sent to Donald Lander, President of Canada Post, on February 2, 1987.

Another letter reads as follows:

> Since there are no banks situated in the community, we are required to deal with banks in Red Rock or Nipigon, both approximately 25 miles to the east or in Thunder Bay, 45 miles to the west. Most banking transactions are carried out by mail due to the travelling distances and costs involved with personal attendance. Money orders are purchased with all cash coming into the municipal offices.
>
> Quite often, especially during tax collection periods, there may be thousands of dollars collected weekly which must be mailed to the bank . . . The loss of the rural post office would be a great inconvenience. I would be required to travel great distances to the nearest post office to purchase postage supplies and pick up registered mail.

That letter was written by Mrs. Helena Tamminen, Secretary-Treasurer, Township of Dorion, Ontario, and sent to the Prime Minister (Mr. Mulroney) on December 22, 1986. These are letters not from members of the Opposition but from concerned citizens and local elected officials. Perhaps the Hon. Member should take a tour of Canada to see that people are really scared of the business plan that his Government has approved.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Moose Jaw (Mr. Gottselig)—National Revenue—Administration of farm fuel tax rebate program; the Hon. Member for Eglinton—Lawrence (Mr. de Corneille)—Airports—Provision of fire-fighting services—Department's regulations; and the Hon. Member for Thunder Bay—Nipigon (Mr. Epp)—Citizenship Courts—Delay in processing applications—Appointment of Judges.

Supply

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA POST—POSTAL SERVICE—LABOUR-MANAGEMENT RELATIONS

The House resumed consideration of the motion of Mr. Turner (Vancouver Quadra):

That this House condemn the government for allowing the deterioration of Canada's postal service by undermining the principle of fair and equal services to all Canadians through the substitution of "super mail boxes" for door to door service and by the closure of rural post offices, and by exacerbating already disintegrating labour-management relations within Canada Post by removing labour representation from the Corporation's Board and by other confrontational actions, thereby increasing the threats of postal service disruptions or even shut-downs.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, at this point in the debate introduced by the Opposition, a debate of course that is of concern to all Canadian citizens, that may concern them because as the Hon. Member stated a few minutes ago, they want to sow fear in the hearts of people for political gains.

What I would like to do at this point, Mr. Speaker, is perhaps make a historical review of the Canada Post Corporation, or the Canadian postal service.

The postal service as we know it today started in the mid-19th century. It was established to meet the needs in terms of exchange of information felt by the business and industrial world and by that increasing part of the public that could read and write.

Since then, tremendous changes happened and the postal service is just as essential today as it was before the invention of the telephone, the computer, the airplane and the communications satellite. But if it is to survive, it will have as any other service to adapt to a changing, modern world.

When the postal service was inaugurated in Canada during the 1850s, most Canadians were living in rural areas, on the farm and in small towns. Today, although rural Canada remains an important component, the great majority of Canadians live in major cities or suburbs.

At the beginning of the postal service, manpower was inexpensive. People worked long hours for a small salary, which meant businesses could allow a high labour content while selling their goods and services at competitive prices. People had no automobiles and public transportation did not exist. In order to pick up or mail their letters, they had to either walk or harness.

Today, they drive to the stores, the supermarkets, or they drop their mail in mail boxes at their jobs. That postal service really did not change. But such is not the case of other service industries.

Nowadays, people won the right to a much better salary for significantly reduced work hours, so that productivity must be increased if costs are to be controlled.

The Canada Post Corporation has a mandate to bring the Canadian postal service into the world of the 21st Century.

This means to alter traditional procedures for the provision of a postal service and we know that any such change is not easy. However, the Corporation has undertaken to abide with a fundamental principle in the modernization and adjustment of postal services in Canada. It is to make sure that all Canadians wherever they live enjoy a reliable and cheap postal service. Methods will perhaps change. It is possible that partnership arrangements with private sector which are as old as postal services themselves will be further altered. However, the postal service,thanks to imaginative solutions, will always meet the needs of future generations of Canadians.

It should be noted that the Corporation has promised to give a 90-day notice of any change made to the rural service. The new plan of Canada Post will mean a better postal service for all Canadians.

When the Marchment Committee asked Canadians what they wanted more especially from their postal services, they clearly answered: reliability. The Corporation is improving its operations and modernizing its facilities so that Canadians may expect a reliable mail delivery service.Each year, there are 150,000 new addresses in Canada as more people are settling in new homes or are launching a new business. The Corporation will act quickly to provide a practical and economic service to those new addresses. It will put an end to the long file at the counters of the general delivery service where people have to pick up their mail and will remove the green community boxes which are rightly despised.

It will be much easier to buy stamps and other postal items. The Corporation will make use of the skills of the retail industry namely cornerstores, general stores, drugstores, and supermarkets, to sell stamps and to provide other postal services where people do their shopping and at times that are convenient to them. Furthermore, the number of outlets selling stamps and providing other postal services will increase by about 50 p. 100 within the next 10 years. That means that people will know where to go after 5 or 6 p.m. to buy stamps.

Canada Post will limit rate increases. In the future, the cost of mailing a letter will vary only according to inflation. There will be no more sudden and dramatic increases in the price of stamps. People will benefit from these improvements in the postal service without any tax increase.

Canada Post will be financially sound as any other business which offers a good service. In this way, people will not have to pay twice, first at the post office, and second through their income tax. There will be no more postal deficit to be added to the national debt which our children and grandchildren will have to pay back.

At this time the corporation has some 12,000 sales outlets where one can buy stamps and other postal products and services. This number is broken down as follows: 6,000 post offices manned by employees of the Corporation, 2,000 auxiliary offices operated by large and small businesses, and 4,000 agencies that sell stamps. The Corporation will increase the accessibility of its services. Therefore, the total number of outlets will increase by 50 per cent over a period of 10 years with better access to these outlets.

Nowadays, it happens quite frequently that post offices are not located in shopping areas. Several post offices were centrally located when they were built initially a few generations ago, but now due to shifts in population, businesses have moved somewhere else. Most of the time, post offices are open when it is the least convenient for working people to get there, and they are closed during the business hours of other retail stores. Existing post offices are also more likely to be located where parking is difficult than where there are lots of free parking spaces. Those are some of the reasons why the Corporation will more and more place retail sales into the hands of the private sector, of business people who are already serving the public by selling groceries, stationery items, drugs and all kinds of other products. Postal items could be sold in stores where people are going already.

• (1630)

Those businesses are already located where people make their provisions and are open longer hours than most post offices. In addition, they are usually located where it is easy to park a car as in shopping centers. Those measures are also based on sound management principles. The wages of those stores' employees are comparable to those of private sector businesses and the Corporation can increase the number or the quality of its retail outlets without having to build new postal offices facilities. We know that, in the end, those costs are borne by postal service users.

Improved service plans in rural areas of Canada undoubtedly mean that several forms of relationship with customers, some of which were established more than a century ago, will change gradually. So that those changes will be well understood by members of the communities concerned and that those people will be heard in the process, as I said earlier, Canada Post will give a 90-day notice of any change it is contemplating. That period will be used to consult people and their elected representatives before any change is implemented.

Mr. Speaker, Canada Post Corporation is improving rural service in several ways. One is to provide the supermailbox to its customers, which means that in small municipalities, people will no longer have to go to the Post Office nor to stand in line for the general delivery at limited business hours. They will just have to go to their supermailbox which will generally be closer to their homes, and to remove their parcels and their mail whenever it suits them. According to a recent poll, 94 per cent of the people who tried the supermailbox are very pleased. This supermailbox gives them the same degree of safety and of convenience as a rented postal box with a lock. The supermailbox however is free of charge. In addition to collecting your mail and your parcels, you can mail your letters in the supermailbox.

The Corporation would also increase the number of outlets where the people who live in rural areas will be able to buy stamps and other services. Their number will increase from 5,000 now to 7,000 within 10 years. These measures are part of a global plan aimed at improving access to the services offered by the Corporation through increased co-operation with the private sector. By increasing the number of those outlets in rural Canada, the Corporation will take advantage of the resources of local business people and entrepreneurs instead of using offices it would have to build or operate itself.

In many cases this will mean longer business hours and a more convenient location. At the present time, several post offices are open only from 30 to 40 hours a week. Private sector outlets are normally open much longer. These outlets of postal products and services operated by the private sector will be located where people go shopping, which will exempt them from having to stop in several places.

Again, Mr. Speaker, it must be reminded that that 90 days, advance notice will allow consultations with people and their representatives before those changes become effective.

The transition will not affect significantly those concerned. It will be spread over a long period of time so that the impact on employees could be alleviated through promotions, resignations and retirements.

It is to be reminded also that new business and employment opportunities will arise in Canadian rural communities from further co-operation with the private sector. Needless to say that those opportunities will be available as well to Canada Post employees. And they could also take advantage of new possibilities within the Corporation itself as new positions will be created to control private retail sale outlets.

Postal service expansion plans for a viable universal mail service at Canada Post are more important to rural Canadians than to their urban counterparts. Competitor operations, such as private couriers, have revolved around larger urban centres where there is more mail. Unlike Canada Post, those businesses are not required to provide a universal service to those little or less populated rural areas.

In the next decade, and possibly the following years, Canada Post will proceed with a comprehensive survey of the market for every future outlet. In fact, a market survey is mostly an analysis of preferences, of consumer requirements and needs, and such analyses are common practice in the private sector. They will determine what sites and services from coast to coast are suited to consumer needs and whether or not postal products and services should be made available on a given site. Before any decision is made, Canada Post will consider factors such as demand, clients, community preferences, parking lots as well as other existing retail sale outlets in the vicinity.

All these factors will help it choose the most practical place to locate these products and services. It must determine where customers work, and shop, and at what time they prefer to buy postal products. The goal of the Corporation is to increase and improve the quantity and the quality of its services to the benefit of the user.

Market surveys have been undertaken in nine medium-sized communities in Canada. The results will determine where and how postal services will be offered. The Canada Post Corporation will carefully study each location to make sure that customers will be better served. And if it wants to remain competitive, it must make it easier for its customers to buy its products and services. Post offices are more costly to operate in terms of salaries as well as in terms of capital expenditures and operating expenses required by this type of large obsolete buildings.

Franchising is an important feature in the new plan. Businesses will buy from Canada Post the right to sell postal products in a given area. They will also buy their stamps and other products at wholesale prices as for any other merchandise purchased for resale.

What is new is the relationships between the Corporation and private sector businesses which will be more similar to those between travel or car rental agencies and their franchisers. More services will be offered, working hours will be longer and will include evenings and week-ends, and sales outlets will be more conveniently located. The image of the Canada Post Corporation will be consistent and clearly posted. Sales outlets will be much more attractive and will project a lively commercial image from the Atlantic to the Pacific.

The Corporation has already implemented a pilot project in Metropolitan Toronto and has announced another one for Winnipeg where it has to leave its rented accommodation. According to Canada Post, customer reaction was very encouraging. In both cities, all retail clerks affected by these new measures were or will be reassigned to local postal operations.

Mr. Speaker, Canada Post considers the welfare of its employees as an important part of its plan. As its business volume increases, it will be more capable of integrating its employees. But the goal of the Corporation is to increase and improve the quality and the quantity of its services to the benefit of users. It is very important that this service be centered on user's needs.

• (1640)

Mr. Gagliano: First of all, Mr. Speaker, I wish to make one comment. The Hon. Member referred to a Canada Post policy calling for the closing of post offices. She referred to the famous 90 days, and I would like to emphasize now that in reality, Canada Post had difficulty in enforcing this regulation, and I am under the impression that it never took it seriously, until quite recently. The Standing Committee on Government Operations which addressed this problem came out with a unanimous report which is so strong that it conveyed to the Canada Post Corporation the message that it should truly have a consultation process and a recommendation that individual post offices should be closed only when, after consultation, all the people involved agreed. However, when the people involved say that a post office should remain open, it should not be closed. In a way, this would be a veto given to the public. On the basis of the representations made to us, we did not feel that the Canada Post Corporation was properly applying the regulations. The Minister had announced following the tabling of the corporate plan . . .

Mr. Speaker, I have a question. The Hon. Member referred repeatedly to the fact that there would be more post offices, that this would give private enterprise an opportunity to develop postal services in their own corporations and commercial environment. So, instead of having a post office close at 6 p.m., there could be, for instance, on Thursdays and Fridays when stores are open until 9 p.m., so-called "extended" hours.

I would like the Hon. Member to tell us what she thinks of this point, on which even the Minister himself touched this morning. Now, in urban centres, there are small post offices located in drugstores, for instance. As a matter of fact, there is one in the building where I have my riding office and I can tell you that if I go down there to try and buy stamps or have a letter registered after 4.30 p.m., the door is closed. It closes even before the central post office which is located a little further away.

The Government would like to have us believe that, by turning over post offices to the private sector, we would have access to the post office almost 24 hours a day, but such is not the case. For the time being, at least, as she said, that is the way the Government would like it to be, but I think that this would mean a counter where stamps are sold, not a real post office where one could send a registered letter or a package.

I would like the Hon. Member to comment on this.

Mrs. Bertrand: Mr. Speaker, I understand my hon. friend's concerns. He represents a riding just as I do. What we both want is for our fellow citizens to be well served.

Through this privatization of a new service, the purpose of which is to reduce administrative costs, it is clear that the little post office in the drug store which closes at 4 p.m. or 4.30 p.m. was not given a full franchise. It is because not so far away, there is another post office.

We say that when the post office as it now exists closes for any reason, including the fact that the postmaster has retired, we would transfer the services to the private sector, either in a convenience store, a drug store or a supermarket.

Because he will get paid a commission on the stamps he sells and the service he provides, the owner will be eager to stay open as long as possible during his business hours, and we all know how long convenience stores remain open. I think that people generally will benefit, because, after 5 p.m., instead of having to wait till the next day to buy stamps or do any other

business, they will be able to obtain service up to 6 p.m., 7 p.m. or 8 p.m.

Mr. Keeper: Mr. Speaker, I have a question for my honourable friend. It refers to the privatization of post offices in urban areas, as well as the franchising policy. I would like her comments on three points.

First, is she aware that before this franchising policy, the Corporation had opened new offices, under new management, open longer hours? I mention this because these public post offices provided the same services as the private post offices. And one of the arguments in favour of this policy of privatization are the extended hours and greater access to the public. We could do the same with public post offices.

My second point is this: What is your reaction to the fact that by franchising post offices, the Government or Canada Post are going to lose revenues because it will only be possible to privatize profitable post offices as no businessman would accept to operate a post office which is losing money? This policy will translate into a loss of revenue for Canada Post and will have an impact on the deficit.

Also, I would like to know her opinion about the salaries of the people working in post offices. These people are now being paid $12 an hour while after privatization, they will be paid the minimum wage of $4.55 which, in a City like Toronto, is the poverty threshold. Will such a policy not reduce people to poverty?

Mrs. Bertrand: Mr. Speaker, on the first question, the public post office versus the private post office, as far as customer or people service in concerned, certainly people will prefer . . . In fact, when you have a location in a small community, whether rural or semi-urban, where service is available for 12, 15 hours a day, people cannot help being satisfied, and they will have the same service.

Mr. Keeper: But that is possible also with the public post office.

Mrs. Bertrand: Perhaps I did not understand correctly your first question, but anyway I will try to answer the second and third questions.

You say there will be a loss of income. Look, businessmen who need the service always go there, postal service will always be required. So they will have a choice. If they only want to buy stamps, they can always go to the convenience store or private services, but if they need something more involved like overseas mail, which perhaps the convenient store could not handle, there will always be the post office available to them. So, the income is there. I do not see how income will decline at the Canada Post Corporation.

Third, you refer to salaries. Well, it will be private enterprise, or private enterprise wages. There will be a fair balance just the same, if in the same service location an employee, whether assigned to paper supplies or produce, perhaps, if he is in a store and that right next to it . . . So, employees in the same business will have competitive wages. I do not see why an employee assigned to the postal service would earn less than somebody else in the same store. After all, it is private enterprise.

As you know, all that privatization is aimed at saving Canada Post's money. Who is paying for that deficit? It is always the individual, always the taxpayer. Often, people come to my office and tell me: If the Government gave us such or such a service, we could have a subsidy for this or that. My first reaction, all I tell them initially is this: Look, if you are prepared to pay more taxes, O.K., we will give it to you. But each time you receive a service or a grant, it is with your tax money. We get it from your pocket. At that point people realize that it is really their tax money we are managing, and they may then be perhaps more reasonable in their representations, their expectations.

• (1650)

[*English*]

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, for the third time in the last few months this House is debating the condition of postal service in Canada. Today we are indebted to the Official Opposition for moving the motion condemning the Government for allowing the deterioration of Canada's postal service by undermining the principle of fair and equal service to all Canadians.

As a Member who represents a largely rural riding, there are certain points about postal service that concern me more than others. Today I want to address the closure of rural post offices and the closure of rural postal delivery routes, which I notice is not mentioned in the motion but which I am sure is implied by it. I also want to mention the situation of confrontational actions within the postal service, initiated by the board of Canada Post and initiated and covertly supported by the Government.

The situation with rural areas is one that I believe is comparable to the introduction of the supermailbox in suburban areas, but one where the potential consequences of the actions that have been taken are indeed for more serious in the case of the rural and smaller communities.

We have seen a history of actions taken by the Government that are intended to diminish and downgrade postal service and put Canada Post, both the unions and the corporation itself, in the position of being a scapegoat for other failures, including those of the Government.

We have seen the Government defended by its members on the Standing Committee on Government Operations. We have seen the committee adjourned for lack of a quorum when some members departed.

The Minister responsible for Canada Post was replaced in February of this year after a storm of protest. We have heard some favourable comments from the new Minister which, unfortunately, have not been translated into any action to

improve the conditions under which postal service is delivered in Canada.

The new Minister said that no closure of a rural post office or change in postal service will be undertaken. The Government said that postal service was more important than balancing the Budget by next year. However, we have not seen actions taken to put flesh on these skeletal commitments.

The committee's proposal that there should be consultation with local committees has apparently been discarded or at least devalued by the Minister saying that the final decision to close rural post offices or make other changes in rural mail service will be made by Canada Post. I respectfully submit that this response missed the point. I believe it is understood that the final decisions always lay with Canada Post. The problem was that Canada Post was not taking adequate notice of the users of the postal service or the representations of their elected representatives and their spokespeople.

I believe that it is incumbent upon Canada Post to consider very seriously the input that it receives when carrying out its responsibility to make the final decision with respect to the location.

The second report of the Government Operations Committee states: "Your committee is appalled by the heavy-handed approach taken by Canada Post in the past in its attempts to close certain rural offices. In many instances, consultation was totally lacking. It is your committee's view that rural communities deserve better treatment".

The committee went on to say: "Your committee realizes that demographic and other changes occurring in rural regions may occasionally result in the need for a post office closure or a change in postal service".

The committee recommended that in the future a minimum of 90 days' notice be given regarding each and every anticipated closure to allow for consultation to take place.

I understand that the Post Office has taken notice of that recommendation, apparently not through any good offices of the Government, but on the analysis that this was indeed the sensible, politic thing to do, as well as a fair and reasonable step to take within the context of a democratic society.

Of course, the values of information and consultation are dear to all Members of the House. They are values that cannot be translated into concrete effects unless Canada Post is willing to consider fully the information, the opinions, the wishes and the aspirations that are communicated to it by the users of the postal service.

I want to talk briefly about the situation of Canada Post being called upon to balance its budget. This objective was obviously placed on Canada Post unilaterally because there appeared to have been no consultations between the Government and Canada Post as to what might be a realistic, workable and viable business plan to enable Canada Post to reach that objective of full revenue dependency.

Of course, our system provides the Government with the right to impose such a decision, but such a right should be exercised with much more care than the Government evidently did in this case. Instead, it imposed this arbitrary deadline on Canada Post. In response to that deadline, Canada Post came up with a plan which some could scarcely describe as other than arbitrary, as is reflected in some of its objectives. Canada Post indicated that over 10 years it would close, amalgamate or privatize all of the 5,221 rural post offices. It proposed to eliminate rural lot line delivery to 100,000 customers.

Our Party believes that this plan is one that could not be considered by Canadians as providing a fair solution to the problem of the postal service paying for itself and making the appropriate changes to the postal service in order to meet the Government's deficit reduction objectives.

Privatizing 3,500 rural post offices would not be the answer. Replacing the post office with a stamp outlet in a pharmacy or a corner store will not compensate a community for the loss of such an essential institution as the post office, nor will it replace the service that the post office provides. Mail sorting would cease in rural communities. It would be further centralized. Jobs would be lost. Many secondary services which are presently operated would be obviously curtailed.

• (1700)

Moreover, a tradition would die. I believe that I was the first person to mention in the House that in some communities the post office is the only institution that flies the Canadian flag. I did so not to set up some form of sympathy-seeking image but simply to record in the House what I have observed in some places to be the fact.

The post office in many remote and rural communities is central to the ideal and the identity the residents of those communities, in their often widely dispersed outlying areas, feel in their identity as Canadians. In many ways the post office is the only tangible contact that some of them have with their Government. Thus it was that there was some resistance in rural communities to the idea of the post office even becoming a Crown corporation because it would mean that the link between the people and the Government would essentially be severed by the turning of Canada Post into a Crown corporation.

Some of the consequences that I have seen in my riding are obviously detracting from that relationship that should exist between every Canadian and the federal Government. I saw rural routes discontinued in Dinorwic, in Pine Wood and in Rainy River, routes eliminated and people having to travel considerable distances to pick up their mail. Indeed, I have seen lifetime customers taken off the delivery, people who had received their mail at a particular location in a box for decades no longer being able to get it there but having to travel to town, and in one case up to 70 kilometres on a round trip to pick up the mail.

These are not the only people who feel disenfranchised and left out because of Canada Post's efforts to reduce its deficits. Remote fly-in communities in my constituency, almost all Indian reserve communities, want to operate for themselves the local post offices which have been controlled for many years by companies such as the Hudson Bay Company which have their roots outside the community. This is something that the Post Office should look at now that the Hudson Bay Company has sold many of the stores which operate these post offices. Is it an appropriate time to look at a post office that is controlled by the community and where the economic benefits, the economic opportunity of operating the post office, in communities where there is very little in the way of economic benefit, can go to the permanent residents of the community?

In some communities delivery service is so erratic as to be appalling. It is a matter of pure conjecture and speculation as to whether the mail-bag will get off the plane on the day that it is supposed to get off the plane. The principle of fair and equal service that is mentioned in the Opposition Day motion is indeed a principle that in many communities in my riding is honoured more in the breach that in the observance.

For example, we have the case of communities that are totally unserved by Canada Post. These are communities where there is no mail delivery, communities such as Lac la Croix, Poplar Hill, Slate Falls, and MacDowell Lake. These are communities in which the only way of getting mail in is through the courtesy or generosity of a small airline, or even a private aircraft owner, who will pick up a bag of mail at the post office at his or her own expense of time and cost and bring it into the community on a sporadic basis, on the basis of when the opportunity to fly to the community occurs. That surely is not fair and equal service. There are other instances in which fair and equal service as a principle has been totally undermined.

In the case of a house in Fort Frances that stands on one corner of an intersection, the owner must go to the post office to pick up his mail while at the same time on the other three corners of that intersection the home owners benefit from door-to-door delivery. That is an example which I am sure we could furnish the details of to the Minister if the Minister cared to take an interest.

[*Translation*]

Faced with the Government's inaction on this issue, what are Canadians doing? Last December, Mr. Speaker, I had the privilege of attending a major meeting in the small community of Esprit-Saint, near Rimouski. In this community of some 600 people from what I was told, there was a meeting of over 800 people. It was the largest audience, not including my party's conventions, I have ever addressed as guest speaker. The meeting was also attended by the Hon. Member for Saint-Michel—Ahuntsic (Mrs. Killens) whom I now see in the House. It was during that meeting that the group "*Dignité rurale du Canada*" was formed to convince the Government not to make the cuts suggested in the corporate plan of the Canada Post.

Mr. Gilles Raymond, from Esprit-Saint, was elected president of this organization, which is seeking a fair and equitable treatment for rural regions. It should be emphasized that this meeting had the support of representatives from other Canadian provinces, including Ontario, New Brunswick, Newfoundland, and British Columbia.

This organization, born in a Quebec village, now extends from coast to coast. For "*Dignité rurale du Canada*", the cuts contemplated in the plan threaten the very foundations of rural life in Canada.

As was noted by Mr. Raymond at a recent press conference, rural residents have the reputation of being stubborn and will never accept second class citizen treatment. And that is what is a stake in the Canada Post plan. Now that "*Dignité rurale du Canada*" includes representatives from all over this country, from all kinds of groups and organizations, from postal service users to postmasters and postal unions, it will speak with a booming voice throughout rural Canada, and we shall hear a lot from these people over the next few months.

[*English*]

I am happy not only to have been at the founding convention but to have seen the progress that Rural Dignity of Canada is making in bringing these important matters of postal service to the attention of the House of Commons and to the attention of the people of Canada.

Before I conclude I would like to turn briefly to some of the confrontational actions which are instanced in the opposition motion. We have had recruitment, the attempted recruitment of part-timers for a salary of $4.50 per hour on the understanding that they are to be willing to cross a picket line. We have had the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie), whose rhetoric very rarely stays below the level of the inflammatory, say that maybe the military could deliver the post in the event of a strike—a great contribution, one must admit, to labour-management harmony.

• (1710)

We have seen Canada Post stripped of representatives of labour on its board. While I do not say that Canada Post or the Government is entirely responsible for any confrontations which might occur—and I recognize that these things have a dynamic of their own—frankly we must acknowledge that the combative attitude of the Government and the obscurantist rhetoric which it allows some of its members to use cannot do anything but exacerbate the situation. Some of the roll-backs which have been demanded are obviously intended to provoke.

In today's edition of *The Toronto Sun* we have a report about security frisks which they are planning to introduce. Obviously this is something which could have been done in consultation with the unions, had management possessed the willingness to do so and if they had not had as part of their agenda the provocation of unions by unrealistic bargaining demands and the sort of pinpricking and harrassment to which they have subjected the unions.

I realize that I am almost out of time. I would have liked to have taken time to offer some recommendations to the Government, bearing in mind that it is, after all, every Member's responsibility to offer good advice and counsel even when it has obviously fallen on deaf ears so far.

I thank you, Mr. Speaker, for the opportunity to participate in debate on a truly Canadian problem, a truly major concern to all Canadians.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise to participate in the debate on the motion put forward by the Right Hon. Leader of the Opposition (Mr. Turner). It concerns the continued deterioration of Canada postal service by undermining the principle of fair and equal services to all Canadians through the substitution of "super-mailboxes" for door-to-door service and by the closure of rural post offices.

I should like to stop there and emphasize "the closure of rural post offices". I will return to that particular aspect of the motion a little later.

The motion continues as follows: "by exacerbating already disintegrating labour-management relations within Canada Post by removing labour representation from the Corporation's Board and by other confrontational actions, thereby increasing the threats of postal service disruptions or even shut-downs".

Indeed the subject matter is an important one. I believe the contents of the opposition Motion adequately represent the concerns of many Canadians with regard to this particular subject matter.

It should be noted that there have been numerous discussions about this particular Crown corporation. We have had the minority report of the Standing Committee on Government Operations which examined the 1986-87 to 1990-91 Canada Post corporate plan. In examining the corporate plan it becomes obvious to many, but particularly to those of us who have the great privilege of representing small rural communities throughout Canada, that there is a desire and an intention on behalf of the Government of Canada to prejudice, even more so than it already has, the aspirations of Canadians who live in small, rural, remote communities.

In less than 15 years from now we will be in the year 2000. I think in recent years there has been a trend toward a greater concentration of Canadians in urban areas as opposed to rural communities. Notwithstanding that particular fact of Canadian life, it is important for those individuals and for Members of Parliament who represent urban constituencies to understand and appreciate rural Canadian life.

I should like to name a few of these communities in my constituency such as Donkin, South Bar, New Victoria, Gabarouse, Sydney Forks, East Bay, St. Peter's, Louisburg, Dominion, Glace Bay, and Waterford. It is true that they do not have a CN Tower. It is true that they do not have a dome. Hon. Members opposite laugh, but it is rural Canadian life. One of its pillars has been the institution of post offices. I know that Tories have—

Mr. Kempling: One every two and a half miles.

Mr. Dingwall: I know the Tories do not have the same sort of appreciation for rural community life as Hon. Members on this side. I understand that. However, I guess I fail to understand and appreciate those who expound the theory and philosophy that they understand rural Canada when they, both individually, as Members who have come to this great Parliament and have taken their oath to represent their constituencies to the best of their ability, and collectively, support government measures which at best—and I know you would concur, Mr. Speaker—are Draconian and do everything to retard the economic viability and the *esprit de corps*—

Mr. Epp (Provencher): In the Post Office?

Mr. Dingwall: —in rural communities across the country. I had great admiration for the Minister of National Health and Welfare (Mr. Epp). I guess I still do, but he should know, as one who comes from a constituency in western Canada, that the institution of post offices is important to rural life. It is a meeting place for members of the community to visit with others, to exchange information, to obtain information, and of course to receive their mail. This may mean the winning of a particular grant or honorarium from Government, whether national or provincial. It may be a letter from a loved one out of the country. It may be a variety of communications. Nevertheless, they have played a very important part in Canadian life.

When I listen to Hon. Members opposite talk about the closure of post offices, I find it rather frustrating to hear them, with great fanfare and smiles on their faces, say that they can close post offices without concern for the people who live in those communities. Let it be said that the symbolism that that represents to Canadian rural life is extremely important. I would think Hon. Members opposite would not want to see Canadian symbolism *vis-à-vis* the auspices of our postal stations across the country deteriorate if they believe as I do—and I am certain they do—in terms of Canadian unity.

The question which rural communities ask Members of Parliament, the question with which I have been confronted as a Member of Parliament is a simple one. If we lose our post offices today, what will we lose tomorrow?

Mr. Malone: The Liberals.

Mr. Dingwall: The Hon. Member opposite wishes to "humourize" this important subject. He will have an opportunity to do so as the debate progresses. Perhaps it will be before all of us realize that it is the next election when they will have to answer for their sins. There will be many sins for which they will have to answer.

• (1720)

If we lose the Post Office, what do we lose next? That is the question, Mr. Speaker. The community I represent called Marion Bridge is made up of a cross-section of different individuals of different political persuasion, young and old, the unemployed and those who run small businesses who happen to live in that rural part of Cape Breton known as Marion Bridge. They were appalled to hear that the Government is contemplating closing their particular facility. They asked "What will we lose next?" Of course, the answer that government Members give is that that is not important, the ramifications, the linkages, are not important. I suggest that those ramifications are important. A rural post office whether in Summerside, Prince Edward Island, Westmoreland—Kent, St. Léonard—a more urban area than mine—but wherever those post offices close, there are linkages. All Members of Parliament ought to be very concerned about that. Of course, the chairman of the Alberta Conservative caucus agrees with me, at least I am led to believe he does. In February, 1987 he is alleged to have said—I hope I am quoting his correctly because I would not want to steal the Hon. Member's thunder—"Canada Post discriminates. It is an unfair organization, bigotted, biased against rural people". If you were going to close post offices in rural Canada, I think the Hon. Member's statement has a great deal of merit.

I hope in the ensuing weeks and months that there will be a clearly defined statement by the Government with regard to all rural post offices in Canada, not just the select that happen to be represented by Members on the government side. I know my colleagues from the great island are in support of that.

What are the consequences for small towns and villages as a result of the closure of the rural post office? The former Minister responsible for Canada Post, the Hon. Member for Papineau (Mr. Ouellet) said, "In villages and small towns across Canada, the Post Office remains one of the most frequently visited places by citizens of the community. The Post Office has, over the years, become a much needed resource centre. Members of the community know where to go in order to obtain information on a variety of subjects. The federal Government is everywhere in Canada. The Post Office is still the most familiar place which brings information to people. The Post Office is a meeting place, a meeting place for all and creates a bond between members of the community. It is a unified force which gives one the feeling of belonging".

Mr. O'Neil: Are you sure that was not a church?

Some Hon. Members: Oh, oh!

Mr. Dingwall: That was said by the Hon. Member for Papineau, former Minister responsible for Canada Post. I think that underlines quite adequately the importance of rural post offices. I do not want to talk from a partisan perspective.

Mr. Lewis: David, come on.

Mr. Dingwall: I do not want to conclude my remarks in a partisan way. I want to congratulate Canada Post for seeing the sins of some of its decisions. It was to close the post office in Marion Bridge in my constituency but we are now told that we do not have this as a Governor in Council. We are told that the Government is not going to close that particular post office. How many post offices in rural Canada is the Government going to close.

I think Members of Parliament ought to give continued serious consideration as has my colleague, our critic in this area, to the effect of the closure of rural post offices. I want to be among the many to congratulate him for his persistent and continued fight on behalf of those many Canadians who live in rural Canada.

Mr. Lewis: Who are the other ones?

Mr. Keeper: He has converted the Liberal Party.

Mr. Dingwall: The situation in which we find ourselves is that Canadians from differert walks of life have now stated their views on the importance of a Canada Post Corporation. I know on the other side of the coin there are problems in Canada Post. We know of the delays, if you will, in delivering the mail. We realize that the deficit of that Corporation is a concern to all Canadians. I think we also realize that that particular Crown corporation, when you compare it with others, is not as bad a performer as some government Members would lead us to believe. For instance, what was Canada Post created for? To gather and distribute mail, not to make profits for the federal Government as we know is the case with provincial liquor control boards and lottery commissions. That is not to suggest that governments, regardless of their political persuasion should not attempt to try to balance the cost and revenues. Should the citizens who I happen to represent in rural parts of my constituency always be the victims of such government cut-backs? Why can it not be other areas of government activity if that is the way the Government wishes to proceed?

Given the size of the operating budget, Canada Post is probably the public service which costs the Government the smallest amount of money, having given Canada Post only $184 milion in fiscal 1985-86 or 6.2 per cent of the Corporation's total budget. The Government has to recognize that no other Crown corporation of comparable size—60,000 employees—has in modern history achieved a comparable performance. I make that statement, not suggesting that the Government is entirely wrong for trying to balance the books. But I think it has to be said, Mr. Speaker, that there are a number of Crown corporations which do not perform as adequately as Canada Post. For the sake of comparison, one could look at the performance of other Crown corporations such as CN or CBC. Our Public Broadcasting Corporation has an operating budget of $1.1 billion. The public purse contributes $881 million to that particular Crown corporation. The rest of the money is raised through advertising contracts let out by the Corporation.

One can argue, and argue effectively, that perhaps the goals and aspirations of the CBC, as opposed to the goals and aspirations of Canada Post, are different. They are serving different purposes, et cetera. I wish to make the point for for Members on both sides that when you look at the effectiveness of this Crown corporation it has not been as bad as Members opposite would lead us to believe.

In the case of Canada Post Corporation, the Government has never had to finance more than 12 per cent of the organization's budget since it became a Crown corporation on October 16, 1981. In fact, the federal contribution went from 10.3 per cent in 1982-83 to 6.2 per cent in 1985-86. There were increases in the federal contribution until the fiscal year 1984-85, the famous 12 per cent indicated earlier, and then the decrease with which we are now familiar.

• (1730)

That is the corporate side. In the several minutes I have remaining, I would like to touch on the human side of Canada Post. I talked about the importance of rural post offices to this country. I say very sincerely that they are important to the economic life in various communities. What is also important is the human aspect of post office closures and what those closures are doing to labour relations and morale in the post offices.

I have spoken to a number of union members who work at post offices in some of the major and not so major centres. I have not found a great desire on their part to go out on strike. Rather, I found that they have a desire to raise their families and to have job security. I do not find anything inherently wrong with that, but, as my colleague has pointed out as well, I do see signs of a Government that seems to want to seek out a confrontation with Canada Post. I hope that is not the case. The Parliamentary Secretary to the Government House Leader is shaking his head. I do not know if he is saying yes or no.

Mr. Lewis: Not the case.

Mr. Dingwall: He said it is not the case. I hope that is so.

We must remember that if there is a confrontation, the management of the corporation must assume its responsibility because it is a function of management that it set the example for the rank and file to follow.

I say to the Government that it is wrong to close rural post offices across Canada because of their importance to rural Canadian life. I would hope that the Government would curtail this confrontational attitude which seems to have besieged Canada Post Corporation and which I believe is affecting negatively the *esprit de corps* within the corporation as well as the effectiveness of the delivery of mail.

Mr. O'Neil: Mr. Speaker, on the question of rural mail delivery and post offices, two assurances have been given by the Minister responsible. First, he has assured us that no rural routes will be cut, but because of the organized attempt at scare tactics in much of this debate and in media discussion, that message is not getting through. Second, the Minister has made it clear that post offices in rural Canada will not be closed in an arbitrary manner. In cases of attrition, a post office might be re-evaluated with a view to improving the service to the people in the area. That in a nutshell is very much the position as I understand it put forward by the Minister on the important question of postal service.

What is reprehensible is that there have been organized attempts by special interest groups to instil in the Canadian public a fear that postal services will be cut off, that rural routes will be cut off any day and that post offices will be closed any day. The people fear that they will simply wake up some morning and there will be no mail delivery. Of course, that is far from the truth. It is a product of the imagination of special interest groups and serves no constructive purpose.

Canadians who are genuinely interested in mail service and in ensuring the continued high level of mail service deserve to know the facts. They deserve to be treated in an honest manner by all groups interested in participating in the debate on Canada's postal service.

Mr. Dingwall: Mr. Speaker, the Hon. Member has made some comments that are worth exploring a little further. Quite frankly, if one could accept the Hon. Member's thesis in its entirety, one would then logically say that perhaps the rural post offices that have been closed will be reinstated. Second, one would ask who has caused this fear. He has indicated that it has been special interest groups.

Let us look at special interest groups. Say, perhaps, a letter carrier, an individual who runs a very small post office in a community or a contractor who delivers mail sees rural post offices being closed. Is there anything inherently wrong with those who may be affected or are likely to be affected seeking out others who may share a similar view and a similar purpose? Is there anything wrong with them coming together to discuss the importance of a particular rural post office and the delivery of the mail? I do not find anything inherently wrong with those sorts of interest groups.

Representatives of many interest groups have come to see me. Perhaps some of them were of different political persuasions, but nevertheless, they were concerned about the importance of rural post offices to their communities. I do not fault them one bit for that and I do not think Members of Parliament would want to fault them for it either intentionally or unintentionally.

In conclusion, it is nice to hear members of the Government say that members of the Opposition are only using fear tactics. If that were the case, I do not think union representatives, municipal leaders and farm federations would be demanding that the Government change the provisions of its corporate plan or, more recently, change some of the actions it has taken.

Rural post offices are very important. I believe that because of the fight members of the Opposition have put up over the last number of weeks and months, we have given this issue

such a high profile that we have been able to force the Government to back-track on some of its decisions. I hope that will carry on into the weeks and months ahead as we progress into a new session of Parliament or indeed our next Government.

Mr. Malone: Mr. Speaker, the Hon. Member is full of poppycock, the whole can. He knows full well that he did not have anything to do with turning around the management plan of Canada Post. It was Progressive Conservative Members of Parliament in caucus who brought the matter of Canada Post's management plan to the attention of the Government, and it was members of the government Party who called for the review and brought the review forward. The Hon. Member is now trying to hitch-hike.

Almost the major part of his speech was devoted to trying to scare the glue off the stamps by pretending that every rural post office would close. He knows full well that he is factually wrong and this is nothing but rumours in the media. Therefore, will he stand in his place and give us the list of post offices in rural communities which he knows have been closed? Tell us what post offices have been closed.

• (1740)

Mr. Dingwall: Mr. Speaker, I have obviously struck a nerve. The normally sleepy—that is not fair. He is a dreamy Member of Parliament. I do not know why he would want viciously to question the intentions of the people of a community such as Marion Bridge, for one, which happens to have a Conservative MLA.

Mr. Lewis: There are a lot of them in your part of the country.

Mr. Dingwall: Not for long. You guys are seeing to that.

While the Hon. Member has this holier than thou attitude let us just for a moment assess the people of that particular community. As a Tory perhaps he will have the guts to go to Marion Bridge in Cape Breton before a public meeting and tell those people they have it all wrong if they believe their post office is going to close. The Hon. Member and his Government have been closing rural post offices.

Mr. Lewis: Name one.

Mr. Dingwall: The Government is talking about attrition in the Post Office. What happens when a person reaches 65 years of age? What does that add to the effectiveness of the delivery of mail? You would have to be completely and utterly stupid to conclude, as the Hon. Member has just concluded, that it would not have any appreciable effect on the delivery of mail.

The Hon. Member says with great fanfare that the Opposition is using fear tactics. He likes to emphasize that term. Perhaps he should answer the mail of senior citizens who wait patiently for their cheques, whether it be an income supplement or a cheque they may get from their provincial or municipal Government. There are literally hundreds of them who have written to me regarding that. They are fearful not because of what the Opposition or the media has said. They are fearful because of the Government's actions to date in closing post offices and the effect this is having on their lives.

The Hon. Member ought to come clean and tell it like it is. The Government is trying to close down rural post offices in those constituencies represented by Liberal and NDP Members of Parliament. That is what you are trying to do.

Mr. Benjamin: I'll be darned!

Mr. Deputy Speaker: Debate.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I appreciate this opportunity to enter the debate. I have listened with great interest to my hon. friend who just spoke. When we challenged him to name one post office closed by our Government he was unable to do so.

The motion condemns the Government for allowing deterioration of the postal service. It cites a host of misleading statements about postal service and management relations. I think it became very evident as the debate progressed that Hon. Members opposite have completely failed to prove their case, and I am pleased to have this opportunity to set the record straight. The House will know that the Liberal Party was the Government of the day when the majority of Canada Post problems really began. The Post Office came out of the 1960s and 1970s with a host of challenges. Its reputation for maintaining anything resembling a regular service was damaged by recurring strikes resulting from the Liberal Party's inability to handle labour negotiations. The rate of absenteeism was allowed by the Liberal Party during that time to go up to double the norm. The situation became more complex because the Liberals allowed the bargaining unit to be divided into some 30 separate parts. Settlements were costly and eroded the fundamental rights of management that were needed. That is why our Party argued for a Crown corporation to deliver the mail, and when the previous Government saw the light and brought in the Canada Post Act, our Party supported it. However, that did not mean we could cure the problems of the Post Office immediately.

First we had the 6 and 5 program of the Liberal Party. That put a halt to negotiations with the postal unions during the early part of the corporation's mandate. Two years passed without any meaningful bargaining between the parties. Under our Government there has been one agreement reached with all the bargaining units covering some 48,000 employees. That was the longest period of labour stability in the Post Office since 1968 when the unions were given the right to collective bargaining.

The opposition Parties are trying to suggest that there is going to be a postal strike. It is unfortunate, as was suggested earlier, that they are using scare tactics by saying we intend to force a strike. We are negotiating in good faith and progress has been made. Yet we realize there is a need for fundamental

changes in the contract to deal with such issues as productivity, the efficient use of manpower and equipment, reduction of absenteeism, flexibility in operations, and a move towards competitive wage levels.

One thing we are trying to do, as opposed to the previous Government, is to focus the negotiations at the table and take them away from the media and the political arena. Under our Government the negotiations are being conducted by seasoned negotiators. The issue is not being politicized because, as far as we are concerned, it is an operational question, not a political question. We believe it is in the best interests of Canadians to let the Canada Post management and the unions negotiate their collective agreements with each other without political interference. Working together will bring about a reasonable settlement and a respectable and viable postal service. We believe the parties themselves can best set those parameters. We feel confident the Parties can reach a fair, effective and equitable collective agreement. We know that our side is bargaining in good faith and we feel that is happening on the other side, too.

I want to talk now for a minute about what Canada Post is supposed to be providing to Canadians, that is, a reliable, efficient and predictable postal service which will enable Canadians to receive properly prepared mail at a reasonable cost. We do not say that we will be doing it in exactly the same way as it has been done in the past. This is a big and sparsely populated country. The services vary according to the population density and the local conditions. For example, a downtown area may have the density to justify door-to-door delivery of mail by letter carrier. There is just not the density to justify the same service in smaller towns or rural areas. This does not mean that the people living there are second-class citizens. It means that the commitment to deliver the mail is met in different ways.

• (1750)

I represent the Town of Penetanguishene of 5,000 people, all of whom go to the post office to get their mail. They did so under the Liberals and are doing so under the Conservatives. That is no great hardship. There is, however, some criticism to be made of the previous Liberal administration because the post office is at the bottom of the hill. However, they go to get their mail.

I suggest to you, Mr. Speaker, that we will continue to have a variety of ways of delivering the mail. To my colleagues from the big city who expect everything handed to them on a platter I say that that is too bad. In Penetanguishene they go to the post office and pick up their mail. We live in an era in which people are more mobile. The convenience store is the norm. I do not have any difficulty with people going somewhere to get their mail.

I want to talk for a minute about the supermailbox. Canada Post introduced the supermailbox to allow customers to receive mail and also to send it. It is suggested, and I agree, that the supermailbox is a big improvement over the green group mailboxes. When we say that we are going to eliminate the ugly green boxes over the next three years and replace them with the supermailbox, I am sure we will have the support of everybody in this House. I see my colleague, the critic for the NDP, smiling and nodding agreement. I am pleased to have his support on that. The corporation adds some 130,000 addresses each year as new homes and businesses are created. This is the best way of dealing with the problem. That is why Canada Post is developing new concepts and community mail centres.

I want to read to you, Mr. Speaker, a letter which will be circulated to all Members of Parliament. It is dated May 15, 1987, and I have just had it translated. It is addressed to the Hon. Harvie Andre, Minister of Consumer and Corporate Affairs. It says:

> Dear Harvie:
>
> Please record me as a strong supporter of Canada Post's super mail box program. I am completely opposed to any further increases in the price of stamps to provide universal door-to-door mail delivery. That money can be better spent on social programs or tax reductions.
>
> In my opinion super mail boxes should be provided, everywhere there is not door-to-door delivery, immediately! All green group boxes should be replaced immediately! They are a disgrace!
>
> In this day and age door-to-door delivery is as inefficient and impractical as door-to-door delivery of bread and milk. This is a day and age when more and more people are out of their homes each day. They pass by potential super mail box locations regularly. In fact, many of my constituents have never had door-to-door delivery. It is an unnecessary luxury, not an essential service.
>
> Therefore, count me as a super mail box supporter. In addition, when all the super mail boxes are installed for those who presently do not have any service, please write me another letter and I will support a complete conversion to super mail boxes for everyone.

That is where I stand on the question of supermailboxes.

I want to talk about some other things with regard to our present mail system.

Mr. Benjamin: Doug, can I have the last three minutes?

Mr. Lewis: The material I have is very important and, as you can see, I am driven to speak.

Mr. Benjamin: Thank you, old buddy.

Mr. Lewis: I want to talk about the present postal system. We believe that it does not meet the needs of the public. The post offices were built long ago to meet the demographic patterns of the day, those of another era. That is why in many cases the post office is not located where people do the rest of their shopping. There is no place to park and it is not open at the same convenient hours as stores.

We believe that Canada Post should use the convenience and expertise of private retail businesses to make its services and products more available to Canadians. Under the administration of the Liberal Party you could buy postage stamps only at the post office. Through franchising we will make it as easy for Canadians to buy stamps as it is to buy cigarettes and lottery tickets. I do not know why the NDP does not support that concept of supplying a service to Canadians.

My hon. colleague shakes his head when I suggest that we will make it easy for Canadians to buy stamps. Why not? What is the matter with the storeowner who sells a lottery ticket also selling a stamp? What is the big mystery about stamps? Why can Canadians not buy them anywhere they want? The New Democratic Party does not want people to be able to buy stamps anywhere.

Let it be shown on the record that the Conservative Party wants to make it easy for Canadians to buy stamps. We believe it is a commodity which one should be able to purchase anywhere. That is the reason behind our policy for franchising Post Office operations. We want to make it easy to buy stamps, register letters and send parcels. It is a tragedy that the NDP is against this.

There has been some suggestion that we are amalgamating post offices and eliminating obvious redundancies. That is not a new matter. It has happened in the past and will happen in the future. We want to make the system more efficient. In the future we will not be building buildings and hiring people to provide access. We will instead use the modern tool of today, the supermailbox. We will consult with people when we amalgamate post offices, as my hon. colleague suggested. We are committed to a reliable service. We are committed to delivering the mail.

The vast majority of the mail is delivered on time. However, the percentage of failures spread over the number of people affected can certainly make it look as though there were some problems. We admit that this service is not as reliable as we want it to be and was not as reliable as we wanted it to be in the past. Our administration is reviewing the system and procedures.

I regret that my time is up because there is so much more I wanted to say about the remarkable record of the Government in dealing with Canada Post. I did want to have an opportunity to answer questions from my hon. colleague, the Member for Regina West (Mr. Benjamin).

[*Translation*]

Mr. Deputy-Speaker: The debate being concluded, proceedings on this Opposition motion have expired, pursuant to Standing Order 82(12).

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

NATIONAL REVENUE—ADMINISTRATION OF FARM FUEL TAX REBATE PROGRAM

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I directed a question to the Minister of National Revenue (Mr. MacKay) on April 7, 1987, regarding the administration of the farm fuel tax rebate. At that time the Minister of National Revenue assured the House that he and the Minister of Finance (Mr. Wilson) had been discussing the possibility of improvement to the administrative efficiency of the program. He sought ways in which the program could be made even more beneficial.

The program is already very beneficial to the producers. It is not, however, particularly beneficial to the many bulk fuel dealers who are forced to carry the delivery costs of this program. The farm fuel tax relief program reduces the burden of farm input costs. It is one of the ways by which the Government is helping Canadian farmers fight the cost price squeeze. The rebates on farm gasoline and diesel fuel effectively offset the federal sales and excise tax on these products. These rebates have saved Canadian farmers more than $100 million in 1986-87.

The problem with the farm fuel tax relief program is not with the treatment of the consumer, but with the application of the program to bulk fuel dealers. There are essentially two kinds of bulk fuel dealers. There is the commission agent who holds his inventory on consignment. Thus, the inventory he holds is free of any sales tax. There is the independent who purchases his fuel from a manufacturer and pays sales tax on the purchased fuel. His inventory is tax paid.

All dealers can sell fuel to the primary producers free of tax. However, the crux of the matter is that the independent bulk fuel dealers have to apply to the federal Government to secure a refund of the sales tax which they have already paid on their inventory at the time of purchase from the refiner. The independent has to secure a refund, but the commission agent does not. In other words, the independent bulk fuel dealer must carry some of the Government's cost of delivering this program while the commission agent does not have to do so.

What is the cost to the independent dealer? It is the interest foregone for various periods on almost $29 million in tax rebates between December 1, 1984 and December 31, 1986. It should be noted that the independent dealer has no choice but to claim rebates on behalf of their customers. While this is an elective provision of the program in theory, the real world gives the independent fuel dealer no other choice. If he does not collect the rebate on behalf of his customer, he loses the customer.

It is worth noting that any delay between the time of sale by the independent bulk fuel dealer to his customers and the time he actually receives reimbursement of that tax upon application to the federal Government is an inappropriate cost to the dealer to deliver the federal Government program. Furthermore, any delay puts the independent dealer at a competitive disadvantage to the commission agent. In other words, the Government program, which should treat all dealers the same

way, in fact treats one group more favourably than the other. I remind the House that most dealers are one person or at least one family operations.

I endorse the recommendation of over a year ago of either a provision for a cash advance or a float to dealers; or the payment of interest to dealers on the tax rebate owing by the Government.

It is worth noting that the turnaround time on refunds has improved from the 60 days that it was at the beginning of the program to about 40 days, as I am told by dealers. However, I am told by bulk fuel dealers that they often have to apply for the current month's refund when they have not as yet received the previous month's refund. I submit that this is too much of a cost for those independent bulk fuel dealers to bear.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Canadian Government as you know has been financially helping Canadian farmers through a number of important programs. This is done among others through the Canadian Special Grains Program under the Western Grain Stabilization Act.

As far as consumer taxes are concerned, the fuel tax rebate is one of the most significant. If I may, Mr. Speaker, I would like to stress that it was implemented soon after the Conservative Government was elected in 1984. It enables farmers and other primary producers to recoup the federal sales tax levied on fuels used for production purposes.

Practically all compensation programs entail certain management costs for the beneficiaries and the suppliers. Under the present system, it is not easy to provide help to one selected group of final users when the tax is levied on manufacturers' sales. In those circumstances, a rebate application must be filled to obtain the benefit of the program. Farmers can fill their applications themselves. The application may also be submitted either by the retailer who sells fuel to farmers eligible to the rebate, or the refinery itself.

Mr. Speaker, I understand that many farm fuel retailers enjoy extended payment terms to refiners. I have also learned that currently, Revenue Canada is sending rebate cheques to retailers 22 to 25 days after duly completed forms are received. In the circumstances, Mr. Speaker, it may happen that a retailer receive his tax rebate before he pays his fuel supplier, and perhaps even before his farmer client pays for the fuel.

Admittedly, Mr. Speaker, all applications are not processed as rapidly because of delays due to clerical errors or because the user's status has to be checked. However, I am convinced that most of them are processed within a very short time.

If the Hon. Member is aware of cases where retailers experienced undue delays, I would ask him to inform Revenue Canada in order that the latter may take the necessary steps. I believe the Minister of Revenue to date obtained good results as to sending rebates to retailers.

For all those reasons, Mr. Speaker, the cash advances recommended by the Hon. Member do not seem to be warranted for the time being.

• (1805)

[*English*]

AIRPORTS—PROVISION OF FIRE-FIGHTING SERVICES—DEPARTMENT'S REGULATIONS

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, this evening my question on the Adjournment Debate is related to a matter of grave concern to many people. First, it concerns the travelling public.

My question relates to safety and the way in which our fire-fighters and those who work to deal with crashes of aircraft cope with emergencies at our airports. My question tonight relates to the way in which the Minister of Transport (Mr. Crosbie) has evaded his responsibilities in dealing with the protection of the public when it travels in aircraft and the protection of flight crews which have the responsibility to fly aircraft into our airports—in fact, it relates to the safety of all concerned.

The Minister was asked by myself on March 31 about this matter. At that time I brought to his attention the fact that the Government is trying to save a measly $1 million by cutting back from seven to five the required number of people who should be on hand to carry out fire-fighting, safety and crash emergency work.

A further point I made was that the number of personnel hours has actually been reduced and that, in fact, some of our airports have acted at times, from midnight until 8 a.m. on one occasion in the case of Regina airport, with no fire-fighters at all at the site while very large planes arrived. This lack of concern about the well-being of the public is absolutely scandalous.

• (1810)

I should like to ask again the question which the Minister evaded. Why is he trying to save $1 million by cutting back on safety? In fact the Canadian Association of Airline Pilots brought to his attention that they do not even feel safe in landing airplanes in Canadian airports in light of the developments resulting from a change in air transport safety policy by the Minister. He has cut back the number of dollars available to bring in people when crews are short staffed because of illness or whatever. There is no money to bring in people under those circumstances.

We also see that the handicapped are gravely endangered by the new policy. We hear pious words from the Government about its concern in the area of transportation for the handicapped. In fact, some dollars have been put into the effort. On the other hand, they have been nullified and the lives of the handicapped are endangered.

The minimum number of people required to put out a fire is five people with five trucks. We know perfectly well that four

trucks and one person being used to direct is not adequate. The job of fire-fighters is not only to put out the fire or to make a passageway so that people can escape from the airplane. We also know that they have an obligation to go on board the airplane if necessary to save passengers. For example, if the crew inside is overcome, it is the task of fire-fighters to save the people on board. We know perfectly well that four trucks with four drivers and one person directing is an impossible situation.

Contrary to what the Minister tried to lead us to believe, the task is not merely to clear a passageway. One primary task of fire-fighters is to go aboard airplanes to save lives. We certainly know that handicapped people need extra help. Also we know that the trucks have rescue equipment with which to save people, not merely put out fires. The purpose of rescue squads is to save lives. One would in fact think that it would be the primary concern.

The reply of the Minister of Transport was totally inadequate. In fact, he played with words in order to confuse us rather than be forthcoming about the fact that his changes in the regulations have greatly endangered the public, the people who are flying airplanes, and in fact fire-fighters themselves, by reducing their ability to call in people when someone has reported sick to bring their staff up to full strength or to call in people to fill in for other part-time workers.

About half the time we find airports manned by the minimum number according to the statistics given by CALPA. Sometimes they do not even have the required number because of problems such as illness or other reasons.

I would suggest that the Minister was playing with words when he suggested that there was no reduction in staff because there are 657 full-time employees. However, all provisions for on-call staff are obliterated. Most airports work with a minimum number now. Therefore, with no on-call staff available, there is in fact a reduction in staff.

This morning Transport Canada staged a mock airport disaster at Pearson International Airport. Thousands of dollars were spent on videos to show how a disaster would be taken care of. First, there were some hitches. Second, and contrary to what the Minister of Transport said, what actually happened was that the Mississauga fire-fighters were at the airport standing by, on hand, whereas in reality it takes from 15 minutes to half an hour for auxiliary fire-fighters from Mississauga to reach the Pearson International Airport. It was a fraud, and the Minister of Transport should own up to it.

Mr. Gordon Towers (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, I am pleased to reply to the Hon. Member on behalf of the Minister of Transport (Mr. Crosbie). It provides me with an opportunity to speak on this very important issue. This Government has repeatedly stated that safety is our highest priority. That position has not and will not change.

• (1815)

Fire protection standards at Canadian international airports are based on the recommended practices of the International Civil Aviation Organization, otherwise known as ICAO, which has been accepted by international airports throughout the world. Canada is one of the few countries in the world that applies these same high standards at domestic airports across the country. The average number of fire-fighters at Canadian airports is 25 per cent higher than the United States average. Twice as much per passenger is spent on fire-fighting and rescue services at Canadian airports as in the United States.

If the criteria for provision of fire protection services currently used in Australia were applied in Canada, then only 41 airports would qualify for fire-fighting service as compared to the more than 100 airports currently receiving this service.

The primary role of crash fire rescue, CFR, is to prevent, control or extinguish fire involving or adjacent to an aircraft for the purpose of protecting the aircraft fuselage and providing an escape area for its occupants. Once the primary task is done, the CFR crew assist in the evacuation of occupants from the aircraft.

CFR services are only part of the over-all response to an aircraft accident. Support personnel are necessary to mount an effective response to a major accident in order to provide the evacuation of passengers and medical treatment to the injured.

Each support team has specific assigned roles and is comprised of airport-based personnel and externally based emergency services.

Mr. de Corneille: Not true.

Mr. Towers: The prime function of CFR services continues to be preventing, controlling and extinguishing fire situations. I would point out to the Hon. Member opposite that this is not the case in the United States and other countries where fire-fighters are required to perform other duties, such as the rescue component, security and paramedic and ambulance services.

The important role played by, for example, airline flight crews, ground crews, airport fire-fighters, other airport workers, fire and police services in adjacent communities, ambulance services and medical staff in responding to an airport emergency, cannot be overstated. Mobilization of this extensive support network is necessary to mount an effective response to a major accident. Canadian airport personnel devote a great deal of time and effort to the development and testing of emergency plans at airports in order to ensure a full and effective response should an accident occur.

In recent years, the older equipment has been replaced with modern equipment and fire trucks that can be operated to capacity by one person. This gives more flexibility in deploying the full fire-fighting team. We now have 74 new crash vehicles on order to meet replacement needs and additional new requirements at airports. There will be increases and decreases

in staff and equipment at airports from time to time as changes occur in airline services and as new technology and equipment becomes available.

I am pleased to confirm the good work being done by members of the airport fire-fighting teams in providing CFR services to the travelling public. This valuable service is being performed in a consistently excellent manner, bringing credit to those involved.

CITIZENSHIP COURTS—DELAY IN PROCESSING APPLICATIONS—APPOINTMENT OF JUDGES

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, on May 4 of this year I asked the Secretary of State of Canada (Mr. Crombie) the following question:

> Is the Minister aware that thousands of people in such cities as Calgary await processing of their citizenship applications, meanwhile having lost the right to travel using the passports of their countries of origin?

The Secretary of State of Canada replied:

> yes, I am aware of the problem. We are trying to address it with existing resources.

I then followed with the question:

> How soon does the Minister expect to appoint enough citizenship judges to ensure that people will not be kept waiting months to receive Canadian citizenship during this fortieth anniversary of the Citizenship Act?

To that question, the Secretary of State responded:

> the report from Dr. Sutherland is now available. In fact, I received it on Friday afternoon. I hope to make appointments by mid-May.

The matter of having enough citizenship court judges to ensure that persons who wish to become Canadian citizens can do so expeditiously is an important matter to every person involved in the process. As I suggested in one of my questions, it involves the specific hardship faced by those persons who have applied for Canadian citizenship and have to wait many months, living in uncertainty because they have lost their right to travel on the passports of the countries from which they came. If anything were to require their return, if compassionate circumstances were to arise, they might find themselves in very real difficulty. That human aspect of the situation calls on the Government to deal expeditiously with this matter.

• (1820)

I would like to suggest that the problem that has arisen is symptomatic of other difficulties the Government has created and that the failure in this area is typical of the slowness of action in other areas, such as the revision of the Official Languages Act and the presentation of amendments to the Canadian Human Rights Act which have been promised for many, many months and for which we continue to wait. It is symptomatic of the failure of the Department headed by Captain Canada, as he himself likes to be called when speaking to students, to focus on the shortcomings in the appointments of Citizenship Court judges by the Secretary of State. I say this with all the more energy because this is after all the fortieth anniversary of the Citizenship Act.

The Secretary of State found occasion to recognize that anniversary in the House, and on that day I responded to him. As well, he found another occasion to announce the Prime Minister's declaration of the week of April 12 to 18 as the first annual Citizenship Week. With these realities before us, what can we say about the failure to ensure that the system of Citizenship Court judges is adequate to the need in the growing cities of Canada?

Citizenship Courts themselves are an essential experience for those who want to become Canadians. It should be a good experience. Yet, because of the delays that have arisen for some who will soon be fellow citizens, they are experiencing just the opposite of the kind of good government they should experience. This experience of inefficiency was forcefully presented to me in Calgary where 4,000 persons have applied and some have waited for as long as eight months. This really underscores the urgency of this matter.

I do not suppose all of these potential Canadians realize that the problem has to do with the patronage system which prevails in the Canadian Government. They do not realize that in the past months, the persons who were appointed by the previous Government have come to the end of their terms and this Government, through the well established system of patronage that exists, has allowed appointments to lapse without acting expeditiously to appoint new persons. This, of course, leaves us wondering about the patronage system which operates through the Prime Minister's Office and the Cabinet. This is, in fact, a little lesson in the nuts and bolts of the Canadian political system that is being experienced by these soon to be fellow citizens.

Since the last weeks of 1986, there has been a further difficulty in that some of the persons who had been appointed, and specifically two judges, came into controversy because of the kinds of questions they asked and the kinds of conversations they carried on with applicants for Canadian citizenship. I recognize that that has probably complicated things for Captain Canada and, I suppose, has justified some investigation of the situation.

• (1825)

Clearly, the process of examining applicants for Canadian citizenship should be carried out in a careful, impartial and dispassionate manner. I always appreciate the opportunity to take part in Citizenship Courts in Thunder Bay. In this way they present Canadian life and Canadian Government in the best possible way.

I want to note that the Secretary of State of Canada was quoted last month in *The Globe and Mail* as saying that good government makes good politics. All we have to do is practice good government. I could not agree more. Applicants for Canadian citizenship are waiting for just that kind of demonstration. We have not had any judges appointed since the middle of May. In fact, there has been only one renewal and one new appointment over the last five months.

If I were to provide some further advice to the Minister concerning Citizenship Court judges, I would commend to him a phrase he himself used, something that was said by one of our Fathers of Confederation, Thomas Darcy McGee. He said more than 100 years ago that we should lift ourselves to the level of our destinies, rise above all low limitations and narrow circumscriptions, cultivate that true catholicity of spirit which embraces all creeds, all classes and all races, in order to make of our boundless province, so rich in known and unknown resources, a great new northern nation. That is the spirit in which Citizenship Court judges should be acting, and I trust that the Minister will shortly be appointing judges who can fulfil their functions in just that spirit.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the Secretary of State understands quite well the concern expressed by my colleague the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) about the appointment of citizenship judges. He even shares this concern and has already taken steps to address the problem.

On the occasion of the fortieth anniversary of Canadian Citizenship to which my honourable friend referred a while ago, the Minister devoted quite a lot of time and attention to the whole issue of citizenship and, in particular, to the significance of the privileges and responsibilities which this status involves. The Minister will table shortly for discussion purposes a major document on the citizenship issue. The purpose of all this is to update our Citizenship Act and strenghten it to emphasize the rights as well as the challenges attached to our status as Canadian citizens.

This new direction in the legislation must take into account a number of related issues. We have made every effort to improve the whole system involved in granting citizenship, which implies that we have also had to review the citizenship judge appointment process.

Last January, the Minister entrusted the Chief Citizenship Judge, Mrs. Elizabeth Wilcock, with a mandate to review this process. In turn, Judge Wilcock asked Carleton University Professor Sharon Sutherland to review the Citizenship Court system and submit a report.

This report has just been submitted to the Minister who will soon take further action. To us, this question seemed too important to be dealt with in a hurry, before we had the study and recommendations of Professor Sutherland. Now that the Minister has had time to review this report, he wants to move swiftly. He expects to be able to proceed with new appointments of Citizenship Court judges very shortly.

Last week, a judge of the Edmonton Citizenship Court held hearings in Calgary. Hearings pertaining to applications received at the end of January and beginning of February are being scheduled, and this delay of some four months is reasonable when one considers that the normal time frame is four to six months. I want to assure the House that urgent requests from people who need a Canadian passport to travel abroad, for example, are processed in priority.

As I mentioned, if there is a temporary backlog in a court, judges from other courts come and help their colleagues. The problems encountered these last few months are due to the thorough review undertaken by the Minister, but I can assure you, Mr. Speaker, that a more effective and more efficient system will result from it for the benefit of the thousands of individuals who will wish to join our great country.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

APPENDIX

[*Translation*]

ADDRESS
of
FRANÇOIS MITTERRAND
President of the French Republic
to
Both Houses of Parliament
in the
House of Commons Chamber, Ottawa
on
Monday, May 25, 1987

The President was welcomed by the Right Honourable Brian Mulroney, Prime Minister of Canada, and thanked by the Honourable Guy Charbonneau, Speaker of the Senate, and Honourable John A. Fraser, Speaker of the House of Commons.

Hon. John A. Fraser (Speaker of the House of Commons): Order, please.

Mr. President, on behalf of all Members of the Senate and the House of Commons, we welcome you to the Parliament of Canada.

• (1510)

[*English*]

We are honoured to have you in our midst.

[*Translation*]

I now invite the Right Honourable the Prime Minister to introduce our distinguished guest.

Some Hon. Members: Hear, hear.

Right Hon. Brian Mulroney (Prime Minister): Mr. President, it is a profoundly moving occasion for me to introduce you to the Members of our House of Commons and Senate. Your presence in this Chamber marks a highpoint in relations between our two countries.

The visit you embark upon today is without doubt inspired by friendship. Yet we know it must be viewed equally in a broader context, one that embraces both continuity and change.

Your purpose in coming here was to affirm the enduring ties that bind us: language and culture, our allegiance to the values of freedom and democracy, and the solidarity that has drawn us closer in times of crisis.

From the trenches of Picardy in one war, to the beaches of Normandy in the next, thousands of Canadians have made the ultimate sacrifice for liberty.

As they are remembered in the hearts of their fellow citizens in Canada, so is their memory honoured in France, from Vimy Ridge to Beny-sur-Mer. One is a famed memorial, and the other a simple country cemetery where French and English-speaking Canadians, officers and enlisted men, without distinction as to language or rank, have found a final resting place together.

Nowhere is our nation more united, Mr. President, that in such small corners of yours. In rendering homage at our National Cenotaph this morning, you have not only honoured all Canadians, but also the memory of those brave souls.

The durability of France, the constancy and creativity she represents, are personified today in one of her most distinguished sons, a great President who has our respect and admiration and whom we welcome.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Yet at the same time, your official visit comes amid the irreversible tide that sweeps all shores and demands a new perspective.

[*English*]

Our country has taken decisive steps in the course of an intensive but necessary evolution which has made us more aware of our own identity.

We have summoned the national resolve and the clarity of purpose to face the vital challenges of our time. We resolved them in our own country, among ourselves, as we should, in the full exercise of our sovereignty. In so doing, we have found the way to a new national consensus. Today, Canada is following that path with determination, fully aware of our responsibility toward the future.

Twenty years after General de Gaulle's visit, you will find, Mr. President, a Canada at peace with itself, aware of its diversity and resolved to recognize it with respect, tolerance and generosity. In the week ahead you will cross a country that spans a continent, a nation confident of its role and eager to contribute its share to world peace and justice.

For the first time a President of the French Republic will officially travel across Canada to the heartland of the Prairies and then on to a great metropolitan area in Toronto. For the first time he will bear France's greetings to Canadians of Acadian descent after renewing the special cordial ties between his country and Quebec.

Today we turn a new page in the history of the relationship between France and Canada. We cannot change the past, but we can shape our future. What matters is the chapter we write together. It holds great promise for political *rapprochement*, industrial co-operation and increased trade.

Mr. President, on behalf of all Canadians may I tell you that your presence here today will contribute enormously to the renewal of that relationship.

[*Translation*]

Another way to fulfil these hopes is by achieving francophone solidarity. History will credit you as the artisan of the Paris Summit, where heads of state and government from some 40 countries, and all five continents, gathered last year.

The agreement we reached with the Governments of Quebec and New Brunswick, as you know, removed the final obstacle to building a new solidarity within the French-speaking community. The Government of Canada eagerly joined this worthy venture.

The interests of Canada as a whole, embracing both French and English cultures, demand that we foster our participation in *La Francophonie* and the Commonwealth. This double window on the world makes Canada the meeting-place of two of the great currents of international relations.

As a manifestation of our commitment to *La Francophonie*, it was our desire that Quebec City be the site of the second Summit this coming September. Let no one overlook the significance of holding the Summit on the banks of the St. Lawrence. It is a clear and serene recognition of Canada's, and Quebec's, role in the francophone family.

We desire to fulfil this vocation as equals, following an approach focused on modern and concrete objectives.

Other, equally pressing considerations, warrant and require closer ties with France.

These stem from Europe's importance in international politics and economics. As an inexhaustible reservoir of human resources and skills, and as an enlarged community, Europe plays a pre-eminent role in world affairs.

How could anyone overlook the unified domestic market of 320 million consumers the Europe of the 90s will become? And how could anyone not see that France lies at the very heart of the grand design of Europe?

[*English*]

That is another reason why we are working to develop even closer ties with your country.

• (1520)

But our co-operation must be nourished with substance, and must develop around initiatives that touch the basic interests of our two nations. We must expand the scope of our bilateral activities, involving scientists, for example, and business leaders. Above all, we must never relent in the persistence of our efforts. For we are only at the beginning of the road, which is as long as the successes awaiting us can be far-reaching.

And there shall be problems, perhaps some serious problems, along the way. The issue of fishing quotas and the fixing of the boundary line for the offshore limits around St. Pierre and Miquelon constitute a test of our political maturity and ability to resolve our differences through the promotion of our mutual interests. France must surely be aware of the difficult nature of this controversy, and of the seriousness of the issues it raises for our fishermen in Atlantic Canada, as well as for Canadian sovereignty. I know, Mr. President, you share my view that this matter be resolved fairly.

[*Translation*]

Your stay among us comes at a moment in history when the dynamics of the situation and our own aims have converged. We have before us a wide field of responsibilities. We have before us opportunities which history, and our own peoples, will not permit to slip away.

The time has come not only for awareness, but for action; not only to renew promises, but to fulfil them; not only to evoke our roots, but to make them bear fruit.

We Canadians cherish our unique heritage from France, her elan, her culture, her humanism. We cherish her as one of our two mother countries.

Loyal as they are to the values of the past, we are also mindful of the realities of tomorrow. That is why Canadians choose to go forward together, with you, with France.

Mr. President, I speak on behalf of all Canadians in saying how happy and delighted we are to have you among us.

All week long, Mrs. Mitterrand and you will receive the special welcome we reserve for our fondest friend. At every stop, you will be reminded that Canada is, for France, a land of friendship and brotherhood.

Members of the House, distinguished Senators, I am honoured to present to you the President of the French Republic, Mr. François Mitterrand.

Some Hon. Members: Hear, hear!

Mr. François Mitterrand (President of the Republic of France): Speakers of the House and the Senate, Prime Minister, ladies and gentlemen. I am moved by the tribute I have just received on behalf of France and I am honoured by this most cordial welcome to your Parliament.

After meeting this morning with Her Excellency the Governor General and with the Prime Minister, I now have the privilege of speaking to you, ladies and gentlemen, the elected representatives of Canada and guardians of the institutions that have made your country one of great democracies of the world.

Actually, I was a parliamentarian in my country for 35 years, in the Senate and the Chamber of Deputies. Since 1981, however, when I was elected President of the Republic, I have had to leave all that behind me. I do not have the right to enter the very precincts where I worked for so many years and where, in fact, I seldom received such a unanimous welcome. Sometimes there are feelings of regret, and when visiting one of our friends, as I am doing today, I like to compensate. I take a personal pleasure, as well as pride, in representing my country before assemblies like yours, and I want to thank you once again.

Perhaps I may comment, first of all, that Canada's political structures, that your country's economic and social framework and the positions you defend at the international level, reflect a focus on common ideals.

France and Canada share the conviction that they cannot conceive of a future without pluralism, without alternating majorities, the unrestricted expression of divergent views, and the rule of a majority that respects minorities.

On behalf of the French people, I would like to transmit to you, and through you to every man, woman and child in this country, the feelings of friendship of our country for yours. The message that France sends you is one of friendship and solidarity. And I could repeat, word for word, what was said by the Prime Minister, and I thank him for saying them. Because of the kind of society we have chosen, and notwithstanding differences that are grounded in our respective history, geography and customs, dialogue is second nature to us.

Indeed, our past has made the relationship between Canada and France a rather special one. Since the beginning of modern history and the time of the great explorers, the French have played a major role in the life of your country. The descendants of those who came here originally, who today number several million, represent over one quarter of the population and occupy a unique and inimitable position alongside their English-speaking compatriots. We see communities that are dynamic and enterprising, faithful to their traditions but also very much of this modern day and age and this continent. Unique and, at the same time, universal, they contribute to the rich diversity of this great country of yours. Canada's bicultural dimension brings joy to the heart of every Frenchman, and to my own, I can assure you, and perhaps I may also say a few words, although there would be so much to say, about the sacrifices made by your fathers and brothers in two World Wars. Whatever their origins and wherever they had their homes, whatever opposing sides they may have taken in the past, they were now fighting on the same side, with us. Would victory and freedom have been possible without the presence of these young men from all over the world, and particularly from Canada?

Prime Minister, you mentioned several historic places where the memory, suffering and death of so many are mourned, and where tragedy is still present in the hearts of so many mourners. It was the price we had to pay for freedom.

• (1530)

Ladies and gentlemen, we owe so much to your soldiers, and I would like to take this opportunity, at this solemn moment, to address these words to your compatriots who are listening to us now.

If I may, I would like to comment on some of the major issues of the day. My choice will be rather arbitrary, because otherwise there would be too much to say, and too little time to say it.

The world is in a crisis. Some people would say it always is. In any case, we have the feeling that the crisis we are experiencing today may be worse than at other times in our history. Our problems are similar. We have to fight unemployment. We have to create a new environment to create new jobs and to prepare our countries for the next century. We must intensify all forms of intellectual creativity, we must intensify research and increase the capabilities of our intellects from childhood onward, so that we will finally have the means to master the secrets of the material world and thus enhance the human condition. We have to modernize our production equipment. We have to make our economies more competitive, since we are largely dependant on external trade. We have every interest in further developing trade between our countries. One imagines that Canada's natural tendency would probably be to trade mainly with the United States of America, while ours would be to trade with our Common Market neighbours. Nevertheless, I think that considering the modest level of our trade relationship, our two countries could do far more and far better. I hope that during this visit, we will be able to explore some possibilities for the future.

In fact, various agreements concluded in recent years have provided for increased co-operation in space, oceanology, oceanography and biotechnology, all of which involve new procedures that will stimulate industrial innovation. In January, we agreed to facilitate relations between our small business groups. Although relations between our scientists, industrialists and business people are little developed, there has been definite progress, both bilaterally—I am thinking of the SPOT satellite—and in connection with multilateral projects, and I refer to the European Eureka project. When our interests clash, on occasion, as on the fisheries issue, I believe that with a little common sense, concern for the law and the political will to settle disputes, we should be able to resolve these problems.

Ladies and gentlemen, at this point I would like to comment briefly on the world economic situation. The problems have been identified, and a response is of the essence. Prime Minister, in two weeks or so, we will be meeting again in Venice, where we shall have to deal with some of the problems that are of international concern.

I want to stress the urgency of some of the decisions to be made, and on an occasion that would seem entirely appropriate for discussing, in full recognition of the sovereignty and equality of our respective countries, the major problems we share, I would like to take this opportunity to outline four principles.

The first of these directions would be for countries with a trade surplus to use whatever leeway they have to boost their own growth and stimulate the growth of other countries.

The second direction would be to promote the recovery of the international monetary system by taking steps to stabilize exchange rates with respect to mutually agreed reference zones, to lower interest rates and to better co-ordinate efforts to control market speculation.

Thirdly, we should try to remove protectionist barriers in every area, since protectionism is present everywhere, in the

services, industrial and agricultural sectors. I know that discussions are under way with your neighbour, the United States of America, a special free trade agreement within the framework of GATT and along common rules. I wish you the best of success, granted that we have accepted common rules that apply to you as to ourselves. However, let us be open on this. Let us quit fighting over deadlocks between Europe and the American continent or Third World countries. Let us admit that protectionism is found in each and every country, and that what may be left for us to do is to compare and identify where protectionism is openly allowed in legislation or regulation, where it hides in hypocritical fashion behind the customs and traditions, where it takes the form of imperialist action, or simply where it so often appears by way of laisser-faire when leaders responsible for managing the world should in fact strive to reach an agreement for the well-being of all nations.

I have mentioned those three directions, but what I have is foremost in my mind at the present time is the fourth one. It is a concern with the future of the Third World, of developing countries, and especially with the problem of indebtedness. One may consider postponing the date of payment, extending repayment schedules for the most indebted countries. One could think of designing more generous procedures in the Club of Paris. But in my opinion, at the present time, we should mostly consider, without excluding any other solution, recycling on a multilateral basis part of the financial surpluses of those countries which do have surpluses. We should think of Japan, we might after all think of Germany too. Whoever reaches that stage, enjoys a fairly prosperous economy, should become very clearly aware of a new stage of responsibility. We would then increase the means of the international monetary fund. We would increase the capital of the World Bank and help those countries of the Third World which are among the poorest get through this tragedy which will eventually hurt the whole world.

I frequently tell my fellow citizens that there are probably two major war threats for the next century: The atomic bomb or nuclear war with unending confrontations leading to a competition that may reach a paroxysmal stage, but also the widening of the gap between rich and poor countries. Both our countries, though, are among the few which have decided to assign a significant percentage of their national product to the co-operation with the least developed countries.

I am aware of the increasing share of the Canadian revenue which is set aside every year throughout the world, through private initiatives or through the actions of public agencies, to fight under-development, and I thank you for that. I thank you, for that cause has been a deep, longstanding concern of mine.

• (1540)

As for France, it has significantly increased its assistance, especially in the past six years, and is intending to reach as quickly as possible, as recommended by international institutions, the figure of .7 per cent of its Gross National Product to be used for development assistance.

But what is the reality we are facing today? Southern countries or so-called southern countries are hurt more than others by the slowing down of international growth, by the dramatic fall in the prices of raw materials, and by the burden of their debt.

Is it normal that the poor countries should be forced to refund every year more than the new amounts getting in? Can they ask their populations to produce more and more all the time while receiving an ever smaller share of the product of their work?

Remember when a procedure was set up in the early 1980s, when some countries in the Middle East had considerable surplus capital. Let us do it again, let us follow that procedure. Since the end of the Second World War, those circumstances have occurred several times. I hope your country as well as mine are willing to take a leadership role in this vast initiative which will lead responsible, industrial, advanced nations to understand that there lies the answer for themselves as well as for others to the great question mark of our time.

Of course, ladies and gentlemen, the future of our planet does not only depend on the capabilities of states to ensure an adequate economic growth for the world. That will not solve all the needs of mankind. That future depends even more immediately on their capacity to preserve peace.

I made some comments on the organization of markets, on the fight against monetary disorder, on the necessary assistance to the development of poor countries. But I would like to say a few words about peace.

Having been invaded three times in 75 years, France is very much aware of the drama this represents, I can assure you. I referred to the help of Canadian soldiers. I lived through World War II myself, and I was born during World War I. How could my generation not be essentially marked by this nearly cyclical return to confrontations which, in the case of Europe alone, were the signal of a tragic civil war from which we are barely beginning to recover!

Shortly after the second conflict my country became a signatory to the Charter of the United Nations and its underlying principles. As a permanent member of the Security Council, France never hesitated to support the international organization. She helped it fulfil its duties, she denounced encroachments upon the rights of nations and individuals, she contributed as required to the peacekeeping operations. On behalf of the United Nations, France is still present on sites where the strongest passions clash.

The fact remains that the ratio of military strength, especially between the two most powerful nations, has led to massive stocks of weapons and a dangerous imbalance.

Despite efforts, the disarmament negotiations have not made it possible to limit, let alone reduce the massive strategic

arsenals of the United States of America and of the Soviet Union.

The so-called ABM treaty, to this day the only major arms control agreement still in force, is the object of vigourous debates which make us fear it may be weakened and even disappear.

Only the negotiations on so-called intermediate nuclear weapons, which do not cross the Atlantic but can reach all European countries, now show some signs of progress. And I say loudly from this podium that France hopes they will be successful. Let us not forget, incidentally, that the object of disarmament is to increase rather than to decrease security, to maintain rather than to compromise balances.

Our hope is that an intermediate nuclear weapons agreement is only one step towards disarmament, a step linked with the strategic disarmament on one hand—some 11,000 nuclear warheads in the Soviet Union, 12,000 to 13,000 in the United States of America—a step linked with the strategic disarmanent on one hand and, on the other, with the disarmament of conventional forces, chemical weapons, or any other kind of weapon of whatever range which may lead to confrontation. All this within the limits of control, of flawless verification, that is to say of full respect for previous commitments.

France, as you know, is not party to the ongoing negotiations. She was not asked to sit at the disarmament negotiation table. Had she been asked, she would have refused. Indeed, as long as the two major powers remain at the stage where they are now, with the number of nuclear warheads I just mentioned, before asking others, particularly Great Britain or France which do have weapons, of course, but barely one hundred or two hundreds, great progress would have to be accomplished. Such is the theme I developed before the United Nations in 1983. But my country, like her neighbours, simply has to be concerned over a conflict or over the ongoing disarmament negotiations. And if we aim to preserve our independent strategy of nuclear deterrent, upon which we believe our security rests, we want to add our efforts to those of others to reduce tensions.

Ladies and gentlemen, France lies only a few hundred kilometres from the world on the other side of this Europe cut in half, from Teheran to Yalta. With her immediate neighbours she founded a community, six at first, a specifically continental group, then nine, ten, twelve. This Europe, we would like it to be able to organize its economy, 320 million people, a wider market than that of the United States of America, much wider than that of the Soviet Union, a body of technical and scientific competence, larger than Japan's, a historical capacity not to dominate—for henceforth such words cannot apply to the world's future—but to guarantee the presence of each of the states and nations of which it is made up.

• (1550)

Such is our first choice, our first will, our first objective. We want to build Europe and we are dedicated to this end. We are confronted with many obstacles. I was a young parliamentarian in 1948, nearly 40 years ago, attending the first European Congress, three years after the end of World War II, a congress chaired by Churchill. The Germans were there, and in each of our families grief, sorrow, separation and suffering still marked our mind when they had not marked our body. And yet a few of us were seeking reconciliation, to begin by France-Germany reconciliation, to help the other nations of Europe. Building Europe as we are doing today is not to dream nor to project onto an unknown horizon the too well known difficulties we are experiencing today. Europe is our main objective, but not the only one. The other, as I have already said, is to contribute to world harmony, to make sure that France, a country which maintained a presence for so long in Africa and elsewhere, as it still does, but differently, uses every opportunity to bring cultures closer together. Hence the importance of *La Francophonie*.

By the way, I am coming back shortly to your country to take part in the second Francophone Summit, in Quebec City, next September. You will have seen much of me within two seasons, but I am not complaining and I am not expecting to return the following year to Ottawa, where the Seven will meet again according to the agreed schedule, under a somewhat systematic *moira* which makes us meet year after year, always to face the very same problems, but in different locations.

Europe, the francophone brotherhood, universal enlightenment through peace and development, all these issues bring me to say that I could not conclude these remarks before your Parliament without raising with you the issue of human rights. In doing so, according to a theme which I have often developed in my own country, I shall borrow a quote which was also used by Hemingway in the title of one of his major works, *For whom the bell tolls*: When a freedom somewhere in the world is lost, when the right of a man is denied, when a life is unfairly broken, the bell tolls not only for that individual, but also for all of us. The struggle for freedom which you may lead, together with a great many others, in your daily actions is consistent with the major battles which have been fought for centuries to liberate man and every individual in the states where freedom would be secured. That may also be part of learning about democracy; in view of the present state of the world and current trends, we have every reason to fear for freedom. How good it makes me feel to be able to say that in a forum of free men and women! It is certainly the secret reason behind this deep understanding which unites us, above and beyond our conflicts and quarrels. We are part of that family. I am well aware of the problems you have to face in your own country, as you certainly are of those which are spreading in mine.

I am not forgetting the special duties of my country—I will stress them tomorrow and the day after—to that part of Canada which once belonged to France and which, to this day,

continues to reflect its culture, language and tastes. I send very warm greetings to all the men and women who are listening to me and who have lived and are still living that experience, but I fully realize that a country as great as yours needs to collect all its varied components to stand up and act.

The ideals which I have tried to define are in line with those expressed by the Prime Minister and make up our heritage—and when I say our heritage, I mean yours and mine.

Let us be proud of this heritage. Let us not try to impose it, but let us try to convince. If Canada and France are seen by the world to be taking together simple but necessary action, as they did in the past and as they will even more in the future, along the path which we have chosen, then a visit such as this will have its place in our destiny, one which our conscience dictates, one where friendship and brotherhood prevail, one which will see Canada and France as two countries and nations increasingly associated in their daily progression and able to propose to the world a few remedies to the ills of the world, a world which is concerned and dying, but also a world which is born in each of your regions, provinces, states, everywhere from east to west, and from north to south, a huge country where the future is being born. There are, at times, a few men and women lost in the immensity . . . but there are cities, large centres, an industry, a growing agriculture, there is hope everywhere and a capacity to overcome obstacles. Yes, you have a lot going for you, ladies and gentlemen. Let me tell you simply this, without trying to lecture anyone: Know how to harvest your grain and make your flour.

A country like France, an older country, which has suffered a lot and will suffer again, has also unlimited potential and opportunities, because everything remains to be done for the coming century. That is why I often ask my fellow citizens to unite, not to ignore their own differences—everyone is entitled to his or her preferences, and I have mine—but to unite every time it is necessary to stand for the country or for mankind.

• (1600)

Well, I said everything I wanted to tell you, ladies and gentlemen, I would have liked, not to speak much longer, but to participate in a much broader exchange. I was very gratified by the warm welcome from the Prime Minister whose speech was well structured and, moreover, delivered in two languages. How pleasant it would have been, with you . . . Naturally, there is an opposition and a majority and I know both, ladies and gentlemen. I do not know which side is best. Depending on the circumstances in which I was involved, opposition or majority appeared to be better. But there is nothing worse than speaking for others. You are a sovereign country . . . How pleasant it would have been to be able to talk with you, with each of you, to become a parliamentarian again for a short while, lose probably this magnificient unanimity . . . But let us not lose it, ladies and gentlemen. I am through. Thank you for your warm welcome. Long live Canada! Long live France!

Some Hon. Members: Hear, Hear!

Hon. Guy Charbonneau (Speaker of the Senate): Mr. President, Madam, we would very much have appreciated hearing more, because in this federal Chamber French is familiar to us and even custumary in the legal sense of the word, but it is a very rare occasion indeed to hear in this place a voice from France that is of recognized literary value, especially if it is that of the President. We were aware of that dual capacity in which you spoke, and we were assured that the clarity and the contents of your comments would testify to it in this exclusive place where we are highly honoured by your visit. I thank you on behalf of my Senate colleagues.

We wish that your stay among us be surrounded by an atmosphere of cordiality, because our relationship with your country could not be bound in formality. Our countries are unique, but so are our bonds, and this perhaps is what makes them more delicate on occasion.

Approximately one third of Canadians are culturally linked to France. Those indestructible bonds forged in the past have unfortunately not been paralleled in the economic field for reasons history tries to explain. As you yourself often suggested, we must on both sides strive to recreate those flows between our two worlds, and the impetus at least has been given. We know very well that in the area of international trade, you must reckon with a number of partners since you succeeded in that bold Common Market experience. Of course, that did not happen without many difficult adjustments. For our part, we would also like to offer you an enlarged market of continental scope.

As you know, we are negotiating with our neighbours down south, and the outcome is still uncertain. In the event of success, our language duality would be an asset for you to gain access to a North American market.

To come back to cultural exchanges, would you allow us, Mr. Speaker, in your quest of a multimillenial past, to visit with you the Solutré Rock in a lay pilgrimage? As I suspect that you do not miss the opportunity to enjoy the gifts of nature offered by Pouilly on the one hand and Fuissé on the other, you could count on us to also partake in that pleasure.

With the near bicentennial of your Revolution, I would like to recognize before the statesman you are what Canada owes France.

[*English*]

The outbreak of the French Revolution and the fear that disturbances would spread to Canada encouraged the British Government to institute a more liberal form of government in the colony. The Constitution Act of 1791 divided Canada into two colonies, Upper and Lower Canada, and provided each with an elected legislature. Although the Constitution was cautious in the democratic powers it conferred, it represented the first step in Canada's path to nationhood and eventual independence. In those days, toasts were drunk to the French Revolution at a banquet held to celebrate the coming into effect of that Constitution.

[*Translation*]

Mr. President, for your 1789 Revolution, for our cultural heritage, for the example set by your Pan-European economic expansion, for your eloquence here, may we express our deep gratitude.

[*English*]

Mr. Speaker: Mr. President, we are especially honoured to welcome the President of the Republic of France, not only as the leader of a great nation, but as a special friend of Canada.

Your visit marks an historic moment in the life of our Parliament. It is a reflection of the lasting friendship and special relationship binding our countries.

[*Translation*]

France is not only the ancestral homeland of million of Canadians, it is also a sacred land where our soldiers died to make on two occasions right and freedom triumphant.

The cultural heritage left by France in Canada is an essential constituent of our nation.

Our attachment to the strength and influence of the French language and culture in the world has been clearly shown in the Francophonie Summit as a privileged tool.

The action of parliamentarians complements government measures as could point to you our colleagues in this chamber who actively take part in the proceedings of the International French-speaking Parliamentary Association.

The Canada-France Interparliamentary Association and France/Canada friendship groups include women and men who are eager to contribute to the strenghtening of bonds in all areas of activity.

[*English*]

Your visit to Canada, Mr. President, provides us with an unique opportunity to celebrate the deep friendship shared between France and Canada. It also serves as a means for us to explore ways of expanding our relations, particularly with respect to economic and trade matters and to seek common ground to respond to the challenges facing our two nations.

• (1610)

[*Translation*]

On behalf of my colleagues, I wish to reiterate how pleased and honoured we are in welcoming you and Mrs. Mitterrand in this House. We ask you to convey our fraternal greetings to parliamentarians of your country and to all fellow citizens.

Thank you, Mr. President.

I now adjourn this meeting.

HOUSE OF COMMONS

Wednesday, May 27, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

EXTERNAL AID

FOOD AID NOT ANSWER TO WORLD HUNGER

Mr. Jim Manly (Cowichan—Malahat—The Islands): Yesterday, Mr. Speaker, the western Premiers recommended that Canada reduce its growing stockpiles of grain by sending the surplus to feed the hungry peoples of our world.

It hurts the food producers of western Canada to see the food they have grown going to waste while other people in the world go hungry. In our world half a billion people live in a state of constant hunger and 40 million people, half of them children, die of hunger every year.

In spite of the humanitarian desire to share our surplus with Third World peoples, we need to realize that food aid does not provide the answer to world hunger. Except in cases of extreme emergency, food aid can do more harm than good by distorting the price paid for food and destroying the incentive for local agriculture.

Canada already provides a very large percentage of its development assistance in the form of food aid, larger than that of any other nation. CIDA is already a major customer of the Canadian Wheat Board.

• (1405)

The solution to Canada's agricultural problems is urgently needed but this solution cannot be found in a proposal that destroys food production in Africa, Asia or South America. These nations need development assistance, not food aid.

[*Translation*]

VOLUNTARY ORGANIZATIONS

TRIBUTE TO VOLUNTEERS WHO WORK FOR LAC-SAINT-JEAN REGIONAL CYSTIC FIBROSIS ASSOCIATION

Mr. Clément M. Côté (Lac-Saint-Jean): Last Saturday, May 23, Mr. Speaker, Alma in my riding was the site of a rocking chair endurance contest sponsored by the Lac-Saint-Jean Regional Cystic Fibrosis Association.

I was glad to join the "rockers" and make my modest contribution to help finance research which gives every child victim a ray of hope for the future.

I would be remiss if I failed to mention the participation of Mrs. Diane Hébert who epitomizes genuine determination and whose presence was undoubtedly a major factor behind the outstanding success of this event which proved rewarding beyond expectations.

I conclude by emphasizing the good work accomplished by all volunteers who have been actively supporting this association for a number of years.

* * *

[*English*]

PHARMACEUTICAL INDUSTRY

EFFECT OF PATENT ACT AMENDMENTS—PRIME MINISTER'S STATEMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to express my opposition to and anger at the comments made by the Right Hon. Prime Minister (Mr. Mulroney) with regard to the effects of Bill C-22. In a recent speech in Montreal, the Prime Minister misled the people of Quebec by indicating to them that there would be untold benefits as a result of the passage of Bill C-22. What the Prime Minister failed to say is what benefits will be bestowed upon the people of Manitoba. Particularly, will those in Brandon, Manitoba, see any benefits for research and development as a result of Bill C-22? Will Nova Scotians receive any benefits for research and technology as a result of Bill C-22? The answer is an unequivocal no.

The benefits of Bill C-22 will not be distributed across Canada in an equitable way. The people of Canada are once again being hosed by a Government that wishes to cater to the

S. O. 21

multinational corporations centered in New York, Philadelphia and elsewhere. I call upon the Government to change this most regressive piece of legislation.

* * *

THE LATE HUGH CAMPBELL

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is with regret that this House records the recent death of Air Marshal Hugh Campbell, former Chief of Air Staff and a man of long and distinguished service in the Canadian military who did much to develop the Royal Canadian Air Force.

Air Marshal Campbell earned his wings at Camp Borden in 1930, and served in the United Kingdom and the Middle East during World War II, rising to the rank of Air Vice Marshal when appointed to the Air Council. After the War, he was much involved with the North Atlantic Treaty Organization.

In northern Canada, Hugh Campbell will be remembered as an appointed Member of the Northwest Territories Council who worked himself out of a job as he promoted elected and democratic government for northerners. We extend our thanks for a lifetime of service, and our condolences to family and friends.

* * *

IMMIGRATION

PHONEY REFUGEE CLAIMANTS FROM PORTUGAL—DELAY IN INVESTIGATION

Mr. Dan Heap (Spadina): Mr. Speaker, the Tory Government shields rich, powerful crooks by attacking the poor and weak. Two years ago immigration officials knew that crooks were bringing phoney refugee claimants from Portugal by means of the "persecuted Jehovah's Witness scam". Not until January, 1986, did the RCMP investigate and not until July, 1986, after thousands of duped Portuguese paid thousands of dollars each to crooks, did the Government impose a visa requirement on Portuguese visitors.

At that time the Hon. Minister promised, privately to me and publicly: "We're going to lay charges and we're going to make them stick, if I have to hire the lawyers myself." One year later, no RCMP investigators have gone to Lisbon and no charges have been laid. The Government has rewarded rich crooks by stalling the investigation.

But to cover up this shameful action, the Government attacks real refugees. Men, women and children fleeing brutal police states in Chile and El Salvador are called "liars, phoneys" and "economic migrants" so as to shield the rich crooks. What a disgrace to Canada this Tory Government is.

[*Translation*]

PUBLIC WORKS

EXPROPRIATED PEOPLE OF MIRABEL—DESIRE THAT SURPLUS LAND IN 8,000 ACRE BUFFER ZONE BE RESTORED TO ORIGINAL OWNERS

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, ever mindful of its commitments, our Government signed a draft agreement with Mirabel's expropriated people on March 25, 1985, a historic date. Since then the land resale process has been going on as expected, and today I fully support and endorse the expropriated owners' request that the Montreal International Airport North Terminal buffer zone be reduced to 8,000 acres and the surplus land be restored to the original owners.

Mr. Speaker, whereas the 8,000 acres are more than enough to meet current and future needs of the airport over the next 50 years; whereas this surplus land was needlessly expropriated, thus playing havoc with the lives of hundreds of families and uprooting entire villages; and whereas the expropriation deprived Quebec and Mirabel residents of a major agricultural output, I earnestly hope, Mr. Speaker, that the surplus land of this 8,000-acre buffer zone will be resold at the earliest opportunity.

* * *

UNEMPLOYMENT INSURANCE

GOVERNMENT'S DECISION TO CUT BENEFITS TO OLDER WORKERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, last week, I met with the leaders of the Quebec coalition that is opposed to the Conservative Government's decision to cut unemployment insurance benefits for elderly workers. These people, from Conservative ridings in Montreal West and on the South Shore, were extremely disappointed about the way this dossier was handled by Conservative Members.

These people have been fighthing for a year and a half. Six months ago, the Government promised it would reimburse them. About a month and a half ago, the Government admitted it had made a mistake and had to reimburse these people, but since then, nothing has happened. Mr. Speaker, I hope that the Conservative Members in this place . . . and I repeat what I was told: "We have lost the battle, but we will win the war at the next election. We are going to beat all those Conservative Members in Quebec."

• (1410)

[*English*]

THE LATE PAUL RIMSTEAD

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, I rise to commemorate the passing of Canada's quintessential King of *joie de vivre* within the sporting world. Paul Rimstead, renowned newspaper columnist and television personality, died in Florida yesterday.

A long-time resident in my constituency, Paul won the respect of fellow writers and the people he wrote about. His years with the now defunct *Canadian* magazine, The Toronto *Telegram* and *The Toronto Sun* proved he could always get the story behind the story. Paul had that special quality in a writer—he built his interviews on a foundation of trust. His eccentric lifestyle was a matter of public record, and his energy often the envy of his peers.

Paul is survived by his wife, his mother, five sisters, a brother and a daughter. He will long be remembered for his ability to make ordinary people larger than life and make common events veritable Superbowls. Paul Rimstead has come and gone in the tradition of a true Canadian newspaperman, and his insights will be missed among the morning news.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

SHORTAGE OF DECENT HOUSING—NEED TO ADDRESS SITUATION

Mr. Neil Young (Beaches): Mr. Speaker, this is the International Year of Shelter for the Homeless. In Canada, despite our wealth, between 20,000 and 30,000 people are without a place to sleep at night. Yet CMHC, the federal agency charged with housing policy, estimates it accounts for only 1 per cent of total federal government expenditures. It is obvious the Government's commitment is totally inadequate.

In addition to those who must resort to sleeping in public places and those who find shelter on a short-term basis with churches and other charitable organizations, we must be aware of the hidden homeless in Canada. Because of high housing costs and the shortage of decent housing, many people, for example young couples, are forced to share living accommodation with parents, relatives and others.

We need imaginative policies and an increase in resources to meet the challenge of decent and adequate housing for all Canadians. The federal Government, through CMHC, should take the responsibility and address the crisis. I call upon the Minister to show the political will to deal realistically with this shameful situation.

[*Translation*]

REGIONAL DEVELOPMENT

PROMOTION OF LAURENTIDES REGION

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, the Laurentian region will be advertised throughout the world, thanks to an extensive industrial promotion campaign launched recently by members from the region, together with the regional industrial commissioners and the *Corporation de développement des Laurentides*.

This campaign, launched under the theme *Laurentides Plus*, with the slogan: More than an environment, an industrial site, will make our region better known, not only in Canada but also abroad where there are major markets for our goods.

The campaign includes a *Laurentides Plus* poster, which will be sent to more than 50 Canadian embassies, high commissioners' offices and consulates throughout the world.

I am convinced that the Government's assistance will have a major impact on the economy of the Laurentian region.

* * *

NORTH ATLANTIC TREATY ORGANIZATION

MEETING OF CANADIAN PARLIAMENTARY ASSOCIATION AT QUEBEC CITY—IMPACT

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, as a member of the Canadian NATO Parliamentary Association, I had the honour last week-end to be a Canadian delegate to the spring session which took place in the lovely city of Quebec.

In the course of discussions at the Economic Commission on May 22, 1987, Professor Rodrigue Tremblay of the University of Montreal made a speech, which I found very apt, relating to international trade negotiations in which Canada is an active participant.

In discussing free trade, Professor Tremblay pointed out that Canada and the United States were setting an example to countries presently negotiating the Uruguay Round of multilateral trade agreements. The Canada-U.S. talks have shown that economic barriers between countries can be abolished, as they were in Europe in 1958.

The spring NATO session, the discussions on the economy and the responsibilities of Canadian delegates within the various commissions all reminded me, Mr. Speaker, of the major role that Canada can play on the international scene.

By taking the initiative for the Canada-U.S. talks and by taking an active part in the new Uruguay Round of multilateral trade negotiations, our Government has shown the kind of priority it sets on reducing trade barriers and its concern for giving Canadians better opportunities for selling their products on international markets.

• (1415)

[*English*]

WESTERN GRAIN STABILIZATION ACT

LACK OF UNIVERSAL COVERAGE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Western Grain Stabilization Act has been a very worth-while safety net for farmers for many years. The amendments instituted by the Government made it somewhat more sensitive to the economics of the farm community, one of the weaknesses of the program is that it lacks universality for all western grain farmers. About 75 per cent of farmers are covered by the program.

The Minister is considering amendments to the Act. When he brings forth those amendments would he consider making the Western Grain Stabilization Act more universal by giving assistance to the 25 per cent of farmers who are not presently involved?

* * *

NARCOTICS

USE OF COCAINE—GOVERNMENT'S ACTION ON DRUG ABUSE CAMPAIGN WELCOMED

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, as a parent I would like to commend the Minister of National Health and Welfare (Mr. Epp) for initiating his campaign against drug abuse. The critics say there is no crisis but I think the fact that over 200,000 Canadians were using cocaine in 1985 more than proves that something needs to be done about drug abuse in our country. The Government's five-year $210 million program emphasizes public education, research, and rehabilitation. I think it will certainly help some people who now have addictions and will help prevent others from becoming drug abusers.

Those of us who are blessed with the opportunity and responsibility of being parents recognize all too often how ill-prepared we are for some of the challenges which parenting presents. The worry that a family member may become addicted to drugs or alcohol is one of the most fearsome challenges facing parents today.

For that reason, Mr. Speaker, the public education aspect of this program will be extremely valuable in helping parents and educators put across the message that using drugs is not "cool". The program will also be a big help to families of drug abusers who fear that their love alone may not be enough to help someone with a serious drug problem, a problem with which they have neither experience nor understanding.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

WESTERN PREMIERS' CONFERENCE—REQUEST FOR DEFICIENCY PAYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Prime Minister. This morning the Premiers at the Western Premiers Conference issued a communique calling on the Government of Canada to make an early announcement of an increased and substantial deficiency payment to western farmers due to declining prices and income. Yesterday the Prime Minister told the House that we should not be recommending exactly the kind of thing that the western Premiers are calling for.

Will the Prime Minister make it clear now whether or not his Government will make a commitment to a deficiency payment as was requested by the four western Premiers at their conference in Saskatchewan?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend knows that the Government has stood behind the western farmers. We have in the past, and we will again in the future. We recognize the contribution of the agricultural community to the well-being of the nation and I have indicated on many occasions that we clearly established our bona fides in this regard. This Government understands the problems and the commitment of farmers and shall stand behind farmers.

• (1420)

I also indicated yesterday that there was a very important international dimension to the problem, which dealt with the crippling trade subsidy war in agricultural subsidies between the European Community and the United States of America. This is very much a debilitating problem for Canadian farmers because this kind of highly subsidized traffic is in the process of artificially taking part and parcel of traditional Canadian markets unfairly.

It is this particular practice which, if allowed to extend, could fatally wound free traders in agriculture like Canada. That is why at the Cairns Group, at the OECD and at the Summit, we have elevated agriculture and the very significant real problems of agricultural subsidies to an international forum so that we can hopefully bring a degree of sanity to this very grave problem of agricultural subsidies. If it is not solved, the Canadian farmer will pay an unfair price. We must make sure that the farmer is not called upon to pay that kind of unfair price.

AGENDA FOR VIENNA SUMMIT MEETING

Mr. Maurice Foster (Algoma): Mr. Speaker, President Fanfani of Italy is reported to have told the Prime Minister that the grain trade wars would probably not even be on the agenda of the Venice Summit in June. How can the Prime

Minister raise expectations that he can solve this problem for our grain farmers, which will put thousands of them off the farms this year, if it is not even on the agenda of the Summit?

Right Hon. Brian Mulroney (Prime Minister): First, Mr. Speaker, the statement attributed to the President of the Council, Mr. Fanfani, is false. There was no such statement made.

In fact, I, the Secretary of State for External Affairs, and the Minister of Finance, repeatedly with him and others, yesterday raised the question that it is the resolve of Canada to make sure that agriculture and agricultural subsidies were very much dealt with at the Summit. We did it in Tokyo and we will do it again in Venice. That is very much in keeping with the international posture of this nation, to recognize that there is a domestic component to the problem and a solution, but without an international solution the problem will persist. That is why it is so important that we be vigilant at the international fora which is precisely the area where Canada is providing the leadership which must come on behalf of Canadian farmers.

SASKATCHEWAN PREMIER'S POSITION—SIZE OF FRENCH WHEAT SUBSIDY

Mr. Maurice Foster (Algoma): Mr. Speaker, Premier Devine of Saskatchewan said following the conference in Regina that he would be pointing out to President Mitterrand that French farmers are guaranteed some $9 or $10 a bushel for their wheat, whereas Canada's farmers so far are only guaranteed $2.50 a bushel and that we must not let those farmers down. Will the Prime Minister be a little more precise and give a commitment now that our farmers will receive at least the same returns from the market-place and from a deficiency payment this fall as they did in the past crop year?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, farm revenues are up in that area this year because of the very major historic deficiency payment that this Government granted to western farmers which, incidentally, is in the process of being received right now, with $700 million in new money going into the pockets of western farmers.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I know that agriculture is not a priority for the Liberal Party, but I would ask that you please listen to the answer because it is important to Canadian farmers.

I am pleased to learn that Premier Devine will maintain his vigorous action on behalf of western farmers by raising this disparity in subsidies with President Mitterrand. The dollar figures that my hon. friend mentioned demonstrate very eloquently the dimensions of the problem. The problem is that the apparently bottomless pit of the European treasuries, when placed against that of the American treasury, provides subsidies which countries like Canada, and other fair traders, cannot reasonably meet, and creates an absolutely artificial situation. So the argument put forward by Premier Devine is consistent with every single action this Government has taken, namely, that we must rid ourselves of these artificial subsidies because, in the long run, they cripple Canadian farmers by depriving Canadian farmers, who are fair traders, of a fair share of world markets.

• (1425)

AID TO FARMERS—GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would also like to ask the Prime Minister a question concerning the statement made by the western Premiers. I should say we are certainly pleased that Premier Devine is going to raise the matter with the French President. However, we are more interested in what the Canadian Government is going to do. We did not hear the French President commit himself on Monday to providing direct assistance to western Canadian farmers. It is the responsibility of this Government.

Is the Prime Minister saying in his statement yesterday that, because of the international dimension of the problem, his Government is refusing to provide any further direct assistance to western Canadian farmers by way of a deficiency payment? Or will the Prime Minister commit now to saying that in the forthcoming crop year the Government is prepared to stand by the Canadian farmers and not allow them to be pushed out of the market by the Europeans or the Americans?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend was a member of the Ministry—and he is from western Canada—which in 1984-85 provided federal assistance to grain and oilseed producers of $1.185 billion. This Government has provided to the same farmers an amount of $3.750 billion. That is a 350 per cent increase in terms of aid to western agriculture.

Some Hon. Members: Hear, hear!

Mr. Tobin: Are the farmers better off?

Mr. Mulroney: There is the Newfoundland farmer being heard from.

Mr. Speaker: The Right Hon. Prime Minister.

Mr. Mulroney: Mr. Speaker, I think my answers yesterday and in other circumstances indicate very clearly that we are doing what a responsible national Government must do, which is to fight this at both levels, namely, provide the farmers with required domestic support, which is incontrovertible—the figures indicate an increase of some 350 per cent of federal assistance to western farmers from the time we were sworn in, approximately—second, a very vigorous international program at the OECD with the Cairns Group, with the Summit leaders, to ensure that the ultimate solution is one which benefits Canadian farmers.

Canadian farmers know better than most people in this House of Commons, and most bureaucrats, the international dimension of the problem. They know full well that the

international commodity pricing problem was not created on the floor of this House of Commons and that it requires an international solution. They approve the initiatives of this Government to bring about an international solution to a problem which is crippling their growth.

Mr. Axworthy: Mr. Speaker, I simply want to point out to the Prime Minister that in his answers he forgot a couple of important facts.

Mr. Crosbie: Question.

Mr. Axworthy: He forgot that in 1984 the average price of grain was $170 a tonne, not $110 as it is now. In 1984, 30 per cent of Canadian farmers were not facing bankruptcy. That is the difference between now and then.

PRIME MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): I want to ask the Prime Minister the question again. No one argues at all with the need to find an international solution, but what about the domestic solution, not a domestic solution in the past, a domestic solution now? Is the Prime Minister once again saying that he is refusing to respond to the western Premiers and the western farmers and will not provide a deficiency payment? Or will he say today that he will provide the solution wanted by western farmers and keep them in business for the forthcoming crop year?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am surprised at the question. The answer is clearly in the action that we have taken, as well as in the responses to questions asked yesterday on this specific point in which we indicated that, on the one hand, we are very directly involved in assisting western farmers at this particular point in time while, on the other hand, we are very desirous of working internationally to bring about a solution.

Two weeks ago I had meetings with leading members of farm groups and farmers in western Canada. A few days ago with the Minister for International Trade, the Secretary of State for External Affairs, the Deputy Prime Minister, and the Minister of Agriculture, I met with leaders of the Cairns Group with regard to the international dimension. On Friday, in just a few days, I will meet again with western agricultural leaders here in Ottawa to refine our national strategy in regard to the presentations at the Summit.

Apart from assistance nationally, and a complex, but we think effective, program internationally, there is also a fundamental other ingredient which has to enter this mix. It is attitudinal. It has to deal with our desire to help farmers and family farms.

With respect to the contrast in attitudes, I ask my hon. friend from western Canada to consider this. When the call came to this Government to assist western farmers we said: "Yes". When it came in the past the response from someone else was: "Why should I sell your wheat?" That is the difference.

Some Hon. Members: Hear, hear!

* * *

ENERGY

DOME PETROLEUM—CITICORP'S REPORTED REJECTION OF AMOCO CANADA DEAL—REQUEST THAT PETRO-CANADA INTERVENE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I also have a question that concerns western Canadians in particular, but also all Canadians. It has to do with the fate of Dome Petroleum. It is directed to the Minister of Energy, Mines and Resources.

As the Minister knows, Citicorp is Dome Petroleum's largest creditor. It has just announced that it is turning down the proposed takeover by Amoco. Yesterday the Minister refused to make it clear whether the Government of Canada would now permit Petro-Canada to become involved with other companies to make a counter-bid.

Given the seriousness of this matter for western Canada immediately, but for the energy needs of all Canadians ultimately, will the Minister not only give his okay for Petro-Canada to become involved but ask it to do so?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the first part of the question refers to another development in the situation with respect to Dome. It is another stage in the process.

As far as Petro-Canada is concerned, yesterday I was quite clear in my answer to this question.

[*English*]

REQUEST THAT MINISTER ASK PETRO-CANADA TO INTERVENE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows very well that he was asked the question not once but several times yesterday. He refused to answer then, just as he is refusing now.

Since it has already appeared in print in the financial papers of Canada that Petro-Canada is interested in making a bid, along with certain other companies, to further Canadian interests, will the Minister live up to his national responsibilities now and ask Petro-Canada to get in there and do the job it was intended to do for Canada?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Government has set certain procedures for dealing with the difficult situation at Dome, and the points raised by the Opposition today were raised two or three months ago by people with an interest in the matter.

Just because the New Democratic Party now realizes that Petro-Canada exists is no reason for insisting on instant results. We answered the question yesterday, and if the Leader of the Opposition did not understand the answer, he should read it over.

[*English*]

ABILITY OF PETRO-CANADA TO UNDERTAKE PURCHASE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that he did not reply yesterday. He knows that he is being evasive today. I wish to ask him this.

Has anyone from Petro-Canada told the Minister that they have the financial resources at their disposal now that would enable them to get involved without getting one penny of additional revenue from the Government of Canada? If the Government has been so informed why has it not acted in terms of its responsibility and told Petro-Canada to get moving?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, it is not up to the Minister of Energy, Mines and Resources to respond daily to what the Leader of the Opposition is pleased to speculate.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF NORTH ATLANTIC ASSEMBLY

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the Gallery today of Mr. Ton Frinking, President of the North Atlantic Assembly.

Some Hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

PERJURY TRIAL OF FORMER UNITED STATES OFFICIAL—REPORT THAT CANADIAN AMBASSADOR APPEAR BEFORE COMMITTEE

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Secretary of State for External Affairs. It involves the perjury trial in the United States of former Deputy Chief of Staff Michael Deaver.

We know that the Canadian Government has instructed our Ambassador, Allan Gotlieb, not to honour a subpoena to testify at Mr. Deaver's trial. At the very least will the Secretary of State for External Affairs instruct Mr. Gotlieb to appear before the External Affairs Committee to explain fully Canada's role in this rather unfortunate affair?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that question was raised by members of the committee, and I have replied. There is a letter on record with which the Hon. Member may want to acquaint himself.

With respect to the decision regarding the United States, it would be a substantial breach of Canadian sovereignty for us to depart from the protections of the Geneva Convention and allow a Canadian diplomat to appear before United States courts. Not only would that affect our sovereignty with regard to the United States but it would affect our position as a trading nation in which Canadian diplomats are involved in commercial confidences in dealing with Japan, India, and Germany. I ask the Hon. Member this. Does he also want to betray Canadian sovereignty in the case of Japan, India, and Germany? Does he want us to give away all of the protections that make this a sovereign country?

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Mr. John Nunziata (York South—Weston): Mr. Speaker, with the greatest of respect that was not an answer to my question.

I submit to the Minister that it would be a breach of his responsibility not to allow Mr. Gotlieb to appear before the External Affairs Committee to explain the Canadian Government's involvement in this affair in view of the facts which seem to suggest Canadian complicity in the matter, and in view of the facts which seem to suggest that the Canadian Government aided and abetted Mr. Deaver in the breach of American law. Will he allow Mr. Gotlieb to appear? If not, why not? What is he hiding?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member very carefully used the language "seem to suggest". He knows that the facts are the opposite to what he is trying to convey in the House of Commons.

The charge against Mr. Deaver is a charge of perjury. The charge has nothing at all to do—nothing at all—with any activity he undertook with regard to his contractual relations with Canada. I think the Hon. Member knows that. Certainly people who have been following the case know that. That was the substance of the discussion with his colleague, the Hon. Member for Winnipeg—Fort Garry, and others, in the standing committee.

I made it clear that if there was a breach of Canadian law, or any suggestion of a breach of Canadian law, then of course we would be prepared to consider the appearance of the Ambassador before the Canadian parliamentary committee. There has not been. The Hon. Member owes a duty to the truth not to leave false suggestions on the floor of the House of Commons.

Oral Questions

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM—POSSIBLE ROLE FOR PETRO-CANADA

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to ask a question of the Minister of Energy, Mines and Resources concerning the Dome matter. I will give him a chance not to be a lame-duck Minister of Energy, a *canard boiteux*—

Some Hon. Members: Oh, oh!

Mr. Waddell: With respect to Petro-Canada's involvement will the Minister tell the House whether Petro-Canada can become involved in bidding for Dome on a commercial basis? Is the answer yes or no?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I am sorry, there was some distraction. Could the Hon. Member repeat the first part of his question?

Some Hon. Members: Oh, oh!

• (1440)

Mr. Waddell: There is just a little quacking back there.

Mr. Speaker, my question is a simple one, so that we are all clear. Can Petro-Canada bid on Dome on a commercial basis? Is the answer yes or no?

[*Translation*]

Mr. Masse: Mr. Speaker, I must say the question itself is rather shaky.

[*English*]

I still prefer, if it is possible to say lame duck than a dead duck.

[*Translation*]

As for Petro-Canada's position, it is public knowledge. It may not be what the socialist Party would like it to be. It may not be in line with the philosophy or ideology of the socialist Party, but it is the position of a Government that was elected by a majority of Canadians. This Government has given Petro-Canada a business mandate, and that is how Petro-Canada should act, Mr. Speaker. The socialist Party knows that perfectly well, although it may not appreciate the fact.

[*English*]

GOVERNMENT POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my supplementary question is for the Prime Minister, and I challenge him to have the courage to answer it.

Some Hon. Members: Oh, oh!

Mr. Waddell: A majority of Canadians clearly want a Canadian solution to this question. They want Petro-Canada to act. Why is the Government acting like a bunch of wimps, standing back and letting Amoco get the deal? Why is the Government not putting a deal together or helping to put a deal together?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the socialist Party has a short memory. In fact, it helped create the situation in which Dome now finds itself. It should at least remember that.

Furthermore, that party tends to forget that in the first round of bids for Dome, there was a bid by a Canadian company, TransCanada PipeLines. We had a solution presented by a Canadian group, but that is no reason for obliging Dome to accept it. What the Government has been saying from the outset, and we shall not depart from this policy, Mr. Speaker, is that it is not up to the Department of Finance to bail out Dome.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

REIMBURSEMENT OF EARLY RETIREES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, in the absence of the Minister of Employment and Immigration I should like to direct my question to the Government House Leader.

After one year the Government finally decided to reimburse some of the pre-retired pensioners whose unemployment benefits were savagely cut by the Government on January 5, 1986, and on April 1, 1987, the Government introduced Bill C-50.

Since there are thousands of pensioners who are anxiously awaiting reimbursement of benefits and the Government has not yet moved on Bill C-50, would the Minister consider reimbursing these individuals by administrative action?

The Government cut their benefits by administrative action; the Minister can reimburse them by administrative action. Why does he not do that immediately?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the Minister has spoken with his critics, informing them that he wants a speedy passage of the Bill. The critics have responded, and a possible arrangement will be ironed out among the three House Leaders.

REQUEST THAT GOVERNMENT TAKE REGULATORY ACTION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the Government could immediately reimburse these thousands of pensioners by administrative action. It made the cuts by administrative action, by regulation, and it could reimburse by regulation.

What it is doing is holding these pensioners hostage in order to get through other provisions of the Bill which are unacceptable.

Will the Minister reimburse these people by regulation and do it today?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the Minister needs the approval of Parliament, from what I understand, to reimburse retroactively the early retirees since this money is to be taken from the Unemployment Insurance Fund.

* * *

BANKS AND BANKING

BRAZIL'S DEFAULT ON FOREIGN DEBT INTEREST PAYMENTS—EFFECT ON CANADIAN BANK CUSTOMERS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is for the Minister of State for Finance. Canadian banks may suffer revenue losses of an estimated $446 million this year due to Brazil defaulting on its foreign debt interest payments.

Many analysts fear that banks will increase personal service charges and personal loan rates to make up these losses.

Could the Minister monitor these charges to ascertain if Canadian customers will be paying the shot for Brazilian defaulters?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, in reply to my hon. friend, I assure him that we will monitor the charges. However, I might tell him that since the competitors of the banks—the trust companies, the insurance companies, and others—will now be increasingly into consumer lending and commercial lending as a result of our policy in December, there will be increased competition.

Because they do not have foreign loan exposures, it means that there will be enormous pressure on the banks not to increase those service charges.

The role of the federal Government is not to have rules regulating levels but proper disclosure. I can assure the Hon. Member that not only will we monitor this but we will make sure that the rules of disclosure are adhered to.

* * *

AGRICULTURE

REQUEST FOR DEFICIENCY PAYMENTS FOR 1987-88 CROP YEAR

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Prime Minister. It also involves the crisis in world grain markets.

We recognize that the Venice Summit and the GATT meetings may help resolve the grain crisis over the next few years. However, in the meantime, Canadian grain farmers are asking for assistance in the short term.

Why is the Prime Minister unwilling or unable to make it clear to Canadian grain farmers all across Canada that there will be deficiency payments for the 1987-88 crop year?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, this is simply a repetition of questions that we not only received today but questions that we have been receiving from across the way for quite some time.

Members opposite have been ranting and raving—and they were doing so after we met with farm leaders—that we should play some leadership role and suggest to Canadian farmers what their cropping pattern should be this year, 1987.

That is exactly what farmers did not want us to do. Really, it is humiliating to farmers to suggest—and this is the type of suggestions we have been receiving from across the way—that farmers do not know best to read the market signals or that farmers do not know best what cropping patterns they should follow in 1987. Nothing could be further from the truth.

Mr. Hovdebo: We are not asking for the details of the payments. We are asking for the payments, the Government's assurance that the payments will be made.

GOVERNMENT POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, western Premiers have asked for $1.6 billion. Across Canada that comes to a ball-park figure of $2.2 billion at that rate.

Why is the Government unwilling to be committed to even the idea that it will pay some kind of deficiency payments for the 1987-88 crop year? It has never given us that assurance.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am not so sure why the Opposition has so many problems with this, because as we talk with Canadian farmers that is not first and foremost on their minds.

What we are seeing today and what we have seen over the last number of weeks is an attempt to force us into making a commitment for the next crop year, and indeed the present crop year is not completed and will not be completed until the end of July.

We met with farm leaders on March 5. The Prime Minister indicated that this Friday we will meet with farm leaders again. I had some discussions with farm leaders during the Cairns meeting, and the message which I got from them loud and clear was the fact that they wanted a bit more time to have a series of meetings among themselves—

Some Hon. Members: Order.

[*Translation*]

UNEMPLOYMENT INSURANCE

INQUIRY WHY GOVERNMENT DOES NOT STUDY BILL TO REIMBURSE ELDERLY WORKERS INSTEAD OF DISCUSSING DEATH PENALTY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in the absence of the Minister of Employment and Immigration, my question is directed to the Deputy Prime Minister or to the Prime Minister.

We all know that as far as the elderly are concerned, this Government's record has been very negative. Remember the de-indexation of Old Age Security pensions, the unemployment insurance question, the New Horizons program, the discrimination against people who are single, separated or divorced.

Some Hon. Members: Oh, oh!

Mr. Malépart: Mr. Speaker, I seem to have hit several sore spots.

Mr. Speaker, my question, if there is anyone capable of answering and if the Prime Minister has the courage to rise in the House and defend the interests of the elderly, my question is as follows: It was one year and four months ago today that the elderly asked that justice be done in the case of elderly workers. More than eight weeks ago, the Government moved a motion for first reading of a Bill that would reimburse elderly workers. Could the Prime Minister inform the House why he did not ask his Government to schedule a debate on this matter eight weeks ago instead of talking about the death penalty? Why not discuss the Bill to reimburse elderly workers instead of having a debate on the death penalty?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, in my answer I said quite clearly that the Minister has consulted with his colleagues, and I think that after these discussions we can expect matters to progress, with the co-operation of the leaders of all parties in this House.

BILL C-50—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Minister does not understand a thing and is merely parroting what the Minister told him. We want to know the facts. Eight weeks ago, the Government admitted it was wrong, that there had been a mistake and that there had been injustice in dealing with elderly workers. There are 210 of you and you cannot even decide which Bills will be brought before the House. What we want to know and what the Deputy Prime Minister should tell us is: Is he prepared to introduce the second reading stage, tomorrow or Monday at the latest, of Bill C-50? Is he prepared to have this Bill passed and to split the Bill so that the reimbursement provisions can be adopted immediately? Yes or no?

• (1450)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Certainly, Mr. Speaker, I would be prepared to bring in the Bill. We are also hoping that we can get some co-operation from the Opposition. If the Opposition is agreed to pass it in one day, I am sure those arrangements could be made.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: The Deputy Prime Minister has answered. The Hon. Member for Thunder Bay—Atikokan.

* * *

VIA RAIL

ACQUISITION OF NEW PASSENGER CARS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. Would he not agree that when his Government asked Bombardier and UTDC to form a partnership to sell new passenger rail cars to VIA that a commitment was made both to the companies and to the workers? Because of that commitment and the fact that the new cars would pay for themselves in seven years, would he be prepared to go back to Cabinet and really fight to get the necessary funds to buy this new equipment for VIA? Would the Minister do that?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, no commitment has been made or was made to the consortium that there would be any purchase unless the price and terms and conditions were found to be satisfactory. Unfortunately, that did not turn out to be the case.

The Government has considered carefully what can be done for VIA Rail in light of everything the Government must do for every nook and cranny of Canada and for every service across Canada in transportation and outside transportation. The maximum we can do for VIA Rail in the next period, five years I think it is, is to put forward $2.5 billion, and since that amount would not also permit the purchase of these passenger cars at the price suggested, I am afraid that has had to be deferred.

REQUEST THAT MINISTER MEET CANCAR WORKERS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the Minister will be in Thunder Bay this Friday to open National Transportation Week. The workers at CanCar have asked for an opportunity to meet with him to indicate the impact of this decision on their livelihood.

Is the Minister of Transport prepared to meet with them, or is he going to give them the same kind of cold shoulder that he

gave to the Tory MLA representing the same area, that is, refuse to meet with them?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I have never, as far as I know, given anyone a cold shoulder. My shoulder is always receptive to any head that wishes to lay itself upon it.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I always suspected that, John.

Mr. Axworthy: Remember what happened to Gary Hart.

Mr. Crosbie: That, of course, is within the bounds of the legislation proposed by my hon. colleague, the Minister of Justice.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

WAR CRIMINALS

AMENDMENT OF CRIMINAL CODE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am going to resist the shoulder of the Minister of Transport. In the absence of the Minister of Justice, I will direct my question to the Prime Minister.

Last December the Government received the Deschênes Commission's report dealing with war criminals in Canada. The Government indicated that it would accept the recommendation that the Criminal Code be amended so that war criminals found in Canada could be prosecuted here.

Recently the Ukrainian community added its voice to many others wanting this legislation brought forward as quickly as possible because the time clock is running, not only for people who might be accused, but for witnesses as well.

Why the delay, Mr. Speaker? Will this legislation be brought forward soon? In any event, will the Government commit itself to bringing the legislation forward by the end of June?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am acting for the Minister of Justice today and I am proud to say that the appointment of the Deschênes Commission was an initiative of the Prime Minister and myself when I was the Minister of Justice. For 40 years—and for most of those years there was another administration, I will not mention its name because it would be invidious—no action was taken at all.

We appointed the Deschênes Commission, and the Minister of Justice is now acting to see that the recommendations are carried out in so far as they can be. I will pass on to him the hon. gentleman's anxiety in connection with the matters that he mentions. The Member can be assured that the Deschênes Commission report is getting very, very active attention and will continue to.

RODAL REPORT—REQUEST FOR PUBLICATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would be prepared to praise the Government if any substantive action had, in fact, been taken.

One of the things the Deschênes Commission recommended was that the Rodal Report, which deals with how war criminals here in Canada got here in the first place, be given the widest possible circulation, but the Government has been sitting on it since it received it in December.

When will that report be made public? Will the Government make a commitment to make public that report which Deschênes recommended be made public? What good is the Commission if none of the recommendations are going to be taken?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I think that the Minister of Justice is making sure that every step of the process along the way is proceeded with very carefully in the interests of fairness to everyone who may be involved.

I will pass on the Member's anxiety with respect to the circulation of that report, and I am sure the Minister will give him an answer when he returns to the House. He is in a meeting today with the country's Ministers of Justice, Mr. Speaker, otherwise he would be in this House as he loves every moment of his attendance here.

* * *

TELEVISION

DEMAND FOR STEREO TELEVISION PROGRAMMING

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, my question is for the Minister of Communications. Consumers in Canada today are buying stereo capable television at the rate of two to one. As the number of stereo televisions increase, Canadians are demanding stereo television programming using this state-of-the-art technology.

Will the Minister urge the CRTC and our broadcasters to ensure that Canadians have access to this new age of television programming, or will we remain in the monolithic age?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, Canada has always prided itself on being on the leading edge of technology in our broadcasting system. I am sure we will continue to remain so. In fact, the broadcasting industry has to realize that in order to remain competitive it must continue to implement leading edge technology, including capability in stereo systems.

I would like to inform the Hon. Member that at present there are discussions taking place between the CRTC and the broadcasting industry in order to ensure that Canadians continue to receive the best possible service.

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HAZARDOUS SUBSTANCES

GOVERNMENT'S ACTION ON DRUG ABUSE PLAN—GLUE SNIFFING—SALE OF SOLVENTS TO MINORS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Prime Minister. Is he aware that in Winnipeg we had a by-law dealing with solvent abuse, in particular, glue sniffing, which by-law made a positive contribution in reducing the amount of solvent abuse in our city. This law was thrown out by the courts and said to be within federal jurisdiction.

Is the Prime Minister prepared to bring in legislation regulating the sale of solvents to minors as part of his national drug plan?

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, it is my pleasure to participate in the drug strategy and to see reports in the press this morning saying that some young people, at least in Montreal, have congratulated the federal Government on its effort and have approved of the effort.

• (1500)

My hon. colleague has brought up a precise question about the regulation of solvents. I will be happy to bring it up with my colleague, the Minister of National Health and Welfare, and maybe also with the Minister of Consumer and Corporate Affairs.

REQUEST FOR LEGISLATIVE ACTION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, it is simply not enough to answer by saying that it will be referred to another Minister. I wonder if the Prime Minister would face up to this issue since he made drug abuse a national priority.

In Winnipeg we had legislation that was effective and that was reducing solvent abuse but now it is under federal jurisdiction. Is the Prime Minister prepared to take legislative action in order to reduce the amount of damage solvent abuse is doing to kids, permanent damage to neurological systems and to brains, and even causing death?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, last autumn when I spoke in Vancouver and indicated that, in my judgment, the drug abuse problem had reached epidemic proportions, some trendy types in this country thought that was cute and exaggerated, and so conveyed that message. This Government and this Party felt that drug abuse of this kind—

Ms. Copps: Ronnie felt.

Mr. Mulroney: Is the Hon. Member for Hamilton East speaking on this from her seat?

We felt that this kind of abuse required a national comprehensive program which we have put together.

My hon. friend raises another point which we will certainly take note of and which I will discuss with the Minister of National Health and Welfare, but fundamentally our commitment is to the real—

Mr. Marchi: Yes, sir, Mr. President.

Mr. Mulroney: Mr. Speaker, the Liberals do not find that the problem of drug abuse is serious. That is a typical reaction. What happens to ordinary Canadians does not interest them, but when it damages families, I guarantee you it interests us.

Some Hon. Members: Hear, hear!

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[*Translation*]

NATIONAL MUSEUMS OF CANADA

INDEPENDENT MUSEUMS—INQUIRY WHETHER GOVERNMENT HAS GIVEN FIRM DIRECTIONS CONCERNING APPLICATION OF OFFICIAL LANGUAGES ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Minister of Communications. Recently the Government announced the dismantling of National Museums of Canada, alleging administrative problems. Among these problems, the Commissioner of Official Languages singled out the non-application of the Official Languages Act. I have here a rather thick report containing 30 recommendations on the way to implement an official languages policy within the National Museums of Canada. Since the Minister says she wants to solve these problems, can she confirm that she will give or has given firm directions to the new independent museums, namely that they must abide by the law, that they must implement an official languages program?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I appreciate the question of the Hon. Member, and my answer is yes.

INQUIRY WHETHER EACH MUSEUM DIRECTOR WILL BE HELD RESPONSIBLE FOR APPLYING AND IMPLEMENTING PROGRAM

Mr. Jean-Robert Gauthier (Ottawa—Vanier): A supplementary question, Mr. Speaker. Since each museum will now be independent, can the Minister tell us whether each museum

director will be held responsible for applying and implementing a program, at the earliest opportunity, so that the public may be given services in the language of its choice, that people who work in museums may do so in the language of their choice, and that both official languages be equitably represented in national museums?

Hon. Flora MacDonald (Minister of Communications): During the transition period, Mr. Speaker, new Secretary General Edwards will continue the work of his predecessor. But in future, once the legislation has been passed, each museum director will have that responsibility.

* * *

[*English*]

REFUGEES

CASE OF FRANCESCO PIPERNO SENTENCED FOR TERRORISM BY ITALIAN COURT

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is directed to the Minister of State for Immigration. On Thursday, May 21, 1987, the Hon. Member for Etobicoke North asked about Francesco Piperno who was sentenced to 10 years in prison for helping establish an armed group responsible for the murder of former Italian Premier Aldo Moro. Can the Minister assure the House that Mr. Piperno, a convicted terrorist, will not under any circumstances be considered eligible for staying in Canada under the conditions issued by the Immigration Department memorandum of April 14, 1987, for criminally inadmissible applicants?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, Mr. Piperno was refused admission to Canada in June, 1982. He claimed refugee status and his claim was rejected in December, 1983. Since our decision, Mr. Piperno of course has been using all legal avenues available to him to have our decision overturned. The case is presently before the Immigration Appeal Board and it is inappropriate to comment. Of course this is symptomatic of the clogged, cumbersome, complicated system that was left to us by the previous Government.

Mr. Kindy: Supplementary, Mr. Speaker.

Mr. Speaker: The last question will be from the Hon. Member for Windsor—Walkerville. One question only, please, because we are over time.

Points of Order

CORPORATE

ACTIVITIES OF WINDSOR ORGANIZATION PURPORTEDLY ACTING AS OMBUDSMAN FOR MINISTER OF NATIONAL REVENUE

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question will be addressed to the Minister of Consumer and Corporate Affairs if he could be summoned from behind the curtain. In Windsor there is an outfit operating that describes itself as the ombudsman for the Minister of National Revenue. This outfit fraudulently uses Department of National Revenue letterhead, issues press releases as authorized by and issued on behalf of the office of the Minister of National Revenue, and is involved in other fraudulent activities claimed to be on behalf of the Minister of National Revenue. Why has the Government allowed this situation to exist for two and a half years without an effective response?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, this is the first I have heard of this. If the Hon. Member will let me know, we will look into it.

* * *

POINTS OF ORDER

RECOGNITION FOR PURPOSE OF ASKING SUPPLEMENTARY QUESTION

Mr. Alex Kindy (Calgary East): Mr. Speaker, I rise on a point of order. I was rising to ask a supplementary question and you called the Hon. Member for Windsor—Walkerville (Mr. McCurdy) who was behind the curtain and was not standing. I really do not appreciate that.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Chair realizes that the Hon. Member was in fact seeking the floor for a supplementary question. There were other Hon. Members as well who the Chair saw rising and those were government Members hoping to put some questions, but as I indicated to the House, we were getting a little over time.

Under the admittedly informal arrangements and co-operation that exists between the Parties and the Chair, the Hon. Member for Windsor—Walkerville (Mr. McCurdy) was the next delegated Hon. Member to put a question and I noticed that the question was certainly put immediately after the Hon. Member for Windsor—Walkerville was recognized. I also want to note that the Hon. Member for Windsor—Walkerville went along with the Chair's request to limit his usual two questions to just one question. With respect to the Hon. Member's point, I regret that I was not able to work him into this Question Period and I will try to do better on another occasion.

Privilege—Mr. Young

ALLEGED USE OF IMPROPER PARTY TITLES

Mr. Neil Young (Beaches): Mr. Speaker, I would ask you to take under consideration whether or not it is proper for a Minister of the Crown to address the Leader of the New Democratic Party (Mr. Broadbent) by any other terminology. I have noticed an increasing tendency, specifically from the cabinet benches, to use names other than proper Party names in the House.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I wish to respond to the Hon. Member for Beaches (Mr. Young) who made the point that it is considered offensive by members of the New Democratic Party to use the term "socialist". I have to say that we did not realize they found this offensive. I will certainly make it well known that they do.

• (1510)

Mr. Young: Mr. Speaker, I am sure that once Members have an opportunity to read the "blues" they will see I never said any such thing. I asked the Speaker to consider the use of terms to describe political Parties in this House other than the correct titles. That is all I asked you to do.

Ms. Jewett: The Neanderthal Tories.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Hon. Member for Beaches (Mr. Young) did not say the word he was referring to, but I heard very clearly the Minister of Energy, Mines and Resources (Mr. Masse) refer to the Hon. Member for Oshawa (Mr. Broadbent) as the Leader of the Opposition. Perhaps he is jumping the gun but I personally do not object to it.

Mr. Speaker: The Chair is pleased to note that the complaint raised by the Hon. Member for Beaches (Mr. Young) concerns the courtesies in this House. At times Hon. Members seeking to attract the attention of other Hon. Members sometimes use less complimentary terms in referring to their respective Parties. However, there is some legitimacy in the point the Hon. Member for Beaches makes. Those courtesies are expected, respected, and help to maintain order. I ask all Hon. Members to remember, in referring directly to the Leader of a Party, that it is probably more courteous to express the name of the Party in exact terms. I also ask members of the Opposition to extend those courtesies when referring to the government Party.

Mr. Crosbie: Don't call us Tories, call us Progressive Conservatives.

Mr. Speaker: The point is taken and I think we can move on to another matter.

PRIVILEGE

ALLEGED CONFLICTING INFORMATION

Mr. Speaker: The Hon. Member for Thunder Bay—Atikokan (Mr. Angus) has a short question of privilege.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise on what I believe is a question of privilege and I have given notice to you and the Minister involved.

I believe I and other Members of this House, particularly those in the Opposition but also government back-benchers, have to be sure the information we take from this House or committee is a clear reflection of why the Government makes a decision and what that decision is. If a Member is provided with two different versions or interpretations by the same Minister on the same day, then I believe that individual's ability to function as a Member of Parliament is somewhat compromised; in this case, perhaps my privilege has been violated.

I would like to read to you two short excerpts from the Standing Committee on Transport and the House last Thursday. This is the nub of my concern. Reading first from the committee, and to give you the context I will start with the question I put to the Minister:

> Do you have any indication whatsoever that the increase in the price per car—or to what extent the increase in the price per car—was due to design changes after the initial proposal was sent by VIA to the consortium?
>
> MR. CROSBIE: No, I do not. I do not have that information. It has been suggested that there was a premium because this Trans Consortium was formed. You know that there might have been a saving if the tenders had been called and they were both bidding against one and another. And that is possible that there was a cost premium there, but I do not have any figure for what you are discussing there.
>
> MR. ANGUS: Your department has not analysed the bid and the negotiated agreement as it relates to the—because I mean you yourself have said we are not doing it because we cannot afford it. The price is higher than we anticipated.
>
> MR. CROSBIE: Well, as I understand, there is a certain price tender per car which was too much and that price was substantially reduced after a series of discussions and negotiation. So the consortium reduced the price some hundreds of thousands of dollars per car as a result of discussions and negotiations after their original price was put in. But it still left it well in excess of three million dollars per car.
>
> MR. ANGUS: Just a final question. Mr. Minister, would you conclude then, that the final price per car was realistic, separate from the issue whether the money was available, but that the Government and VIA were not getting taken to the cleaners by the Trans Consortium because of a lack of competition?

Here is the key element in the Minister's response:

> MR. CROSBIE: I do not think Trans Consortium were attempting to take anyone to the cleaners. Naturally if you are bidding against one and another you are going to do everything you can to be competitive and shave prices. So probably the effect of inviting them both to work and tender together on it would result in a higher cost, but I do not think they were attempting to take anyone to the cleaners.

Later that day in the House, in response to my question, the Minister said:

> The hon. gentleman should ask the companies which he mentioned whether they were keeping that problem in mind when they submitted their prices to do

this work. The cars came in at hundreds of thousands of dollars in excess of what had originally been estimated.

The hon. gentleman might well ask them why they did not sharpen their pencils and come in with a price which we might have found sustainable rather than one $100 million in excess of what was originally envisaged.

The concern I have is that because the Minister provided me with two different answers I am unable to accurately reflect to my constituents, people whose employment is dependent upon that contract, the real reason for the decision. Is it because of the financial system of the company or is it because of a decision of the Government?

I would ask you, Sir, if you could examine those two answers in full. I should point out that the answer in the House is on page 6294 of *Hansard*. I do not have the final *Hansard* transcript of the Standing Committee on Transport. I only have the unedited copy which was made available to me immediately after the sitting. I would ask you to review them and see whether or not a Member's rights have been violated because of a difference in information given.

I have no dispute with the Minister or any other Minister when they say the Government is not doing something for the following reasons. However, when we get two different sets of reasons I think it is important that we have an idea as to whether that is an appropriate approach for this House and committee. I respectfully ask you to review that and I look forward to your decision.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am quite confident that if you can find a question of privilege in what the Hon. Member has put before you, you will be more than suited to getting through the eye of a needle. In the first place you have to look at the context of both—

Mr. Speaker: I hope the Hon. Minister is not referring to the Speaker as a camel.

Mr. Crosbie: No. Mr. Speaker, you would have to look at the questions in both cases. In his question asked here in the House the hon. gentleman was trying to blame the Government for a future loss of employment for those people who work for UTDC in Thunder Bay because the Government is not purchasing these cars. I was simply pointing out that surely their employer has to share any responsibility in that direction. The Government cannot be expected to base its decision purely on the employment creation any particular decision will provide.

In the next five years, with $2.5 billion in public funds, we are going to provide jobs at VIA Rail in the area of 8,000 or 10,000. I cannot remember exactly. We will provide thousands of other jobs in the supply and service industries. We have simply had to make a decision as to where the available money can best be spent. We had to decide whether we could afford to buy 130 of these particular new cars at a price in excess of $3 million. The answer was that we cannot. We will be providing great employment through the refurbishing of 200 older cars. If I remember the figure right, that will provide something like 8,000 man-years of employment.

• (1520)

There was nothing incorrect in either of my statements. I believe that both of the companies which the hon. gentleman mentioned were acting in good faith. However, the price they came up with plus other factors did not permit us to proceed.

I will be seeing some of the Hon. Member's constituents when I visit Thunder Bay on Friday. I would much prefer to be going there having been responsible for their receiving this contract, but I hope they will get other contracts. We will do whatever we can to assist.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Hon. Minister has highlighted the fact that this is really more a matter for debate than a question of privilege. The Hon. Member has highlighted a problem in his community. That is what we are all here for, but I submit that there is no prima facie case of a breach of privilege. There is no proof that his ability to function as a Member of Parliament has been impeded. I believe the Hon. Member has clarified the situation. In conclusion, I submit that no question of privilege has been brought before the House.

Mr. Speaker: I would like to hear the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) on whether he believes that the situation is now more clear to him in terms of his obligations to report back to his constituents.

Mr. Angus: Mr. Speaker, in terms of process I think the answer would have to be no. Obviously the information given by the Minister today is an accurate reflection of his feelings and his approach. However, in the broader sense there is perhaps a need for a review. Perhaps that is something which, in the generic sense, can be referred to the Committee on Elections, Privileges and Procedure for consideration of the responsibilities of Members *vis-a-vis* Government for the passing on of information. I will accept whatever judgment you may make either now or at some other time.

Mr. Speaker: As Hon. Members will know, whenever I think it is necessary I reserve judgment. However, in this case I think I can make a ruling at this time.

The Hon. Member for Thunder Bay—Atikokan is pursuing a matter of very great importance, not only nationally but particularly in the Hon. Member's riding. As the Hon. Parliamentary Secretary pointed out, that is very much respected in this place and it is expected.

It seems to the Speaker that the difficulty arises from the fact that things said by the Minister in committee may have been interpreted as being somewhat different than things he said when addressing the same issue in the House.

The difficulty the Chair is in, of course, is that strictly speaking the Chair ought not to be inquiring into what goes on in a committee. I have tried to be very careful not to transgress that rule. Speaking hypothetically is never too wise in this place, but if the Chair believed that there had been any

deliberate attempt to leave one impression in a committee and another in the House we might all be in some difficulty in addressing this matter. However, I do not take anything the Hon. Member for Thunder Bay—Atikokan has said as an indication that there was any deliberate attempt by the Minister to do that. I listened carefully to what the Minister said in this place. While I think there is a difference of view as to what was said in one place as compared to what was said here, I do not think it goes so far as to be a charge of any deliberate attempt to mislead.

Of course, in making this ruling I am more than prepared to assure the Hon. Member for Thunder Bay—Atikokan that I constantly bring more difficult situations to the chairman of the appropriate committee in an informal way in order that the committee, which is constantly surveying our rules, is made aware of them.

I hope that that response satisfies the Hon. Member. I want to tell him again that every Member of this House recognizes the importance of the issue, not just nationally, as I said, but especially in the Hon. Member's riding, and respects the concern of the Hon. Member for it. I want to thank the Hon. Minister for remaining for a few minutes in order to help the Chair settle this matter.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the government's response to petitions Nos. 332-2439, 332-2440 and 332-2449 to 332-2451, inclusive.

[*English*]

LOW-LEVEL FLIGHTS AT ARMED FORCES BASE AT GOOSE BAY

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour to present a petition from a number of residents of the City of Toronto who point out that the low-level flight training of pilots from the NATO countries at the Canadian Forces Base at Goose Bay, Labrador, disrupts the way of life of many of the native people there and is also a provocative and aggressive war fighting action that tends to endanger world peace.

Therefore, the petitioners humbly pray and call upon Parliament to ensure that the Prime Minister (Mr. Mulroney) will end all low-level flight training at the Goose Bay Canadian Forces Base and cease negotiations with NATO for the establishment of a larger base there, as in duty bound your petitioners will ever pray.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Dan Heap (Spadina): Mr. Speaker, I also have a petition from about 200 residents of Toronto and several other cities pointing out that there are many people who are forced by the troubles of the world to seek safety from persecution by coming to Canada, that Canada in the past has had a reasonably good refugee status determination system and standards, that the standing committee of Parliament has proposed one better able to deal with the problems which were created by overload, and that this has very, very widespread public support from leading bodies in our country. Therefore, they ask Parliament to ensure that the Government and Parliament will enact legislation which will embody the principles of fair and quick oral hearings of refugee claimants before a refugee board which is independent of the Immigration Commission, universal access to such hearings for every claimant in Canada, and adequate opportunity to arrive in Canada to make this claim, as in duty bound your petitioners will ever pray.

RIGHT TO LIFE OF THE UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, it is indeed a great pleasure for me to present a petition signed by 306 residents of Grande Prairie, Alberta, who request that the Government of Canada support my motion, Motion M-37, to allow the rights of unborn babies to be enshrined in the Constitution and protected under the Charter of Rights and Freedoms.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of constituents from British Columbia who are calling upon Parliament to support Motion M-37 to allow unborn babies to be protected by the Charter of Rights.

AMENDMENTS RESPECTING UNCORROBORATED EVIDENCE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I also have the privilege of presenting a petition on behalf of a number of residents of Kamloops, British Columbia, who are concerned about changes to the Criminal Code regarding young people.

They are, therefore, asking Parliament to amend the Criminal Code to provide that the "corroboration not required" provision in Section 246.4 of the Criminal Code apply to all sexual offences and not only those offences currently listed in Section 246.4.

• (1530)

RIGHT TO LIFE OF THE UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, it is a pleasure for me to table in the House today a petition received from a number of people from different parts of my

constituency in support of Motion M-37, the motion to enshrine in the Charter of Rights protection of the rights of the unborn.

[*Translation*]

This does not happen to me very often, but I have just received from Saskatchewan a petition written in French which humbly prays and calls upon Parliament to support Motion M-37 and allow unborn children protection under the Canadian Charter of Rights and Freedoms.

The petition is signed by Saskatchewan residents of Ferland, Gravelbourg, Regina, McCord, Kincaid, Saskatoon and two or three other towns and villages.

* * *

[*English*]

COPYRIGHT ACT

MEASURE TO AMEND

Hon. Flora MacDonald (Minister of Communications) moved for leave to introduce Bill C-60, an Act to amend the Copyright Act and to amend other Acts in consequence thereof.

The Acting Speaker (Mr. Paproski): Shall the Hon. Minister have leave to introduce the said Bill?

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 94 and 113.

[*Text*]

INCURSIONS OF SOVIET MILITARY AIRCRAFT INTO BEAUFORT SEA AREA

Question No. 94—**Mr. Nickerson:**

Since December 1, 1986, did Soviet military aircraft make incursions into the Beaufort Sea area and, if so (*a*) how many (*b*) on what dates (*c*) what type of aircraft were involved?

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): In general, the TU85 BEAR H which can be used as a Cruise missile launch platform, routinely flies training missions in the North Atlantic, off the north slope of Alaska and also over the Beaufort Sea. In all cases, other than below, these aircraft have remained over international waters.

It is a matter of public record that the Soviets effected an incursion into the Beaufort Sea on February 17, 1987, using BEAR H long range bombers. These were intercepted and identified by North American Aerospace Defence (NORAD) aircraft.

DND—HIRING OF TEACHERS

Question No. 113—**Mr. Manly:**

In each of the past five years, did the Department of National Defence hire any teachers and, if so (*a*) how many (*b*) from which provinces?

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence):

University Professors Appointed to Canadian Military Colleges by Province of Origin during 1982-1987

Collège Militaire Royal de Saint-Jean

	1982	1983	1984	1985	1986	1987
Quebec	8	5	14	4	17	
Ontario			2	1		

Royal Military College of Canada — Kingston

	1982	1983	1984	1985	1986	1987
Quebec	3		3	2	1	1
Ontario	4	3	3	3	3	1
Nova Scotia		1			1	
Alberta						1
Great Britain				1		

Royal Roads Military College — Victoria

	1982	1983	1984	1985	1986	1987
British Columbia	1	2	3	5	6	1
Alberta	1			1		
Manitoba		1				
Ontario		2	1			
Nova Scotia	1					
U.S.A. (California)	1					

Export and Import Permits Act

Language Teachers Appointed to Canadian Military Colleges by Province of Origin during 1982-1987

Collège Militaire Royal de Saint-Jean

	1982	1983	1984	1985	1986	1987
Quebec	1	0	3	3	3	

Royal Military College of Canada — Kingston

Ontario	6	15	15	15	3	

Royal Roads Military College — Victoria

British Columbia	3	5	4	4	4	

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXPORT AND IMPORT PERMITS ACT

MEASURE TO AMEND

Hon. Pat Carney (for the Secretary of State for External Affairs) moved that Bill C-57, an Act to amend the Export and Import Permits Act, be read the second time and referred to a legislative committee.

She said: Mr. Speaker, on April 8, I announced the Government's intention to introduce an amendment to the Export and Import Permits Act to permit the monitoring of all steel exports and imports. Members will recall the importance I placed then on maintaining open access to the U.S. steel market. A major element in our program involves obtaining more accurate data on exports and imports of both carbon steel and specialty steel. This is intended to ensure that Canada is not used as a back door to the U.S. market for offshore suppliers. Monitoring will provide a better appreciation of the complexities of our steel trade, not only with the United States, but with all countries.

As Members know, there are continuing pressures in the United States for Canada to reduce its share of the U.S. steel market. We believe that Canadian steel is fairly traded and that trade restrictive measures at the U.S. or any other border are not warranted. We expect the United States administration to continue resisting pressures from the U.S. industry and Congress to deal fairly with steel imports from Canada.

It is our view that the monitoring program, which will be implemented as a result of the amendment to the Export and Import Permits Act, will be very useful both to the Government and to the industry in resisting American pressures against Canadian imports.

One of the major characteristics of trade in steel between Canada and the United States is its integrated and mutually beneficial nature. We do not restrict access of American steel into our country. In fact, steel imports from the United States average about 5 per cent of the Canadian market and about one-quarter of our total steel imports. For every dollar of steel Canadian primary producers export to the United States, they import about $1.30 worth of equipment and materials from the United States.

Carbon steel has been subject to monitoring under the provisions of the Export and Import Permits Act since September, 1986. This arrangement was introduced on the basis of a recommendation from the Canadian Import Tribunal. It has been successful in producing very useful and timely information on carbon steel imports into Canada. However, with respect to steel exports, there is currently no provision in the Export and Import Permits Act that would let the Government introduce a similar program for exports. This amendment will overcome this problem. Furthermore, to ensure that we have a comprehensive program in place for imports and exports of all steel and reflecting the industry's desire for full coverage, the amendment will enable the Government to monitor imports of specialty steel.

This amendment provides for monitoring for a period of up to three years and is specific to the steel situation. It does not affect other products, nor does it alter the existing criteria under which any other goods may be placed under the import and export controls.

This amendment provides only for the collection of information and both import and export permits will be freely issued. It is not a measure to introduce controls.

The amendment requires us to provide Parliament with an annual statistical summary of information as soon as possible after the end of each calendar year. We believe that this information will generate a better appreciation of the complexities in the steel trade. We will, of course, publish regular

monthly reports for the trade. These will normally be issued within a matter of days following the end of each month.

Once the monitoring program is in place and the data on trade flows are available, it will provide a very accurate and precise picture of our trade in steel products with the United States and other countries. This, we believe, will help to ensure that our access to the U.S. market will remain open and that it will dispel any misunderstanding about the nature of Canadian steel exports.

In the period since I announced the monitoring program, we have consulted with all segments of the industry and told them of the general thrust of the monitoring program. We have been assured of the full support of the industry in this initiative. Many industry suggestions will be reflected in the administrative guidelines I will be announcing.

I am well aware of the views of some exporters that controls are inevitable. They may think that it will be to their long-term advantage to raise their level of exports in the immediate future, in the belief that they will eventually gain a higher quota. I do not expect that such controls will become a reality, but let me be very clear that increased exports will not be rewarded, and exporters should be aware of this.

• (1540)

We have continued to work toward maintaining free access to the United States. Consultations have been held between the parliamentary and congressional steel caucuses under the capable leadership of the Hon. Member for Burlington (Mr. Kempling). The parliamentary steel caucus has held several meetings with its U.S. counterpart and, as a result of such meetings, we believe that a better understanding has been reached.

Mr. de Jong: Hear, hear!

Miss Carney: The Hon. Member, with good reason, applauds. In addition, Canadian officials have been meeting on a quarterly basis with their U.S. counterparts. Canada and the U.S. steel industry and labour representatives have frequent contact through trade associations, unions and other organizations. These continuing contacts are particularly important in identifying the issues and avoiding conflict, which is in all our interests.

Hon. Members will appreciate that other important initiatives have been taken by the Government in support of our steel policy. For instance, in late August of 1985, country of origin marking requirements were introduced for imported steel pipes and tubes. As I mentioned, an import monitoring system for carbon steel became effective in September, 1986, and in the February, 1987 Budget, the Minister of Finance (Mr. Wilson) announced the withdrawal of the general preferential tariff on steel imports.

Clearly it is essential for both Government and the private sector to have the best possible data available on steel trade as soon as possible. This amendment will permit the collection of such data and allow us to disseminate it quickly.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, as we have previously indicated, it would be the intention of the Official Opposition to support this initiative which was brought forward by the Minister for International Trade (Miss Carney) and to expedite, as quickly as possible, its passage in this House.

We certainly accept the argument that this particular measure can provide some response to the various pressures which have been put forward by members of the U.S. steel industry and, perhaps more particularly, by certain members of the U.S. Congress who have suggested that Canada has become a staging ground for trans-shipments of steel from countries which are presently subject to the U.S. voluntary restraint program. I think we have been quite insistent all along that that should not be a major factor in affecting the flow of steel between the two countries.

I think the argument has certainly been made clear over time that the increase in the percentage of the steel market occupied by Canadian exports is as much due to the increased demand by U.S. steel manufacturers themselves for Canadian product because of their own labour or market conditions.

I certainly join with the Minister in supporting the work which has been done by Members of Parliament in the steel caucus representing the three Parties. I believe they have undertaken a very important educational program and have been a large contributor to the level of discussion which has taken place.

I would want to use a few moments during my remarks, however, to look at this legislation and raise some questions and perhaps some cautions about what it suggests. First, there have been certain remarks made by the Minister publicly; in fact she made a statement today which does provide a certain slight jar to the hearing. In an interview which was given and reported in *The Globe and Mail* just after the announcement of the Bill there was a suggestion that this was an evolutionary process.

The question, of course, is what are we evolving toward? Is this seen as a first or another step toward more of a control system being imposed by the United States? When the Minister provided a caution today to Canadian manufacturers, who attempt to inflate their exports into the United States, that that would not be considered, does that mean that something further is on the books? I do not want to draw direct conclusions but I think it would be important for the Minister, perhaps at report stage, as we move through today, to clarify that we are seeing these amendments to the Export Import Act as a terminal step and not necessarily as one of a series of steps which will be taken; that we are simply softening the ground.

I also want to point out that the procedure which has gone on in coming to grips with the dispute and discussion between

the two countries, does demonstrate the utility and effectiveness of looking at trade between the two countries in a sectoral fashion. One of the interesting and important historical experiences of Canada-U.S. trade has been that we have worked out trade problems on a sectoral basis. Of course, the most obvious example has been the automobile industry where we have a managed trade arrangement which has been certainly beneficial to both sides.

There have been a number of similar cases over the years in which trade disputes have arisen on both sides of the border. By way of different scale and spectrum of trade arrangements, whether by changes in legislation or by rules, understandings or various accords, we have been able to resolve those differences at a reasonably minimal price to the limits of own Parliamentary, political and governmental ways of doing things.

I would suggest to the Minister, who has often admonished Members of this House that the only answer to trade disputes with the United States is a broad comprehensive free trade agreement, that in fact the legislation she is introducing today is another way of doing it. It is an alternative. It does demonstrate that we can resolve these matters, that we can come to grips with these matters on a sectoral basis, on a product by product basis. That has worked in the past and is clearly working in this situation.

I would simply suggest that one of the reasons we find it easier to support this Bill is that it does support one of our own contentions; that is, when it comes to the matter of resolving trade disputes and responding to protectionists measures there are ways of doing it which does not involve the heavy price which would be encountered in a comprehensive, all inclusive, free trade arrangement. When Government spokespersons, from the Prime Minister (Mr. Mulroney) on down, say there is no alternative, I suggest to the Minister that we are glad to see that the Government does not always believe its own rhetoric and is prepared to adopt different ways of coming to grips with these measures. I think that is certainly important as we continue the ongoing trade discussions with the United States.

I would suggest that with more diligence and application, similar kinds of results and positive constructions could be put upon other areas where trade disputes also occur. One does not have to resort to the "all or nothing" approach, which is presently the position adopted by the Government opposite.

I would also like to suggest that we hope this is not necessarily the end of the discussion, as far as the Government is concerned, relating to the broader issue of the steel industry in Canada. I recognize that the Minister who introduced this legislation is speaking only from a trade aspect and that her colleagues in the Department of Regional Industrial Expansion, in the Department of Consumer and Corporate Affairs, and others who have economic portfolios such as the Minister of State for Finance (Mr. Hockin), should be looking at the broader issues of the steel industry. We recognize that there is a big issue out there which is not addressed by this legislation; the production capacity for steel in the world far exceeds the consumption. The modernization that is taking place in a variety of countries such as Brazil, Taiwan, other Pacific Rim countries, and even some European countries, will continue to place pressure on traditional steel companies.

• (1550)

On the trade side, what that really means is that coming to grips with this issue by way of the GATT negotiations will be very crucial. It also suggests that there has to be some clear understanding, at least by way of industrial guidelines, as to where the steel industry in Canada will be seeking its markets, and to what extent we will be able to continue in our modernization programs, our research and development and in improvement of our technology.

One of the most important features to be emphasized in this whole examination is the reason the Canadian steel industry is running into some static from the Americans. It is that we are better steel producers in key areas. We have modernized our plants and we have improved the technology. That has compared very favourably with the traditional and somewhat obsolete steel plants in the United States.

I can recall reading the comments of one economic observer back in the late seventies when United States Steel was responding to a number of pressures on the stock market to inflate its stock value so that it would not be taken over and have to go through all the shenanigans of takeover and acquisition. He said it was exceedingly strange that U.S. Steel, which is the largest U.S. producer, was spending hundreds of millions of dollars on the acquisition of Marathon Oil as opposed to putting its money into improving its steel products.

I think that is a lesson that is only now being learned in the U.S. steel industry. Its industry is allowed to use its capital to invest in a number of industries totally incidental to its own product, something which does not improve a product, that does not come to grips with the need to rationalize and to improve the industry which is now suffering that type of competition.

Fortunately, our own steel producers did not respond to that. That is one of the reasons it is important to maintain Canadian ownership of our industries. I think there is a clear record which demonstrates that through Canadian ownership we make much better choices in this key manufacturing sector than many foreign operators have done.

I hope that along the way we will be able to see a more clear-cut steel policy. That does not mean intervention or necessarily that we will be throwing money at the problem. I am not suggesting that. But I do believe that the kind of co-operation that has been evidenced in coming to grips with this specific problem might continue. There could be a broader application of that co-operative sense in the steel industry, certainly with respect to where it fits into the large Canadian picture and where in fact government regulation and efforts must be used.

We must recognize that we do have continuing problems in our own industry. There are major lay-offs taking place at Algoma that must be faced. Workers are being deeply affected by that. So far there has been very little done in the way of adjustment programs to assist those workers.

There is an ongoing problem with Sysco in Cape Breton. It is an industry of major importance to the East Coast and to the Cape Breton region. We understand that there may be a certain countervail applied to it in the United States in terms of steel rails. Where does that fit into the question of procurement?

I again raise the question, under a free trade agreement in which we apply the concept of national treatment to procurement, will the type of privileged position that has been offered up to now to Sysco to sell steel rail to Canadian National and others no longer be acceptable? It could no longer apply under the principles of national treatment. The Minister mentioned in her speech that that would be the guideline that would be applied under a free trade arrangement. We would have to accept a national treatment concept.

I see that my friend from Regina is in the Chamber. He clearly has the interest of IPSCO at heart. Over the years IPSCO has received subsidies, support and preferences from the Government of Saskatchewan and from the federal Government. In terms of the new subsidy legislation that is coming in there cannot be subsidies directed to specific industries. That type of preferential program for parts of the steel industry will no longer be available. Therefore the concept that we have had up until now, that the steel industry is a national steel industry and that it deserves attention on both the East Coast and in western Canada, will be in some jeopardy.

I must say that none of those questions have been answered. We have not received any detailed elaboration in terms of the future of the steel industry, particularly with respect to those parts of it that I have just mentioned. If a signature is put to paper within three, four or five months by the chief trade negotiators on both sides, then clearly the steel industry in Canada will be facing quite substantial and serious questions. I am not referring to those which are in specialized areas, but certainly the ones that I have mentioned, as well as others. They will no longer be able to face that.

I see that the Hon. Member for Burlington, who has been the chairman of the steel caucus, is in the Chamber. I know that he and I have shared some differences of opinion about trade over time. I suggest this might be an issue that the steel caucus will want to look at. I think it is a matter of some concern to members of my Party which deal with this matter.

I am not attempting to talk out the clock, Mr. Speaker. It is not often that we get an opportunity to talk about the steel industry in this Chamber. I wish to use this opportunity to raise the type of questions that I have raised and to point out that there are lessons to be learned, that there are issues that we must address.

We will certainly support the Government in this very specific piece of legislation. We certainly look forward to its passage before the end of the day. We want to ensure that many other questions which we have will be answered. We hope that we can use this debate to have an exchange on these questions so that we can determine whether this measure has a broader meaning than simply the specific issue it is designed to meet.

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to join in the debate on Bill C-57. As has been mentioned by the Minister and by the spokesperson for the Liberal Party, this Bill will receive all-Party support. I think everyone is in favour of it. I know that everyone in the steel industry is in favour of it. Those in management and in labour have been asking for this type of legislation for some time.

As has been explained in the remarks of the Minister and in the remarks of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), the Canadian steel industry is facing some problems, particularly with respect to its exports to the United States. The protectionist mood in the United States, coupled with the serious problems that the American steel industry is facing on the whole, has created ongoing pressures within the United States to restrict the importation of steel, including Canadian steel.

As has been pointed out, the voluntary restraint agreement that the United States has with a series of steel-producing countries restricts the amount of steel that those countries can export into the American market. It has been alleged that some of those countries get around the voluntary restraint agreement by shipping their steel through Canada and having it enter into the American market as Canadian steel. Of course this legislation will, hopefully, if not prevent then at least be able to verify that this is happening and the degree to which it is occurring.

I think it is certainly in the interests of Canadian steel producers, Canadian steelworkers and Members of Parliament from all political Parties, to make certain that the steel that is being exported into the United States is Canadian steel. We are certainly in support of anything that would help prevent steel from VRA countries entering into the United States as Canadian steel.

• (1600)

The Minister was quite right in pointing out that the Canadian relationship with the United States is quite different, especially when it comes to steel. The Minister also pointed out in terms of steel products that for every dollar we export into the American market, the Americans export $1.30 in steel products to Canada.

One could refer to many examples in this area. For example, IPSCO, which is in my district, imports most of its scrap from the United States. Many steel mills in eastern Canada use American coal. Our relationship with the United States in terms of steel is indeed a special one. It is not the same as the

relationships which Brazil, Japan, and Germany have with the United States. It is a special relationship, and I think it deserves special attention and consideration by the United States.

I would tend to think that the area of adequate information and statistics has been weak on both sides of the border. The American ability to determine how much they actually export into Canada, particularly with the deregulation of the transportation industry, has resulted in some statistics which have not been all that valid. I think the Americans are recognizing this and are boning up their ability to collect data at the border. Certainly the Bill would enable Canada to develop better statistics so we would have a more accurate picture of what we are exporting into the United States.

Let us not be fooled. If some producers wish to circumvent the legislation or the intent of the legislation, they can still do so.

Miss Carney: At their peril.

Mr. de Jong: Yes, but there is no clause in the legislation which would punish those producers.

What is also missing in the legislation is the demand that the originating mill be listed. I know that in some circumstances, particularly in this day and age of bartering and swaps, this would be difficult. However, I think it would be helpful to have in the legislation that the application and the permit must show the mill where the steel products originate. As I mentioned, this might be difficult in some circumstances.

I was made aware by the chairman of the steel caucus, the Hon. Member for Burlington, that he spoke with Japanese steel makers who told him of an incident in which they had traded with another country for coffee. The Brazilians were interested in getting its coffee off the market, so they traded steel. The steel was swapped. It had several different owners. By the time it reached its destination, one could not really tell its origin. I recognize that in some circumstances it will be difficult to determine the originating mill.

If we are to have adequate data, we must make an attempt to determine what country produced the steel products we are importing and exporting. Only in that way could we verify what countries or what particular mills are trying to get around their voluntary restraint agreements with the United States. Only in that way would we be able to demonstrate that particular mills and countries are using Canada as a means of laundering their steel.

The world situation in steel is quite bleak. There is tremendous over-production and over capacity for steel and steel products. In years ahead we will see that the world-wide industry will have to be rationalized. We just do not know who will be the winners and the losers. We must make certain that Canadian steel workers and mills are left in the game. When the industry gets itself straightened out and when the dust settles, we must ensure that there is a viable steel industry in Canada.

Of course there is a major problem with the steel industry in the United States. That is not to say that all American steel mills have antiquated and obsolete equipment; there are some quite efficient steel mills, particularly along their West Coast. They are not huge mills. They are smaller and have more up to date equipment. They are technologically more advanced. They produce steel at a very cost efficient price. However, large, traditional steel producers, particularly those in the east, did not think ahead. It was a case of greed. They took all the profits and either used them to acquire other interests or to disburse it to shareholders. What they did not do was reinvest in new plant and equipment.

The result today is that some of the major steel producers in the United States are quite sick and are on the brink of going bankrupt. If some of them go bankrupt, it would be catastrophic, not only to local communities, steel workers, and the pension plans of retired steel workers, but to the economies of the States in which they are located. It would also shake up some of the secondary suppliers, many of whom are Canadian concerns. All of us who are interested in the question of steel share a concern that some of the major players in the United States are on the brink of filing for bankruptcy.

I should like to conclude my remarks by mentioning the steel caucus of which I am a member and of which the Hon. Member for Burlington has been the chairman. The steel caucus is an example of how Parliament and parliamentarians can work. We do not attempt to score political points at the expense of each other. We have a common interest: the viability of the Canadian steel industry in its total sense—not only management or the shareholders, but the steel workers. Our mutual concern allows us to work in a co-operative manner and on behalf of our country and its steel industry. It allows us to lobby on behalf of Canada in the United States and to help engender and bring forth beneficial public policy. It is an example of how Parliament can and should work in many other areas. It is not a matter of ideological differences between political Parties. Members of Parliament work together toward the common good, coming to common sense solutions rather than playing politics at the expense of common sense solutions and the common good. I wish to express to you, Mr. Speaker, that the steel caucus is one example; I think it is an excellent example of how parliamentarians can take a different track and work together toward common sense solutions. As Members of Parliament we can be proud of the steel caucus and the very capable leadership given by the chairman, the Hon. Member for Burlington.

Some Hon. Members: Hear, hear!

• (1610)

Mr. de Jong: I do not wish to take up much more time on Bill C-57. It has the support of our caucus and Members. We are concerned with one or two things that we would like to address when the Bill gets to Committee of the Whole.

Mr. Lewis: Mr. Speaker, there have been discussions among the Parties and I think you will find unanimous consent for this Bill to be sent to Committee of the Whole House rather than a legislative committee. I understand there is a willingness to dispose of all three stages of the Bill this afternoon. I would also advise the House that the Minister during clause by clause study will have officials in the House to answer any questions which Members of the Opposition may have.

Mr. Axworthy: Mr. Speaker, I certainly have no objection to the statement made by the Parliamentary Secretary, but I want to ensure that what he has proposed takes place after second reading has concluded. I think there are still some people in the House who would like to continue with second reading.

Mr. Lewis: Obviously, yes, Mr. Speaker.

Mr. de Jong: Mr. Speaker, I wish to indicate on behalf of the New Democratic Party that we concur with this arrangement. We will be pleased to see this Bill pass all stages today.

Mr. Bill Kempling (Burlington): Mr. Speaker, at the outset I want to thank the Official Opposition, particularly the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), and the Member from the New Democratic Party, the Hon. Member for Regina East (Mr. de Jong), for their co-operation in the passage of this Bill. The Member from Regina East made reference to the steel caucus that I happen to be fortunate enough to chair, and I might say that the caucus is made up of a fine group of people. Indeed, we are non-political. We work on behalf of the steel industry and I applaud them for their assistance and good counsel when difficult issues arise.

This legislation before us today was requested firstly by the steel industry and secondly by the steelworkers of Canada. The Minister for International Trade (Miss Carney) and her officials had long and serious discussions with the various elements of the steel trade in Canada, not only with the industry and the United Steelworkers of America, but also with those in the steel service centres, in secondary production and those in the steel fabricating end of the industry. All agreed that this legislation should come forward. We have tried to deal with how to get a handle on the monitoring of steel exported from Canada for some time, but with little or no success and so we have moved to this monitoring stage.

I would like to review briefly why we had to come to this stage. The American industry has experienced some difficulties. In 1984, the U.S. Department of Commerce became aware that about 26 per cent of the American steel market was dominated by imported steel. An effort was made to put quotas and restrictions on the importers and the exporters of steel in the American market. Much of that steel was being dumped onto the American market. Canada was exempted from a voluntary restraint agreement quota at that time. We were not and have not, to the best of my knowledge, ever dumped steel on the American market. Odd cases have gone before the International Trade Commission, and there have been anti-dumping investigations here and there, but by and large the process that we have in place, and that the Americans have in place, has taken care of any distortions that may have appeared on the price side of the steel business.

Initially the steel manufacturers complained that the price of steel was being unfairly depressed in the American marketplace because imported steel was coming in at low and dumped prices. The administration moved to what it called the VRA, the voluntary restraint agreement, which was signed with about 19 countries. For a portion of the apparent American market they were not to countervail or anti-dump and were to abide by the voluntary restraint agreement. Canada, not being a part of that arrangement, did not have a commitment. Our traditional share of the American market at that time was about 3 per cent. Our primary producers being very responsible people said they would endeavour to maintain our share of the American market at about 3 per cent. They have done that fairly well until recently.

In any commercial arrangement, people after a while find avenues of escape. What we have found, and the Americans have concurred with us, is that there have been some purchasers of steel in the U.S., other than producers, who have been buying steel from countries which have signed a VRA with the Americans. When the steel quota assigned to a particular country runs out they have shipped steel into a facility here in Canada, into a warehouse, a bonding house or something of that nature. Then the steel is trans-shipped into the United States and is counted as Canadian steel, which is clearly unfair to our producers. Our difficulty is that we do not know the dimension, the dynamics, the size, the amount involved, but we know that happens.

My colleague from Regina East has also made mention of steel found in counter-trade. Counter-trade is a practice that is becoming more and more important in the world. Some Third World countries which have put steel exporting facilities and steel production facilities together have found that they could trade semi-finished steel, billets or raw steel to other countries in exchange for other commodities required. That steel is floating around in warehouses in the Third World waiting for a place to park. Some of it could find its way into Canada. If so, it would be transformed in some way and would enter the American market and counted as Canadian steel. Therefore, we had to move to see how we could get a handle on how much was involved and if we could ensure that it was not counted as Canadian steel.

We had discussions in Washington last week with officials of the American Iron and Steel Institute and with the executives of the congressional steel caucus on the monitoring Bill. I can say that we were well received. Officials from the Departments of International Trade and External Affairs did an outstanding job in presenting the monitoring Bill and the regulations behind it to the officials.

• (1620)

I must say that the Americans were very impressed with the speed with which we were able to move with legislation as compared to the speed of their process, bearing in mind that the United States is a larger country with more people and more complex issues. They were openly complimentary about the way we could talk about a problem and then, in a very short period of time, put together a program and tell them what it was.

The Americans feel that what we are doing will be effective. For the first time, it will provide clear information about the origin of steel entering the American market. I think that will help our companies tremendously.

The other point we tried to make is that our mill-to-mill shipments should be exempt from any agreed to or voluntary quota in the American market. In fact, when we ship steel from our mills to their mills, we are helping their steel industry. As Hon. Members are aware, there have been shutdowns, strikes and bankruptcies in the American steel industry and when we make mill-to-mill shipments, we act almost like a just-in-time supplier.

Many people know what steel is, but they do not know the politics of steel. It is a very political business. Canada is the largest customer of the United States steel industry. As the Minister pointed out, we buy about 500,000 tonnes, worth something in the neighbourhood of $450 million per year to the Americans. As well, the United States is our largest customer. It is a relationship that is unparalleled. There are no two other countries in the world trading in a commodity like steel with the relationship we have with the United States of America.

Canada buys 90 per cent of its metallurgical coal from Tennessee, Virginia and Pennsylvania. As well, about 45 per cent of the pellets used in Canada are bought from American mines. In fact, we own some of the coal and iron ore mines. The Canadian steel industry owns several steel facilities in the United States, facilities which employ about 12,000 Americans. Truly we have a relationship that is unparalleled and unequalled in the world.

When we go there, one of our great difficulties in the hustle and bustle of Washington is getting our colleagues to recognize our relationship. We tell them we are not Brazil, Taiwan or Korea, we are Canada. We spend $1.30 in the American market for every dollar we ship in and we are the United States' largest customer. We trade facilities back and forth. We send steel to the United States for a process that is not done in Canada and indeed we receive American steel for heat treating because there is no comparable facility in the United States. Our arrangement is very unique, and our objective in this legislation is to see that that relationship continues and is not diminished in any way.

What happens in most commercial relationships is that a VRA is put on in an attempt to have a measure of control over a situation, but then people find a way to circumvent the VRA. That has happened here and that is what we are trying to correct. We want to know the country of origin of steel going into the United States. For all we know, some of the American steel that comes into Canada and is processed here and then returned to the United States may be going into the United States as Canadian steel. We do not know that but we will find out through this monitoring process.

In the years since 1984, when the VRA system was put in place by the American Government, the number of companies shipping steel into the United States has increased. I was absolutely flabbergasted when I learned that there are approximately 700 companies shipping steel into the United States. There are 14 primary producers in Canada but there are 700 companies shipping steel into the United States. Of those companies, 350 have emerged in the last couple of years.

We must realize that there are a great many people involved in this trade and we simply do not know the depth of it. We do not know if some of these companies are operating out of a telephone booth, out of a steel warehouse or out of a mill that transforms steel. We simply do not know the dimensions of it and the monitoring Bill will allow the Minister for International Trade to monitor the situation. When my colleagues in the steel caucus and our officials go to the United States to talk to the American administration and the Congressional authorities, we will be able to do so armed with some good, hard information that will help us make our case.

We have much to gain by putting this legislation in place. When it was originally brought forward by the Minister, her officials, her Parliamentary Secretary and others sat down with opposition Members and told them the story. Opposition Members listened to what we wanted to do and they agreed. I think that is a fine example of how Parliament can work when serious matters that have to be dealt with in an expeditious way come before it.

I look forward to hearing other comments. I understand the Hon. Member for Hamilton East (Ms. Copps) will make some comments on this matter and I look forward to hearing what she has to say. Then I look forward to going through the other stages of this Bill and to its final passage. I am told that the Senate will handle it in the same fashion. This is a good example of how we can do things when they have to be done.

The Acting Speaker (Mr. Paproski): Questions or comments? Debate.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, a number of Hon. Members have outlined the situation facing the Canadian steel industry and have indicated why this Bill is before us today. We in the Opposition will support the Bill. If the Hon. Member for Algoma (Mr. Foster) were present, he would certainly have said that he himself has been asking for this legislation in the form of questions in the House. We are pleased to see that the Government has taken the initiative which was launched by Canadian steel producers as well as the labour movement.

Indeed, this is a very good example of how dealing with trade on a sectoral basis is working. The steel industry is a good example of how Canada and the United States have historically been able to hammer out solutions to cross-border problems that vex both countries.

• (1630)

One thing we have not touched on is the reason for the malaise in the American steel industry. While I know U.S. Senator Heinz is motivated to bring forth protectionist legislation merely to ward off competition from a number of countries, Canada among them, one reason is that the plants in the U.S. have not been modernized. They have not received the support from Government that we have. I might say that past Liberal Governments have been in a position to permit modernization of the steel industry so that Dofasco and Stelco, the two major steel companies in Canada, both in my riding, have among the most modern plants in the world. The companies, in concert with workers and Government, moved very early on to modernize their facilities.

A second issue relates to the fact we in Canada have had the export edge. This is because of the inflated value of the American dollar. Unfortunately, some of the measures being considered in the U.S. Congress to deal with the so-called steel import problem are really tied to that fact. That in turn, because of our close proximity as well as our first-class product, has given us an edge in the American market.

The Hon. Member for Burlington (Mr. Kempling) pointed out that we have 14 major steel producers in Canada. The major players have worked very closely to try to develop a good working relationship with the U.S. so that we would not be forced to accept a voluntary restraint agreement. We know that people like Don Belch and Bob Varah of Stelco and Dofasco have been working together, going to Washington on a regular basis. Any time I phone Stelco it usually turns out that Mr. Belch is working in Washington to try to convince the Americans of what we in Canada already know, that is, that we are fair trading partners, we are not dumping steel. In the isolated cases of alleged steel dumping which have been brought to the attention of the Americans, we have actually seen a situation where some of these maverick companies, those which are jobbing steel from third countries via Canada into the U.S. because the importing of steel from those countries is limited, have set up subsidiary companies in Canada which they use to divert steel from third countries through Canada into the U.S. We have seen that in the case of a couple of concrete floor manufacturers in the U.S. who import steel rod from other countries via Canada. In fact, the American entrepreneur is subverting his own legislation and the Canadian steel industry is taking the brunt of criticism for the alleged increase in the amount of steel imports into the U.S.

I think the other issue that was lightly touched on by the Hon. Member for Burlington is the fact that for every dollar we sell to the U.S. we consume $1.30 in imported product to make steel. We should emphasize that point. When the U.S. Congress is dealing with the increase in steel imports they also must realize they are benefiting directly through the sale of goods to Canada to the tune of $1.30 for every dollar we sell to the U.S.

I know that a number of editorialists and a number of Americans have pointed to what I would characterize as a small blip in the U.S. import market in the early part of this year. The reason for that blip has been articulated by other Members, but when USX went on strike I spoke to steel producers in Hamilton who told me they were being begged to sell our first quality steel to the U.S. Of course they chose not to fill the orders because they did not want to create a situation where Canadian imports increased so much as to encourage any further protectionist action by the U.S.

Notwithstanding the fact that the Canadian steel industry, through the Canadian Steel Producers Association as well as the steelworkers and their tripartite approach with the Government, has literally bent over backwards to inhibit any thinking in the U.S. Congress that Canada is not a fair trading partner, we continue to be assaulted by claims of dumping. One of the elements of discussion raised in the House over the last number of months has been the allegation of dumping of Canadian steel being considered by the U.S. Department of Commerce.

When you look at the telex which deals with the allegations you see they are being levelled at companies which are not even producing the particular type of steel about which the allegations are made. In fact, there has been absolutely no substance at all to American claims about dumping by Stelco and Algoma Steel, for example. These companies are prepared to go to the U.S. Department of Commerce and fight their case. They will win. We have done it in the past and we will continue to do it. Yet at the same time we are tying up valuable dollars and the valuable time of some of our top people who go back and forth to the U.S. constantly lobbying on issues which have been won time and time again. If we adopted a sectoral approach to making sure that Canadian steel producers are able to sell our top quality products in the U.S. without being aggravated at every turn by congressional protectionist measures, it would receive the support of all Canadians.

I remember that a couple of years ago, when the Government was in the process of launching its free trade initiative, a secret document was leaked to the press. It dealt with what kind of strategies the Opposition should be approached with. That document suggested that Members who represented steel-producing ridings, like myself, were particularly vulnerable and must *de facto* support a trade agreement because in effect the steel industry would be a potential beneficiary. Our response is that time and time again we have shown, through our producers and our labour movement, that we are prepared to deal with the questions of U.S. protectionism as they are raised on an ongoing basis.

I think this legislation is another attempt by Parliament, with the assistance and support of the trade unions as well as the management of most of our steel companies, to deal with the problem and head it off at the pass. It will work to show the Americans we are very serious about maintaining the quota of exports to the U.S. at around the 3.5 per cent or 3.7 per cent level. I think 3.7 per cent is the level which certainly Mr. Varah has publicly stated we were prepared to live with. As long as we show this good faith in Parliament as well as in the steel industry we should be in a position to convince the Americans that we mean fair business but we intend to protect our share of the steel market.

My concern in the long term is that the American Government will see weakness in the Canadian position. It will see weakness in our position as it did when the Minister for International Trade (Miss Carney) went to Washington on the softwood lumber deal. The Minister said, "We are prepared to saw off and make you an offer, and if that offer does not work, it is our final offer". Yet she subsequently came back with a second final offer and so on.

• (1640)

If the American Congress perceives a weakness in the position of the Canadian Government, if it sees blood, it is going to go for the jugular. If it goes for the jugular and is successful in introducing protectionist measures as they affect the Canadian steel industry, we run the risk of losing tens of thousands of Canadian jobs.

I certainly support the measure that is being introduced today by the Government. I think it is long overdue and I think it will send a signal to the United States that the Canadian steel industry is very serious about being a fair trading partner and that we are prepared to put our reputation on the line, prepared to say that we do not want steel to be diverted from third countries through Canada merely to subvert the voluntary restraint agreement, that by God we do not want any more possibility for export control curbs from Canada to the United States and we do not want a VRA imposed on Canada.

We have heard the President say that Canada's steel industry will continue to be able to trade with the United States, but we have also seen him circle the wagons when need be. In introducing this legislation in Parliament and in getting the support of the steel producers and the labour movement, the Minister for International Trade must send that message to Washington in the strongest possible terms. If we can do it through the steel caucus or through debate here in the Houses of Parliament, that is terrific.

However, it must be done. We have to tell Washington that these export control curbs are being put in place so that we can prove once and for all that we are fair trading partners and are not dumping our steel into the United States.

We can pass this legislation with a clean conscience, but we must ensure that the Americans, including Senator Heinz, get the message loud and clear. Far too much Canadian time and energy is currently being spent fighting phantom legal battles in Washington following allegations of dumping such as those recently put before the Department of Commerce. Enough Canadian steel producers have shown that we are prepared to play ball. We have to protect our option because as the American dollar reaches a more reasonable level the world strata of steel sales could change. It is important that we recognize that.

[*Translation*]

Mr. Speaker, I simply want to say it is a good thing that the support for this Bill is unanimous, because it gives the Canadian Government a strong position from which to tell Americans that we have already gone far enough to prove we are fair and equitable producers, that we are not about to sell steel from other countries across Canada, to try and circumvent U.S. regulations. Our conscience is pretty clear on that, and we would like to pass this Bill to convince Americans they should not react by passing a lot of new protectionist legislation in the U.S.

Mr. Speaker, I think that with this Bill, with the unanimous support of producers and workers, opposition Parties and the Government, we can send a fairly strong message to the Minister for International Trade. We can give him the strength to tell the Americans we do not want to be subject to so-called voluntary restrictions. I think we should not give Americans the impression that we are weak-kneed on this point, which was the case in the softwood lumber affair, where we had a weak Minister, a Minister who promised, who made a final offer and who in the final instance made a second and a third final offer. We do not want the same thing to happen in the steel industry because thousands of jobs would be lost if the Americans decided to impose a restrictive, so-called voluntary agreement, which is a contradiction in terms since restrictions are never voluntary. We are prepared to support the Government, but we want it to speak with a strong voice. We are concerned, and not just about this Bill, but generally speaking, that the policy set forth by the Government so far in our free trade talks gives the Americans the impression that we are not speaking from strength but from weakness. We must speak with a strong voice to protect jobs in the steel industry and in other sectors. And that is why we in the Liberal Party are prepared to support this Bill.

[*English*]

I would like to conclude by asking the Minister to consider the possibility of introducing further legislation containing a real steel policy. In essence, this is fire-fighting at an early stage, but it is not dealing with the situation at Sysco and in other regions of the country where the steel industry is essentially being deindustrialized. We are lucky in the City of Hamilton that in the first fiscal quarter of 1987 The Steel Company of Canada showed a profit. Dofasco did not show a profit for the reason that it is writing off some of its modernization improvements, but it had a pre-tax profit. We are doing very well in Hamilton and are fair trading partners.

Mr. Siddon: Thanks to a good Government.

Ms. Copps: The Minister says "thanks to a good Government". It is actually thanks to a great workforce in the City of Hamilton. Our workers, both at The Steel Company of Canada and at Dofasco, are producing the best quality product in the world thanks to previous Liberal Governments which permitted them to have the most state of the art equipment available. They have a one-track rolling process which allows our steel to be as competitive as any found in any country, even when pitted against the low salaries paid in Korea, Brazil, and some other countries.

We are the number one steel-producing community in the world. Hamilton East is the number one steel riding in Canada. That is because past Liberal Governments had the foresight to recognize that we had to modernize and upgrade the industry and not allow the type of deterioration of plants that we have seen in the United States. That is why Pittsburgh is in the mess in which it is at the moment. American Governments did not have the same foresight as the Canadian Government. In addition, we have the best workforce in the world, so it is natural that we should be doing well.

However, there are other parts of the country which are not doing that well. I think about Sydney, Regina, and other areas of the country which need help. I do not think this particular measure goes far enough toward actually introducing a steel policy which will deal with the deindustrialization which is occurring in some of the less fortunate areas of the country in the steel industry.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I am pleased to join my colleague, other members of the Official Opposition, and Members on the government side in speaking in support of this legislation which is quite clearly not intended to establish a steel policy however needful we might be of the development of such a policy. We have before us a piece of legislation which will complete the cycle of the monitoring system initiated as a result of last year's report of the Canadian Import Tribunal with regard to carbon steel which established the requirement for import permits. This legislation would impose a requirement for export permits.

There has been a great deal said about the state of the steel industry world-wide and the conditions which have evolved over the last little while. This topic was dealt with in quite considerable detail in the report of the Canadian Import Tribunal which points out that changes in the kinds of material used in manufacture, the entry of Third World countries into the field of steel production, the development of an overcapacity matched by the use of subsidies and import controls in many nations historically involved in the export of steel have created a situation which has posed, poses, and will pose a danger to our steel industry and the steel industry of the United States.

• (1650)

It has been indicated that the reaction of Senator Heinz to the state of affairs in Pennsylvania is not very different from the kind of reaction expressed by those who speak on behalf of those who depend upon the steel industry of Sydney, for example. The threatened imposition of a 2.4 per cent quota on Canadian steel imported into the United States raises the question about the level playing field and the issues of the relative rate of importation of steel into our respective countries. This flies in the face of the agreement reached previously with 18 countries importing steel to the United States to restrain their imports to the United States voluntarily. Canada was omitted from that requirement because it was found not to be engaging in unfair trading practices with respect to steel.

While Canada has restrained itself during this, in an attempt to maintain its 3 per cent traditional level of steel import, we nevertheless face a challenge with respect to steel as we have faced with respect to other items.

It has been noted that the American steel industry has not kept pace with the need for technological change and greater efficiency. The Member for Hamilton East (Ms. Copps) ascribed the failure of the American steel industry to the absence of federal aid to the industry in that country. However, I believe the record will show that many of the large corporations in the United States greedily distributed the profits to shareholders rather than reinvesting in the modernization of the steel industry. Therefore, the fault cannot be exclusively laid at the door of the Government, but must partly be attributed to those who own and operate steel companies.

While the Liberal Government in the past provided some help to the steel industry in Canada, I believe it is evident that the Canadian steel industry had more foresight and therefore did not require the same level of subsidy as other countries in order to modernize and maintain a level of competitiveness. That has allowed it even to exceed the quotas that have been imposed by general agreement because those in the United States who purchase steel recognize the quality of steel that is produced here.

A voluntary restraint agreement was reached with a number of nations that previously not only imported steel but potentially exceeded the levels of importation in the United States. It now seems clear that with Canada's situation becoming somewhat different, they were possibly trying to take advantage of Canada's unique position by trans-shipping cheap steel to the United States after transforming and processing it to a substantial extent to allow such steel to gain access to the United States.

It is important to adopt this legislation so that there is a clear understanding and clear information about the transshipment of steel or the exceeding of the traditional levels of importation of steel in the United States from Canada. It will provide for discussion and agreement with the United States on the basis of sound information. This is very appropriate

legislation and I hope it will demonstrate that Canada has honestly pursued its voluntary restraints.

While the major exporters of steel have respected restraint, there is some evidence that smaller corporations—some of which may be subsidiaries of American companies—have abused the understanding and taken advantage of a situation that is at least partly created by the Americans who come here and try to sneak steel in from those smaller producers. This legislation will enable us to ascertain whether that is true. We will be able to determine whether the suspicions of people like Senator Heinz are supported by that data. This legislation will give us a basis to argue strongly on Canada's behalf that the same situation not be created with steel as was created with respect to softwood lumber.

The imposition of the import permit in September, 1986, caused considerable concern about steel importation by those associated with the automobile industry where "on-time" delivery and the efficient and rapid transfer of products across the border is very important. I want to congratulate the Government for having found ways to facilitate that rapid processing of permits in order to allay the fears that most manufacturers had about the effect of the permits in terms of automobile production.

Since steel products in the automobile industry go both ways and "on-time" delivery is still as important, I hope the Government will be as forthcoming as it was then in ensuring that the imposition of an export permit requirement will not constitute an impediment to commerce in the export and import of steel in the automobile industry.

On behalf of my Party I am pleased to join with my colleague in support of this legislation and seek its rapid passage and implementation.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-57, an Act to amend the Export and Import Permits Act.

Shall Clause 1 carry?

On Clause 1—*Addition to Export Control List or Import Control List*

• (1700)

Mr. Axworthy: With respect to Clause 1, I want to refer the Minister to a very central question. We know that the purpose of the legislation, particularly in this clause, is to determine whether there is trans-shipment taking place and to ensure that countries are not avoiding or evading the VRA imposed by the United States Government. One of the key questions is how much reprocessing must take place in a Canadian mill using certain foreign steel components before it is considered to be Canadian. Under this clause we have the right to put it on the prohibited list. I suppose the key question is, if we are going to be applying certificates, can the Minister tell us how we are going to determine whether or not it is in fact covered by this particular section?

Miss Carney: Mr. Chairman, I could tell the House that the Government is not attempting in this Bill to establish criteria for a substantial transformation or rules of origin on steel. We believe the existing procedures, including auditing, will enable us to identify non-Canadian steel exported to the U.S. We are confident that through close co-operation between the Canadian and U.S. customs authorities, appropriate steps will be taken to ensure that Canada is not used as a back door for foreign steel into the U.S. market.

Mr. Axworthy: Well, Mr. Chairman, I am not sure the Minister quite answered my question. I think we are dealing in an area where perhaps she is prepared to elaborate. I understand Senator John Heinz, who was visiting here in Ottawa, is currently threatening to introduce a new Steel Bill in the United States Senate which would be incorporated in its new Trade Bill. He indicated that one of the problems they face is that Canadian steel for export is in fact a reprocessed steel, transformed from other products. I suppose the question is, if there is nothing in this Bill which captures that, then what will be the response from the United States and our response to that particular issue which has been raised by the United States Senators in discussing their own Trade Bill?

Miss Carney: Mr. Chairman, I do not think the Hon. Member is sufficiently aware of the fact that it is up to the Americans to ensure that American law is being kept in this case. We do not intend to run around the border being the policemen for American law. We will co-operate. We will collect statistics. We will transmit those statistics. However, the issue the Hon. Member raises deals with the requirements set by the Americans in their market. I am sure that, given his stand on sovereignty issues in the past, the Hon. Member would not expect us to be the policemen in enforcing American law.

Mr. Axworthy: Well, Mr. Chairman, the Minister is certainly right that I would not want the Canadian Government to be involved in setting those standards. One reason I am asking the question is to determine under this section, where the Minister has the right to place certain products on the prohibited list, what those products will in fact incorporate

and whether they will take into account that there are various ranges of reprocessing which takes place between using certain steel products and the level of transformation which can be from 5 per cent to 50 per cent, 60 per cent or 70 per cent. I am asking whether we are intending to apply any test of that kind to determine whether or not they would be put on the list. That is the question I am asking.

Miss Carney: I have answered that by saying that after looking at this issue and studying it, and seeing whether it would be appropriate, we have decided it is not useful to establish criteria for substantial transformation or the rules of origin issue.

The purpose of this is to monitor steel, and we will be auditing the process so that those companies which in any way indicate they are cheating on the process or incorrectly identifying the origins of steel will be identified.

Mr. de Jong: If I could just follow through on that answer, Mr. Chairman, I think the industry itself has expressed its concern to the Government that if the monitoring process itself is not strong enough, it is wondering if the Government is prepared for further action.

In some ways it is perhaps a hypothetical question at this stage. I am sure the Minister will say: "Well, we are taking this step and then we will see what happens", but I am asking the Minister in essence to put on the record what her thinking is. At what stage would the Government consider taking some other measures?

Miss Carney: Mr. Chairman, I hope the Hon. Member is not suggesting that he is pushing or pressing for other measures. Other measures, of course, would get us into controls and voluntary restraints, and this House has worked hard to ensure that this measure is workable and will be productive. Beyond that I think we are very much into a hypothetical question. I am not going to say: "When this process fails, I will consider other things or other steps". I am saying that this process will work, that it will meet the needs for which it was designed.

Mr. de Jong: I have another concern. Does the Government feel it has the power in Clause 1 to be able to get the data it is seeking? Does the Minister believe she will get in all cases the mill of origin and the country of origin for steel imports and exports?

Miss Carney: Mr. Chairman, the answer to the Hon. Member's question is, of course, yes. We have had a lot of consultation with the industry and with the union. We are advised that we will get the information we require in this process because it has been worked out with a lot of consultation from the affected parties. The other measure, which I mentioned earlier in answer to the question from the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), is that we are going to be auditing. We are going to have people in the field examining how this system is working. They will be reporting back to us on a continual basis.

Mr. de Jong: Will the Minister also have a program in place that the Government will be able to follow with respect to, let us say, steel coming into the country being either reprocessed, altered or not altered at all, so that the Government will be able to follow it through and see how it comes into the country, what happens to it and when and how it gets exported?

Miss Carney: Mr. Chairman, I believe I have already answered that by saying that this is the kind of information we are seeking. This process has been designed in consultation with the industry and the union. We are advised that we will get this information as we require it. The auditing process, I think, is a good back-up to ensure we do. If we find that there is some technical way by which we can improve it, of course, we will.

• (1710)

Mr. Axworthy: Can the Minister elaborate on the auditing process that will be introduced? Will it take the form of inspection or will it be just a paper examination? What kind of inspection or enforcement system will be put in place?

Miss Carney: The audit about which we have talked here will be carried out by the auditing services of the Department of Supply and Services. It will conform to the normal practices of the Department.

Mr. Axworthy: Mr. Chairman, I would like to change the focus slightly and ask the Minister if she can tell the House whether this information-gathering system is satisfactory to her counterparts in the United States with whom she has discussed it. Can we assume that the implementation of an information-gathering system, as the Minister has described it, will meet the objections of the Steel Institute, the Commerce Department and the steel Senators?

The reason I raise this question is for a very specific reason. As the Minister knows the Senator from Pennsylvania has suggested that he will be introducing in the Senate the inclusion of a specific trade Bill directed at Canada which would be incorporated into the large omnibus trade Bill which is now on the floor of the Senate. Can the Minister report whether in fact the implementation of this particular measure will succeed, in her estimation, in satisfying those various critics and forestalling those initiatives?

Miss Carney: Mr. Chairman, we have had many discussions on this issue with the U.S. Cabinet Ministers involved. It has been raised by my American counterparts on numerous occasions, including just recently at the OECD. They have indicated to me that they are pleased that we have responded to this bilateral irritant in a positive way. Of course, we are happy that we have done this in a made-in-Canada way since a global problem is involved.

At the administration level in the U.S., they are quite prepared to see if this brings forward the type of information for which we are looking. There have been many discussions

between officials, and the same type of positive response has been forthcoming.

The Hon. Member for Burlington recently returned from talks with the steel caucus. He has advised me that there is great interest in seeing if this can work.

The information that we will be collecting has not been collected before. We are looking to the fact that that information will give us some idea of what the trends are and what is happening both on the import and the export side.

If the Hon. Member is asking whether this will resolve once and for all our problems in the steel trade with the United States, I can say that this is not likely, but it is a good positive step. Everyone is interested in seeing it work. Because of the co-operation that we have had from members of the Opposition on this issue I assume that the Hon. Member is similarly disposed.

Mr. de Jong: Mr. Chairman, on the latter point raised by the Hon. Minister, hopefully the Americans will accept our statistics. Once these amendments have been put through, we will have a much better source of statistics than will the Americans. We will also have better statistics with respect to American imports than what the Americans have concerning their exports of steel to Canada. Hopefully, the Americans will accept our statistics.

I have one other question which deals with Subclause (3) of Clause 1 which requires the Minister to table the statistical summaries in Parliament as soon as possible at the end of each calendar year. Can the Minister tell us whether or not the Government might be in a position to issue statistics on a more regular basis? The nature of the steel trade right now is that each month's figures are now looked at, and that can affect and influence what is happening in Congress. We often hear that Congressmen are reacting to figures that they received a month prior or the month prior to that. It would certainly be useful if we could have more regular statistics.

Miss Carney: Mr. Chairman, the Hon. Member is a member of the parliamentary steel caucus. He is well aware of the fact that the present steel statistics that are published by the Americans are very often out of whack, to use a colloquial expression. One of the difficulties we face is that by the time the corrected figures are announced, figures which are usually lower than the initial ones, there is a public perception that we are flooding the American market with Canadian steel exports. So everyone in this House and anyone who has been party to this matter would agree that we have had a statistical problem. That is one of the reasons we are suggesting this amendment. It is so that we can collect statistics which will be better. Yes, they will be better than the ones produced by the Americans. That is why we will be transmitting them to and sharing them with the Americans. That is also why we will be publishing them on a monthly basis for the trade, which addresses the Hon. Member's point about when they would be available.

I want to underline that while there will be a monthly publication as soon as possible, there will only be one annual report to Parliament. I think that is perhaps where the Hon. Member may have been confused.

I also want to say that we have suggested to the Americans the setting up of a steel commission which would tackle such problems as the co-ordination of statistics and possibly look in a global fashion at the steel market from a North American perspective. The Americans have expressed interest in such a proposal. However, they have some concerns that it might violate their anti-trust laws. They are presently looking at it and will get back to us on it. That would deal with the problem identified by the Hon. Member.

The Deputy Chairman: Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause agreed to.

On Clause 2—*Import and Export Permits*

Mr. de Jong: Mr. Chairman, as I understand Clause 2 it is that the Minister shall issue, upon application, the permits. I have just one concern in this respect. It is to do with the speed with which these permits will be issued. Will there be any problem at all? When an application is made, what sort of timeframe are we looking at in terms of the issuance of the permit?

Miss Carney: Mr. Chairman, as I said in my speech, this is not a control program. We would strongly oppose any suggestion that it is a control program. Export and import permits will be freely available on request.

My officials advise me that they will be available from 44 or 48 computerized terminals across the country. So they will be available on an automatic computerized system. I think it will be done as expeditiously as possible.

• (1720)

Mr. de Jong: Mr. Chairman, I take from the Minister's answer that it would be almost automatic. The application is made, the paperwork is put through, and in a matter of days, at most, the permit would be issued, if not sooner.

Under what circumstance would the Minister deny a permit? If a company seeking a permit has a record of falsifying data and for some reason does not want to disclose fully the information requested, would the Minister deny a permit under such circumstances?

Miss Carney: Mr. Chairman, in order to respond further to the Hon. Member's question, these terminals are in customs brokers' offices or External Affairs offices, but they are readily available to the trade. We have taken great care to ensure that the terminals and access to the system are where people need them to be.

In terms of refusing permits, a permit would be refused if the information was falsified. I think the system is set up so

that if the data is incomplete it is rejected. However, I am not familiar with the squeaks and bugs in the computer system. I would be glad to get more information on the technical operation of the computer system to the Hon. Member if he would desire.

Mr. Crosby: Mr. Chairman, perhaps I may obtain some clarification from the Minister on the statement she made and on what apparently she has indicated on other occasions in the House that the provisions of Bill C-57, particularly Clause 2, are not intended to be control measures but are designed for the purpose of information gathering.

I want to indicate to the Minister the nature of my concern. This very day in media reports in the City of Halifax, there was an indication that the proposal to assist Sydney Steel Corporation might result in adverse consequences in that it would be suggested or the allegation would be made, in relation to international trade, particularly with the United States of America, that the Sydney Steel Corporation was being improperly subsidized, and that in turn this would result in or create difficulties in the United States in respect of the fair aspects of trading.

Because the new provisions require the issuance of an export permit in circumstances, I would like to ask the Minister whether there would be any intention at present or in the future that Sydney Steel would be placed in any jeopardy in relation to its trading with the United States because of any assistance it might receive.

On the face of it, the consideration may go beyond the provisions now before the House, but the fact of the matter is that the claim has been made that Sydney Steel, notwithstanding the minute amount of trading it does in steel transactions with the United States, might be creating difficulties in relation to free trade generally and steel trading particularly.

May I point out to the Minister, although I am sure she is aware, that the amount of trading Sydney Steel does with the United States is infinitesimal. In terms of general trading, I think it amounts to less than half of 1 per cent of the amount of steel exported to the United States. Yet it is claimed by some people, particularly other interested parties in the Province of Ontario—and it has even been suggested that it might be coming from Algoma Steel—that any assistance to Sydney Steel could result in serious consequences in terms of our international trade relations in general and steel trading in particular.

If the Minister could clarify that matter in relation to this Bill, I would be indebted to her.

Miss Carney: Mr. Chairman, the matters which the Hon. Member raised go far beyond Bill C-57. I do not feel this is the appropriate forum to comment on them.

This legislation has no relation to the issue he raises. The only comment I could make is that the American industry has available to it American trade remedy law. If they feel that there are unfair trade practices, they have recourse under American law. Presumably the tests of that would be not only subsidy but injury.

However, the steel Bill about which we are talking here is to protect our status as a fair trader in steel. It does not deal with the issues the Hon. Member has raised.

Clause agreed to.

Clause 3 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? By unanimous consent, now?

Some Hon. Members: Agreed.

Miss Carney (for the Secretary of State for External Affairs) moved that Bill C-57, an Act to amend the Export and Import Permits Act, be read the third time and passed.

Mr. Maurice Foster (Algoma): Mr. Speaker, Bill C-57, an Act to amend the Export and Import Permits Act, provides a great deal of assistance to the steel industry. Since 1984, when the United States decided that it would cut back on imports of steel from offshore, the industry has been in tremendous turmoil and great uncertainty.

The problem before us now in steel, with the mentality and attitude of the United States Congress, is the kind of problem with which we will be dealing in the future. The United States Congress, if not the administration, is clearly moving toward an approach of managed trade. I do not believe that that is necessarily the view of the administration of the United States, but it is clearly the view of Congress. Since last November, when the Democrats took charge of the Congress, they have been in the driver's seat and have shown on two recent Bills relating to the water Act and the highways Act that they are clearly in charge in the United States Government.

The Bill really results from the exercise to establish voluntary restraint agreements in 1984. The U.S. administration and the Congress wished to back out from millions and millions of tonnes of steel coming into the U.S. market and from established voluntary restraint agreements with a couple of dozen countries. Some countries were trying to get several million tonnes of steel into the United States. The most obvious access to that tremendous U.S. market was Canada. We have always been fair traders with the United States. Algoma in Sault Ste. Marie buys all of its coal from the U.S. Much of the iron ore, a great deal of supplies and equipment are bought in the United States. The industry is very integrated. The steel caucus of the House of Commons has done a great deal to build an understanding and a liaison with Congressmen in the U.S., who have been going through a terrible time facing the loss of hundreds of thousands of jobs in the steel industry. Clearly, when those voluntary restraint agreements were put in place in 1984 and early 1985, our share of the market was something around 3 per cent. In the

first quarter of 1987, our share jumped dramatically. The pressure was on to prevent that.

• (1730)

There are Bills in the Congress. One is Senator Heinz' Bill which will limit Canada, Taiwan and other countries not under the voluntary restraint agreement to their share of the U.S. market. Hopefully, the legislation before us today to monitor exports to the United States will not only identify which steel is coming from fabricators and processors and which is coming from the basic steel producers, such as Algoma, Dofasco and Stelco, but it will also identify steel coming from Japan, South Korea and Brazil being fabricated, even to a modest extent in Canada, and then being trans-shipped to the United States.

If we find that large volumes of steel are from countries under voluntary restraint agreements with the United States, steel being trans-shipped through Canada will be identified and it will be included in their quotas going into the U.S. As a result, we will be able to secure and stabilize jobs for the basic steel producers, which is extremely important. We are hoping that the oil and gas industry will pick up. Companies like Algoma Steel have had a tremendous market in the United States for seamless steel tubing used in the oil and gas drilling exploration industry. They will not be subject to the kinds of quota impositions which Senator Heinz's Bill would be providing.

The Bill before us today will identify where the steel is coming from and where it is going to in the United States. When we create a tonne of steel and sell it to the United States from a fabricator or processor, we get about an hour's work on a tonne of steel. When we create it from iron ore or coal we get about eight hours' work.

We may be facing this same situation on other fronts. Clearly we will if the Government's move toward a free trade agreement were to be established. Regardless of that, our largest customer for many commodities is the United States. If the U.S. Congress moves to a have a managed trade system on other commodities this kind of monitoring service may be required.

Although Algoma Steel showed a profit in the first quarter—other companies have been more profitable—I do not think anyone believes that the steel industry is out of the woods yet. In the United States in the last four or five years over 300,000 jobs have been lost in the steel industry. We have lost many in Algoma Steel. We want to look to the day when there will be an opportunity for things to pick up in the oil and gas industry and so be able to sell steel to the U.S. If this action being taken through Bill C-57, were not taken we could not be sure when a Bill would come through the Senate or the House of Representatives to roll us back to some unreasonable percentage of our historical share of the U.S. market. The steel industry faces a long period of difficulty because of new commodities and products coming onto the market-place today.

If we are to work on a sectoral basis as we have with the Auto Pact, this can be done with steel. This industry is highly integrated. We buy American material and equipment and sell our finished product to them, and vice-versa. It is really a North American integrated industry. Percentages like Canada's 4.7 per cent of the American market send people like Senator Heinz into orbit. Often we find that the big steel manufacturing companies in the U.S. are buying semi-finished steel from Canadian companies. That kind of information will be revealed. It is very hard for the American steel industry to be complaining about Canadian imports when Americans are buying semi-finished material from our steel mills because the industry is highly integrated. There is movement back and forth.

I want to mention that the steel caucus of the House of Commons and the steel caucus in the United States made up of people in the Congress and House of Representatives have done a lot to assist in the understanding and provision of co-operation between the two countries on this issue. I hope the passage of this Bill well lead to an even greater understanding of the Canadian position so that we will not have this vital industry hampered by unreasonable protectionist methods in the United States. If it does, countries importing steel which are under voluntary restraint agreements will be affected. They will be caught by the mechanism, and the Draconian effect that protectionist methods would have on our integrated steel operations will not occur.

• (1740)

With those few comments, I would like to indicate my support for this legislation. I think it will be very important to the Canadian steel industry.

Motion agreed to and Bill read the third time and passed.

The Acting Speaker (Mr. Paproski): I believe there is unanimous consent to call it six o'clock. It being 6 p.m., this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 5.41 p.m.

HOUSE OF COMMONS

Thursday, May 28, 1987

The House met at 11 a.m.

Prayers

[*English*]

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, yesterday before the House adjourned, we were unable to rise to indicate officially to the House that today would be an allotted day for the New Democratic Party. This arrangement was agreed to at the House Leaders' meeting which took place yesterday afternoon and the New Democratic Party has filed an appropriate motion for debate. Therefore, when Orders of the Day are called, I think you will find that there is unanimous consent to consider the motion on the Notice Paper standing in the name of the Hon. Member for Ottawa Centre (Mr. Cassidy) as the motion for the allotted day.

Mr. Speaker: Is there such agreement?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL DRUG STRATEGY

ILLICIT TRAFFICKING—STATEMENT BY MINISTER

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, on Monday, my colleague, the Minister of National Health and Welfare (Mr. Epp), announced the National Drug Strategy which sets a uniquely Canadian course in dealing with the problems posed by drug abuse and illicit trafficking. It recognizes the excellent work done by the RCMP, by Customs and Excise and by other law enforcement agencies in preventing the importation and trafficking of drugs.

In general, the programs of the strategy are directed at solving domestic problems in Canada. However, illicit trafficking is an international industry and it is clear that Canada cannot solve our drug abuse and trafficking problems in isolation.

Many of the drugs consumed in Canada such as cocaine and heroin are brought into our country illegally by well organized trafficking networks based overseas. In 1985, the RCMP and Customs seized 62 kilograms of heroin, 109 kilograms of cocaine and 19,000 kilograms of hashish. These are the last statistics available for 1985 and they probably understate the dimensions of the problem today.

Furthermore, Canadian territory often serves as a transit point for narcotics being sent by these trafficking networks to other countries. In addition to that, illicit psychoactive substances are produced in Canada to feed the terrible addictions of citizens of other countries. Clearly we must act to stem this traffic, not only because Canadians are its victims but also because we have a role to play as responsible citizens of the world.

[*Translation*]

Drug abuse is not a new phenomenon, but its extent is indeed. As early as in 1909 Canada participated actively in drafting an international convention on the control of opium trafficking. And today still we continue to play a major role within such United Nations bodies as the Commission on Narcotic Drugs. Yesterday, as a matter of fact, Canada was re-elected to this important commission which in past years had concentrated its efforts specially on the problem of supply reduction.

Along with other countries Canada played a part in the introduction of a new element in the approach taken by the Commission, namely the reduction of demand. We are also trying to take into account certain other elements such as the new complexity of international networks of traffickers.

• (1110)

[*English*]

Their tentacles now stretching around the world, these networks have refined their procedures for moving their product. Some utilize couriers who, travelling by air, carry the drugs strapped to their bodies. Other shipments are disguised as cargoes of innocuous commodities. The profits earned by this illicit enterprise are protected by a variety of methods, the use of shell companies and other means. The money earned from drug trafficking is sent to offshore havens.

These problems can only be faced effectively through international co-operation so the UN Commission is preparing a new international convention on illicit trafficking. The origin

of this convention is a resolution of the UN General Assembly co-sponsored by Canada and adopted in December, 1984. My colleague, the Hon. Member for Calgary West (Mr. Hawkes), served as a member of the Canadian delegation to the UN and announced Canada's co-sponsorship of that important international initiative. This new convention can become a powerful tool for law enforcement agencies around the world to use against traffickers. Canada places a high priority on successful completion of the new convention.

The Government is working internationally on three other fronts. The UN Fund for Drug Abuse Control sponsors projects which assist producer countries to develop and finance programs that will help farmers move away from drug production, help improve local standards of living, and help train local police to deal with the extremely well-organized drug traffickers. Canada has made substantial contributions to this body's general fund as well as giving two grants of $1 million apiece to UNFDAC projects in Thailand and Pakistan to develop alternative crops for farmers. That is a new policy direction for CIDA established in 1986. As well, we will continue to consider on a case-by-case basis requests from narcotics-producing countries for development assistance.

Second, our contribution to UNFDAC will be raised to $500,000 this year and $1 million by 1991 to demonstrate our commitment to international co-operation.

Third, we are expanding the consular awareness program of the Department of External Affairs to make Canadian travellers more aware of the dangers of drug purchase, drug possession, drug trafficking, and drug use abroad. Sir, more Canadians are in prison overseas for drug offences than for any other crime.

A UN sponsored international conference on drug abuse and illicit trafficking will take place in Vienna from June 17 to June 26. Our delegates to this conference will be led by my colleague, the Minister of National Health and Welfare (Mr. Epp). In order to reflect truly the international approach of this Government to the issue of drug abuse the delegation will also include representatives from the provinces and the voluntary sector.

[*Translation*]

Canada played a significant role in drafting the 1971 convention on psychotropic substances. When in Vienna the Minister of National Health and Welfare (Mr. Epp) will be tabling the accession instruments which will make it possible to enforce this convention here in Canada.

The Government acknowledges that wide-ranging efforts will be made in Canada to fight drug abuse and traffic. We also believe that if we choose to ignore the international aspects we will be doing so at our own risk. The part of our national drug strategy which relates to the international aspects attests to our intention to co-operate with other countries to reduce drug production, traffic and abuse both in Canada and abroad.

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I think today's announcement is another example of the Government's position on the drug question, much ado about nothing. I refer specifically to the Minister's announcement that we will be increasing the amount of money we give to the UN Fund for Drug Abuse Control. In the past it was the Minister of National Health and Welfare (Mr. Epp) who was responsible for funding our contribution to UNFDAC, which is indeed doing very important work as outlined by the Minister. At the beginning of this year that Department refused to continue paying that funding because they said it was a problem for the Department of External Affairs. The Department of External Affairs said it would not pay for our contribution, which at that point was just under $400,000, because it was a health and welfare problem. We played financial ping-pong on this issue for several months until finally, this week, we get word from the Government that, yes, its contribution to UNFDAC will continue and will indeed be increased. It is now, presumably, covered by the Department of External Affairs.

We were trying to get information as late as last week about whether the Government had taken up its responsibility to contribute to UNFDAC, but we could not get an answer from the Minister. We could not get an answer from External Affairs. We could not get an answer from Health and Welfare. As is typical of this Government, they were passing the buck. Health and Welfare said it was an international problem which should be funded through External Affairs. We now finally see that the Government is going to move in this area and for that we are grateful, but there is one area of the UN convention where the Government has unfortunately chosen not to act.

We heard the Minister talk today about the difficulty in stemming the increase in the flow of illicit drugs into Canada. Indeed, over the course of the last several months the Standing Committee on National Health and Welfare heard from the RCMP and those involved in the interdiction of international trafficking, that indeed stemming the inflow of drugs into any country is practically impossible. We have to attack it from the demand as well as the supply end. However, there is one area where the Government could have acted and it would have followed up on the UN convention which is being developed. It could even have followed the example of the U.S., which it is prone to do, concerning what happens to drug profits. What happens to the money laundered through legitimate sources, including some Canadian banks, whether it be here in Canada or offshore?

We have heard questions in the House over the last number of months about why the Canadian Government did not introduce legislation to permit the seizure of assets gained through illegal methods. In order to stop the drug trade you have to make it less profitable. It is fine for the Minister to stand in the House and talk about illegal drugs coming into the country. We know that. We know that if we stem the tide of drugs coming in to Nova Scotia from offshore it may indeed

spring up in another area of the country. However, if the Government had the political courage to introduce legislation to force Canadian banks to give up money received through illegal drug trafficking, if it had the political courage to say to Canadian banks that they could not receive laundered money, then we would start getting to the root of the problem.

Unfortunately, the Government has not had the courage to do that. In fact, notwithstanding the UN convention which is being developed, Canada again has blinkers on. Canada is going to be the last to get on board, just as it was the last to get on board this year with the UNFDAC contribution.

[*Translation*]

Nevertheless, I am glad to see that the Government is going to do something about the matter of psychotropic drugs. I think Canada was a leader in 1971, when the UN International Convention was drafted, but when it was signed in 1976, Canada was not a signatory. I think that we, that the previous Liberal Government should have signed the Convention to try and control the question of psychotropic drugs.

However, I want to warn the Minister that psychotropic drugs are not just the drugs that come to Canada.

• (1120)

[*English*]

We should log the Government's action in the area of psychotropic drugs. I wish that the previous Liberal Government had signed the convention which we were instrumental in beginning to develop in 1971, but it did not, and the Government is rectifying that.

I would like the Minister to be aware that the question of psychotropic substances is not only dealt with in the illegal drugs which are coming into the country, but also in drugs that are being made in Canada. I refer to recent press reports which show that in Montreal legal drugs are being garnered through the Canadian health system and sold as quaaludes, illegal drugs, in the United States. It is a very serious problem.

We also need to have answers on the question of designer drugs. I hope that when the Government introduces specific legislation following the UN Convention on Psychotropic Substances it will include the area of designer drugs.

[*Translation*]

The most important thing is, Mr. Speaker, that if the Government—if the Minister of National Health and Welfare (Mr. Epp) or the Secretary of State for External Affairs (Mr. Clark)—is truly prepared to act, to fight against drugs, it will have to introduce, through the Minister of Justice (Mr. Hnatyshyn), certain amendments that will enable the federal Government to seize funds now in Canadian banks, whether here in Canada or abroad, and I am referring to profits made from drug trafficking.

[*English*]

If we are unprepared to seize assets garnered by illegal drug trade which are currently on deposit in Canadian banks, then all the money we are giving to UNFDAC, all of the work we are doing here, and the measures which have been announced by the Minister will be for naught. As long as there is a profit to be made from the drug trade and as long as there are Canadians who continue to use legal and illegal drugs, there will continue to be a problem. We must attack it from the demand side. In terms of the supply side we must definitely introduce legislation to permit us to seize assets from Canadian banks. Without that legislation all this talk is only puffery.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, before specifically addressing the announcement made by the Secretary of State for External Affairs (Mr. Clark) I would like to weigh the attack on drug abuse in terms of attacks on the supply versus the demand side. In examining the new drug strategy within the context of the demand side we must call attention to the fact that although a great deal of emphasis continues to be placed upon illicit drugs, street drugs, and over-the-counter prescription drugs, the same factors operate in impelling the use of the most dangerous and widely used drug, namely alcohol.

In addressing the issue of demand it is clear that essentially the same factors operate in the overuse of alcohol as in the overuse of over-the-counter drugs, marijuana, and other street drugs which are frequently abused. Having said that, it is certainly clear that immense tragedy is caused through the use of drugs which are exchanged internationally, whether drugs derived from opium, such as cocaine, or some of the new synthetic drugs which are subject to abuse.

The program announced by the Government is impressive on first sight. We are told that $210 million will be spent over the next five years. However, we must put that and the entire program in perspective. In the first year only $20 million is to be spent. When you really think about it, $210 million is not an awful lot of money considering the immensity of the problem that we are attempting to attack.

Furthermore, we have a concern about the distribution of that money and its focus with respect to the essentials of the problem. I rose in this House the other day to express concern about the fact that this program was announced without reference to the Standing Committee on National Health and Welfare which is engaged in an examination of the issue of alcohol and drug abuse. I was pleased to hear from the Minister of National Health and Welfare (Mr. Epp) that the recommendations of that committee will be taken into account as the National Drug Strategy develops its specifics. I hope that that promise will be met. I hope we will have an opportunity to scrutinize this program with a fine tooth comb to ensure its effectiveness.

In terms of the record of the past Liberal Government and what has happened heretofore, we welcome the program announced this morning by the Secretary of State for External

Affairs. In many respects it is long past due. The accession to the international Convention on Psychotropic Substances which was approved in 1971 pleases us immensely. Canada's contribution heretofore to the UN Fund for Drug Abuse Control amounted to $300,000. This will be raised to $500,000, and we of course welcome that. We welcome the somewhat more tenuous promise that this will be raised to $1 million by 1991. However, we must put this in perspective as well. Italy, for example, is contributing something in the order of $300 million for the same purpose.

We know that these funds are designed to help bring about economic changes which will take farmers in the Third World away from drug production and divert them to the cultivation of more useful crops. This entails economic changes which will enable those Third World countries to adapt to new circumstances. When we analyse that situation we see that the Third World is once again being exploited to its disadvantage. Considerably more effort must be exerted to make it possible for Third World countries and ordinary farmers there to prosper without being involved in the cultivation of drugs which do harm in those countries as well as in Canada.

I am under the impression that this program will not divert funds from CIDA which are allocated for essentially the same purpose. I would be very disturbed if funds were diverted from CIDA to accomplish the same purpose.

Expanding consular awareness of the dangers of being involved in drug usage in foreign countries when travelling is laudable, although I am not so sure of how significant it is. One would have to measure that against the failure to address the issue of AIDS with alacrity. I think that is a far more serious problem. Although I recognize that while travellers will not become addicts through a 10 day or two-week exploration of these agents in foreign countries, it is true that they may find themselves in serious difficulty.

We must address the issue of laundered money and the attempt to control it. We understand that there will be legislation introduced in the House tomorrow to address the problem of money being diverted through financial institutions into legitimate concerns which hides the existence of moneys earned through the illicit drug trade. However, I cannot possibly understand how a Government which wants to be taken seriously on the issue of laundering money earned through the illicit drug trade would fail to address the need for the reporting of funds deposited or internationally exchanged. This is done very effectively in the United States and ensures that they will have the means of detecting the fact that this money is gained from the illicit drug trade and the use of that money for other purposes, which subsequently makes it impossible to track down. If the Government is serious, then it will immediately introduce legislation comparable to that in the United States which has been so potent in dealing with the problem of laundered money derived from the sale of illicit drugs.

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the government's response to the following 154 Petitions: Nos. 332-2017 to 332-2035 inclusive, 332-2039, 332-2042 to 332-2051 inclusive, 332-2054 to 332-2076 inclusive, 332-2082 to 332-2102 inclusive, 332-2107 to 332-2109 inclusive, 332-2111 to 332-2116 inclusive, 332-2118 to 332-2141 inclusive, 332-2147, 332-2151 to 332-2187 inclusive and 332-2189 to 332-2197 inclusive.

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EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. William C. Winegard (Guelph): Mr. Speaker, I have the honour of tabling the First Report of the Standing Committee on External Affairs and International Trade.

• (1130)

[*English*]

In this report, the committee has tried to set forth the objectives and directions of our official development assistance program for the next several years. We suggest a change of focus to human development and human resource development. We urge a greater emphasis on human rights. We urge, in the strongest possible terms, a major decentralization to the field. In fact, "out of Ottawa to the field" is a thought that runs throughout the whole report.

We make new proposals about tied aid. We support an increased role for the non-governmental organizations, institutions and business. We think that, on the whole, we have responded to the concerns expressed to us by Canadians and people in other countries.

* * *

PETITIONS

REQUEST FOR APPOINTMENT OF ARBITRATOR—SETTLEMENT WITH FRED TURNER

Mr. David Kilgour (Edmonton—Strathcona): Mr. Speaker, this petition is signed by 27 residents of various parts of Canada and concerns the problems encountered by Mr. Fred

Turner and Turnair Limited. They are asking that compensation be paid to Mr. Turner for the damages that were caused to him when the CTC cancelled his permit.

RIGHT TO LIFE OF UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Joe Reid (St. Catharines): Mr. Speaker, I have the duty to present a petition, duly certified, signed by some 50 St. Catharines residents, calling upon this Parliament to support Motion M-37, amending the Charter of Rights so as to include the human foetus as having the right to life.

* * *

BUSINESS OF THE HOUSE

REFERENCE OF BILL C-56 TO STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been discussions among the Parties with respect to Bill C-56. I think you will find support for the placing of the following motion and unanimous consent thereto. I move:

That the order for second reading and reference to a Legislative Committee of Bill C-56, an Act to amend certain Acts relating to financial institutions, standing on the Order Paper, be changed to read "second reading and reference to the Standing Committee on Finance and Economic Affairs".

Mr. Deputy Speaker: Does the Hon. Parliamentary Secretary have unanimous consent to move his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Is it agreed?

Some Hon. Members: Agreed.

[*English*]

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 24 minutes, beginning at one o'clock.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—TAX REFORM—OPPOSITION TO FOOD TAX

Mr. Mike Cassidy (Ottawa Centre) moved:

That this House oppose any imposition of a federal tax on food and urge the Government to reject any such tax as part of its tax reform package.

He said: Mr. Speaker, I am sorry that this debate is necessary today. It would not have been necessary had the Government been more clear about its intentions when the Minister of Finance (Mr. Wilson) made his statement on tax reform on May 6.

As it is, the Government is continuing to play games with the Canadian consumers and families with average incomes across the country about whether it will carry through with its intention to put a 6 per cent or 8 per cent sales tax on the family grocery bill for every Canadian family. That is the issue and the reason that I and my Party are asking members of all Parties to join with the New Democrats in making it very clear that the House should oppose any imposition of a federal tax on food and urge the Government to reject any such tax as part of its tax reform package.

The reason for scheduling the debate now is simple. When the Minister of Finance outlined his plans and gave the House a preview of what he would be exposing on June 18, I warned him that he would be facing a tax revolt from New Democrats and Canadians from coast to coast if the Government carried out its intention to impose a business transfer tax that included food. We want there to be no mistake about this issue and that is why today's debate is so important.

Let me outline exactly what is at stake. For the past two years the Minister of Finance and the Government have been inching toward a comprehensive package of tax reform. The Finance Minister indicates that he wants to bring personal and corporate tax rates down in Canada to around the levels that are now being levied in the United States after its recent tax reform.

There are two ways in which he wants to gain the revenues to accomplish that. As we understand it, he intends to broaden the tax base by eliminating tax loopholes and unproductive tax deductions and exemptions. The Americans succeeded in lowering their tax rates in that way, broadening the base at the same time.

The Canadian tax system has a heavier burden to bear than in the United States, mainly because we have a more comprehensive and adequate structure of social services, particularly medicare. Canadians would not want it any different.

However, as the Finance Minister comes to grips with this particular problem it appears that he is now intending to take a major amount of new revenues from the sale tax system.

He has indicated for some time that he wishes to reform Canada's antiquated sales tax system, the federal manufacturers' sales tax. The NDP agrees that that tax is long overdue for reform. In its present form, it tends to give a tax break to importers bringing goods into Canadian markets and, at the same time, tends to discriminate against Canadian exporters who lose an edge when competing against other countries which more effectively rebate sales taxes from their exports.

The motivation which has led the Minister to embrace the concept of sales tax reform is the prospect of major increases in federal revenues which would then allow him to cut the personal and corporate tax rates. In this way he hopes to emerge as the hero who saved the fortunes of the Conservative Party and enabled it to return as a minority Government rather than simply becoming a one-term Government and a brief blip in the political history of this country, despite their enormous victory in 1984.

• (1140)

The Minister of Finance, and I have said this before, has been playing a shell game with Canadian taxpayers. He is trying to come up a hero by saying: "Look at what I have done", in terms of reducing the personal tax rates when he makes his announcements on the evening of June 18. At the same time he is not prepared to have Canadians look at what they will be paying in additional taxes or what the inflationary impact will be of the broadening and increasing of the sales tax system as is apparently being contemplated by the Government.

The present manufacturers' sales tax covers only about 32 per cent of Canada's economy, that is, that two-thirds of the goods and services which are sold every year, or the value-added in the economy, are exempt from this tax. This means that the tax discriminates against manufactured goods in favour of services and that it is unduly high because there are so many areas not covered. In other words, the present revenue of about $16 billion from the sales tax could be achieved with a rate of only 6 per cent or so, if all goods and services were taxed rather than only some.

A 1 per cent rate in the proposed business transfer tax would give the Government a revenue of about $2.6 billion. What is happening is that I think the Minister of Finance has allowed himself to be seduced. He has been seduced not in the sense that might embarrass him politically, as has happened recently in the United States, but he has been seduced in the sense that it could be very adverse politically. He has been seduced by the technocrats in the Department of Finance who themselves are convinced that, for technical reasons, what Canada should have is a business transfer tax, which applies as much to people's weekly grocery bill at Safeway, Loblaws, the IGA or at their independent food store, as to the purchase of a car or a lawyer's service. They want to apply it to such things as people's payments for day care. I am not sure if they want to apply it to dentists' bills. We have not seen what the exemptions might be. However, clearly, the fewer the exemptions the happier the advisers to the Minister are going to be.

The Government has carefully worded a statement on this particular subject which was designed to be uninformative. I accuse the Minister of Finance of being the Gypsy Rose Lee of tax reform. I am reminded of those fan dancers who used to flourish back in the 1920s and 1930s. Every time they were about to expose all by throwing a fan into the air, they would tactfully put another fan just in front of the naughty bits. That is what the Minister of Finance has been doing with respect to his proposals for the sales tax.

The Minister of Finance is talking about the creation of a "broad-based, multi-stage sales tax". Who on earth could be opposed to that? Who in fact could understand exactly what that means. When we asked more detailed questions, we were put off. We were told: "No, the Government is not backing off from its intentions to reform the sales tax. It is only laying out three optional ways by which the sales tax can be collected". Lo and behold, when we look at it more carefully, the plans of the tax experts in the Department of Finance to tax food, are still there front and centre. It is still to be repudiated by the Government.

As the Minister of Finance put it, his first option remains the business transfer tax. He calls it a "federal tax only without invoices". He calls it a "goods and services tax". He says: "It is relatively simple both to administer and to comply with but only if it is applied uniformly on all goods and services". There is no mistaking what that means. It means that sales tax would be applied on food as well as on every other article of service which businesses and consumers purchase.

This also means that this tax is misnamed if it is being called a "business transfer tax". It is a consumer tax. It is a tax which will be paid by consumers. It is not a business tax. It is not a substitute for adequate increases in corporation or profit taxes. People will save a few dollars on their personal income tax, but will end up paying hundreds of dollars more in sales tax and will be worse off rather than better.

I grant that other options are being considered. A federal-provincial sales tax is one suggestion. The Government has also been talking about a value-added tax along the European model which would permit more discrimination between different types of goods being taxed. However, there are a lot of hurdles in the way of these two particular proposals. Not all the provinces have jumped for joy at the prospect of a joint tax. One of the reasons for that, of course, is that they feel it is important that they be able to carry out some measure of provincial fiscal policy by means of the exemptions in the areas in which they tax in the sales tax field.

In Quebec I believe it is still the case that soft goods, furniture, for example, are not taxed by a sales tax system because of the fact that those goods are important to Quebecers and it is a way in which the Quebec Government benefits

an important local industry and its consumers in the process. That would probably not be permitted under a joint federal-provincial sales tax.

I think it could be very embarrassing as well if the federal-provincial sales tax were to range between a rate of, say, 6 per cent or 7 per cent in Alberta, if Alberta continued not to have any provincial sales tax, and as much as 14 per cent or 15 per cent in Newfoundland. I think a combined invisible tax like that could easily lead to a great deal of illegal but still threatening tax evasion.

The other prospect is the value-added tax. That, of course, has been resisted very strongly by small businesses which fear the paper work and which also fear the prospect of being made into a million strong army of tax collectors for the Minister of Finance and the Conservative Government. In other words, from what we can see, the Government is still intent on this food tax despite the reaction from coast to coast that this is not a tax which Canadians are prepared to support.

What is the impact of the Government's proposal? We estimated, based on a very conservative average of $5,000 in expenditures on food for an average family in a year, that the proposed tax would cost about $300 per family. This was assuming a 6 per cent tax rate. In the last three weeks I have had a chance to look at some of the work of the experts in the accounting industry and elsewhere. They are now talking about an 8 per cent tax rate for the business transfer tax. Right away the levy is up to about $400 in additional tax which will be paid on food by the average family.

The experts indicate more and more that the Government is going to be looking not for a tax-neutral prospect but for increased revenues from the sales tax, which revenues currently total about $16 billion. That might mean that the rate could easily come in as high as 9 per cent or 10 per cent rather than 8 per cent. From the food industry, that is, farmers, producers, retailers and ultimately consumers, it is estimated that the tax proposed by the Government, or this particular option available to the Government, would result in a $4 billion tax levy on one of the absolute essentials of life for Canadians.

It is hard to avoid paying for rent or housing costs. Nevertheless, one could at least argue that many Canadians do have some options if they find they have difficulty meeting housing costs. If they happen to have a home of their own, they could take in a lodger. They may not like it. It is not the Canadian way these days, but that is one way. They could also move into a smaller apartment. That is not desirable, but it is a possibility.

Mr. Orlikow: If they can find one.

Mr. Cassidy: If they can find one, as the Hon. Member for Winnipeg North (Mr. Orlikow) points out. If a family is hit by the rising cost of living and find they cannot afford new clothing, perhaps they can get by with a little less clothing in a particular year. For families living in poverty that is barely possible. It is possible, although not desirable, with respect to families with working incomes. However, we cannot take $100 a week grocery bill, and that is low for a lot of Canadian families, and suddenly cut that down to $50 or $25. We cannot go without food. We cannot ask a family to do that. We cannot say to a family: "Your kids are going to have to live on macaroni and cheese for now and for the next year because of a sales tax which is being imposed by the Minister of Finance".

So what can the Government do? So the Government can give the capital gains tax exemption to high-rollers and people who tend to work on Conservative campaigns. I do not know if that is what will be dealt with in tax reform, but it is the type of choice we are likely to face.

• (1150)

There is a very real prospect of the Government imposing this tax unless we in Parliament and Canadians can get the message through to the Government that this is not an acceptable tax.

Mr. Gustafson: You're dreaming!

Mr. Cassidy: The Hon. Members suggests that I am dreaming. If I am, then I ask him why the Minister of Finance has, in response to many questions here in the House of Commons, not indicated absolutely clearly that this is no longer an option being considered by the Government. If the Government wanted to be free from charges that it was intending or considering this particular tax, then the way out was very easy and clear. Members of the Government could simply say to me: "Mike, stop getting worried. Tell your Party to stop getting worried. We are not going to do it". I hope that perhaps the Minister of State for Finance (Mr. Hockin), who I believe will speak in this debate, or perhaps the Minister of Finance, will get up in the House today to reassure us that that will be the case. If that were the result of this particular debate, then I would feel that the time of the House had been well spent on this Opposition Day motion in opposing the food tax and getting the Government to make it clear that it is no longer considering this particular measure.

The Government has suggested that the way around the problem created by taxing food is to provide a sales tax credit in order to take the burden off those families which would be most affected. We will of course have to wait until June 18 to see what the Government has in mind. But the performance up until now leaves my Party, myself and many Canadians very uneasy.

The Government says: "Look what we did. We innovated. We brought in a refundable sales tax credit of $50 per adult and $25 per child. That is directed at families earning under $15,000 per year. Are we not wonderful?" That measure does not compensate poor families for the regressive impact of the sales tax that is currently being applied. It does not compensate them for more than a portion of the increases in sales tax that have been levied by the Progressive Conservatives since coming to power just under three years ago.

In addition, the refundable sales tax credit does nothing to compensate the average Canadian family for the fact that the Conservatives have increased their tax burden by something in the order of $1,500 per year since they came to power in 1984. When the Conservatives came to power they said: "There is waste and inefficiency in Government. We will root it out". What they did instead was to bring in enormous tax increases which have been levied almost entirely on personal taxpayers and on people paying sales tax, not on corporations. In fact, we estimate that between 1984 and 1990 the increase in sales taxes on the average Canadian family alone will amount to some $20 billion on a cumulative basis.

What is significant is that the sales tax credit that is applied now does not apply to people earning over $20,000 per year. It does not apply to a family whose principal earner works at GM in Oshawa or Chrysler. It does not apply to a farmer struggling to get by and still having some income from a farm in western Canada. It does not apply to a clerk or a secretary raising a couple of kids and living in Vancouver where there are very heavy housing prices. It does not apply to a fisherman and his family on the coast of Nova Scotia or Newfoundland if their income is over $20,000 per year. It only applies to people earning less than $15,000 per year.

The poverty line in a major Canadian city is about $20,000 for a family of four. So many families in poverty are not benefiting at all from the sales tax credit. But government spokespeople have inadvertently, perhaps, let it out on many occasions that they only see this tax credit, which might amount to $300 per year, going to people earning less than $15,000 per year. Therefore all those families having trouble meeting mortgage payments of $600 a month, and all those families having trouble meeting rent for a home of $700 per month, as well as meeting the costs of transportation, food and maybe getting skates for the kids so that they can go to figure skating or play hockey, will be meeting a burden of $400 per year or more in increased sales tax with no compensation through the tax credit at all.

An Hon. Member: Wait and see.

Mr. Cassidy: I have been waiting for assurance but we have seen nothing. What I have seen from the Conservatives is that they have raised the burden of sales tax and the tax burden on the average Canadian family by $1,500 per year. They have already begun to extend the sales tax to food. They have taxed candy. They have taxed potato chips. They have levied a tax on kids. They have taxed snacks. They have taxed soft drinks at a time when we are trying to encourage people to get away from drinking by taking alternatives. They have raised the excise taxes on gasoline, alcohol and tobacco.

My time is very close to being up. I would point out that the Government is wrong when its experts say that it is more progressive to give this tax credit than it is to exempt food from tax. Their own figures, which were given to me by the Department of Finance, indicate that a family earning $15,000 per year spends 20 per cent of its income on food. I think that it is probably more. A family living on $60,000 per year spends less than 9 per cent of its income on food. Therefore a tax on food will hit the low income family much harder than it will hit the family earning much more money.

I point out that in Japan there is a taxpayers' revolt despite the fact that the proposed valued-added tax in Japan will not hit food, I point out that the value-added, or business transfer, tax may begin small but that the Government will be tempted to raise it the way it has been raised in Britain, France and other countries where it is now up to levels of 15 per cent or 16 per cent. If 8 per cent on food is intolerable, 15 per cent would be absolutely unconscionable. The Government has done little to maintain or gain public confidence, which is why New Democrats—

[*Translation*]

This is why the New Democratic Party—my Party—agrees with Canadian men and women who openly tell the Government: Time has come for you to assure us that no tax will be levied against food, that the business transfer tax will never apply to food, that each week the average Canadian family will not be forced to pay this tax which would cost $400 a year.

[*English*]

Mr. Hockin: I have a brief question for the Hon. Member, Mr. Speaker. I listened carefully to what he had to say. I was searching for his proposal for sales tax reform. It is easy to criticize whatever models are put in front of one with respect to sales tax reform, especially to take one of the models and speak against it for an extended period of time. But what is the Hon. Member's proposal for sales tax reform?

With respect to the food tax I want to ask the Hon. Member how adamant he is about what he said. If he does not believe in taxing food, then I would like to pin him down very categorically on that. Does he believe that we should continue our two-price approach to wheat? That is my first question.

My second question is the following. What if it were proven to him—and I am not too sure it could be proven—that it was progressive, that is, a heavier tax proportionately on the wealthy, if certain foods were taxed? Would the Hon. Member then favour a food tax in that situation?

He has given us his figures which indicate that any type of food tax would be regressive. What if there were figures and certain food products were taxed in such a way that it was progressive, that is, if we taxed the wealthy much more than the poor, then what would the Hon. Member have to say? This does not mean that the Government is contemplating a food tax. But I would like to know where the Hon. Member stands.

Would he be in favour of such a tax if it were progressive as opposed to regressive? What is his stand on the two-price wheat policy, which is tied to food? What is his proposal for tax reform?

[*Translation*]

Mr. Cassidy: Mr. Speaker, I am impressed by the fact that the Minister should have jumped on the first opportunity to ask questions to the New Democratic Party. Yet I am deeply disappointed that at the same time the Minister did not make a statement on the Government intentions.

Since the Minister will have to leave the House during the debate, I would begin by asking him whether or not the Government intends to tax the increases. The Minister's question is as follows: Would we be supportive if it could be proven that this tax is progressive?

Well, Mr. Speaker, my answer is simply that, according to the figures given the Standing Committee on Finance and Economic Affairs by the Department of Finance officials whom I have just quoted, the 1982 report on family expenditures reveals that a family with an annual income of $60,000 spends about $5,000 a year on food. This is probably a conservative estimate, but the figures were provided by his Department. It accounts for about 9 per cent of the income of a family earning $60,000 a year. In the case of a family with an annual income ranging from $15,000 to $20,000, the corresponding figure is $3,000, or $60 a week. This represents 20 per cent of the annual earnings of a family with an income of $15,000.

In other words, a family averaging $15,000 a year spends proportionately twice as much on food as does a family with an annual income of $60,000.

Indeed, Mr. Speaker, in light of the remarks of the Department of Finance officials, it goes to show to what extent a tax on food can be regressive: it hits a family earning $15,000 twice as hard as another one with an income of $60,000, and this despite the fact that it is much easier for the latter to bear taxes for federal Government services.

I would suggest that if the Government wants to levy progressive taxes against high income families, then let us get them through an income tax system because, as I see it, the Minister's proposal is unlikely to produce a progressive sales tax system.

The two-price system for wheat, Mr. Speaker, does of course influence somewhat the price of bread and other wheat-derived products in Canada. That I admit. However, Mr. Speaker, it also represents a direct benefit for a major sector of our economy, namely, the farmers across this country.

That is why we support the system. The Minister asks whether the New Democratic Party is opposed to any taxes being levied either directly or indirectly on food. That, of course, would be unrealistic. For instance, farmers buy gas for their tractors. There are other items they buy for their production process, on which they pay some kind of sales tax or excise tax. Fine. And these taxes are part of the price we ultimately pay for the end product.

The fact is, Mr. Speaker, that the tax burden on food today is perhaps 1.5 per cent or 2 per cent, certainly not more than that. And now the Minister and his Government want to increase that burden to as much as 8 per cent, 9 per cent or 10 per cent. We don't know exactly how much. There is a big difference, Mr. Speaker, between a minor tax that indirectly enters into the price of a product and a tax deliberately levied by the Government.

So what is the NDP saying?

• (1200)

[*English*]

We are saying that we should not rely more on indirect taxes. We are saying you should not tax food. We are saying, yes, you should reform the manufacturers' sales tax. We accept the need to broaden the base, Mr. Speaker. We are suggesting that with all of the brain power in the Department of Finance the Department should have been able to do better than what it has done so far. Is the Minister in favour of taxing food? Yes or no? What is the position of the Government?

Mr. Darling: Wait and see.

Mr. Deputy Speaker: We will have two more questions. First, the Hon. Member for Hamilton East (Ms. Copps) and then the Member for Nanaimo—Alberni (Mr. Schellenberg).

[*Translation*]

Ms. Copps: I am glad to see the New Democratic Party join the Liberals in opposing the food tax. However, I would like to ask the Hon. member for Ottawa Centre (Mr. Cassidy) whether he agrees with the action taken last year by the socialist Government—I know that he and his leader are very much attuned to international socialism—whether he agrees with the action taken by the Government of New Zealand, a so-called socialist government, which last year imposed a 10 per cent tax on food.

Mr. Cassidy: Mr. Speaker, that is a good question. The answer is obvious, and it is clear form the speech I just made, that I am opposed to these taxes in our particular situation here in Canada. So I am opposed to this tax, even if certain socialist governments have imposed a tax on food. I don't know exactly what kind of tax was imposed by the socialists or rather the Labour government in New Zealand. I would have to look into that. But it did impose this tax, and I am against it. The question we have to deal with now is: Is the Government in favour of this tax, yes or no? Why these delaying tactics and refusal to assure Canadian consumers that food will not be taxed?

[*English*]

Mr. Schellenberg: Mr. Speaker, I listened with interest to the comments and the statements of the Hon. Member for Ottawa Centre (Mr. Cassidy). I think we are a bit pre-emptive with this discussion today. We might as well be discussing what the weather is going to be like on the weekend. We should wait until June 18 before we get into actual details and discussion on tax reform in this House.

Be that as it may, I seem to interpret from the Member's comments that he is in support of tax reform but not in support of the food tax. If that is the case, I was surprised that he did not mention the New Democrats' travelling road show across the country some months ago, of which I believe he was a part. I trust New Democrats did not talk just to the interest groups but to average Canadians. Did the average Canadians to whom they spoke support the over-all concept of tax reform?

There being a hidden tax in this country, that being the deficit with which we are all faced, how would he as Finance Minister in a New Democratic Party Government of Canada deal with that hidden tax which costs Canadian families thousands of dollars a year? Would he bring in tax reform or would he change the manufacturers' sales tax? Would he cut the cost of government? How would he deal, as we have to deal, with that hidden tax of the Canadian deficit?

Mr. Cassidy: Mr. Speaker, I appreciate the questions from the Hon. Member. I would point out that when we went across the country with Tax Probe 86—and I am glad the Member has taken note of that because I think we did do a good job in talking to a broad range of Canadians—what people said most of all was, "Yes, as taxpayers we are prepared to pay our share of federal taxes." We did not find a widespread tax revolt with people saying, "No, the tax burden is so awful, let us cut it by half". It was not a Proposition 13 type of mentality such as that found in the State of California. What we found instead though was people saying, "When we pay our taxes, we want to know that the tax system is really being just and fair".

One of the things which the Hon. Member's Government has done, which I think has done more than any other single measure to undermine people's confidence in the justice and fairness of the tax system, was to give a half a million dollar exemption on capital gains. We know that 90 per cent of that benefit will go to people in the top 1 per cent or 2 per cent of the income range, to high-flyers speculating in art, land, and whatever else. That is where most of the benefit of that measure has gone. That is why that kind of measure has to be taken away.

An NDP Government would be committed to tax reform along the kinds of principles that I have outlined in a number of speeches both in the House of Commons and elsewhere. We do want to maintain a substantial reliance on direct taxation. We believe that the corporate share of the tax burden in Canada has been allowed to go down too far, both by Liberal and Conservative Governments.

We deplore the degree to which this Government, now in office since 1984, has loaded billions of dollars of additional tax burden on to average Canadians while putting peanut-sized tax demands on the corporate sector. Those are some of the guidelines and principles that we would follow. We believe that if we can get the economy of Canada going, that in itself would reduce government expenditures, increase revenues and make a major contribution to bringing down the deficit, which I think most people feel is, in the long term, unduly high.

• (1210)

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, before beginning my remarks, I should like to tell the Hon. Member that the whole question of sales tax on food and other matters will be properly discussed on June 18. The Minister of Finance (Mr. Wilson) has made that clear, and I ask the Hon. Member to wait until then. He can certainly warn the Government, if that is what he wants to do, and prod the Government not to do things; that is an historic role of the Opposition. However, it is also an historic role of the Opposition—and I want to make this point very clear before I begin my remarks—to present credible alternatives.

In my view the role of the Opposition is to check the Government, to prod the Government, and to be a responsible alternative. What we are hearing this morning is a little of the first and the second and none of the third.

In order for the country to be properly informed in a debate about tax reform, it seems to me that we should have contesting alternatives in the Chamber, not simply negative criticisms of attempts to be constructive in reforming our tax system.

I welcome the opportunity to speak in the debate today and to deal with some of the broad questions on tax reform. The Hon. Member said that he was concerned that the Minister of Finance has not been as informative as he would like. Let me summarize where the Government is, up until now, and set the stage for June 18.

In responding to the Hon. Member for Ottawa Centre (Mr. Cassidy), I should note at the start that the timing of his motion is a little strange. In just three weeks from today the Minister of Finance will be presenting to the House and to the country the Government's proposals for tax reform. That is really the time to have this debate, but for some peculiar reason we are having it today. I could have understood why we are having it today if, as I mentioned at the beginning of my remarks, the Hon. Member for Ottawa Centre had a whole set of alternative proposals to bring to us from his task force and wanted to put them before the House to allow us to criticize and examine them. However, that is not the case. Instead, we hear nothing about that; we just hear warnings about particular fears he has about what might be announced on June 18.

It is bizarre that we are having the debate today but, now that we are having it, let me proceed. The Minister of Finance has already made it clear that important and broad-reaching changes to our tax system will be proposed. He has indicated the general nature of some of the approaches of tax reform. It is clear from this that the White Paper will contain major reforms.

The Hon. Member opposite is clearly impatient. I have already heard his impatience this morning. He is not prepared to wait until June 18 to see exactly what will be proposed, but he will have to wait. Moreover, he has presented a motion with

a strangely narrow focus. It ignores the whole broad range of tax issues which have a bearing on the fairness and balance of our tax system.

It is often said that it is good politics to concentrate on one issue and criticize it. I am not too sure that that is what the Canadian public is expecting—just criticism on one aspect of tax reform. I think it is looking for comprehensive reform and it is looking to all Parties not to have a strangely narrow focus but to have a comprehensive focus.

Perhaps it is not so surprising that the motion is couched narrowly, in view of the fact that the Minister of Finance has made the broad directions of tax reform quite clear. It is apparent from what he has said already that a fairer tax system is emerging.

The tax burden will be redistributed, to be shared more equitably among taxpayers in similar circumstances. The Minister has stated that the Government's revenue sources will be better balanced with less reliance on personal income taxes and higher take-home pay for the great majority of Canadians.

I have heard the Hon. Member for Laval-des-Rapides (Mr. Garneau) speak on tax reform in the House. His principle seems to be close to but not nearly as specific as that of the Government. However, these principles are supported by Canadians—that we should redistribute the burden, share it more equitably, make the system simpler, and have less reliance on personal income taxes than we have had in the past.

[*Translation*]

The Minister has stated that the income tax system for individuals will be improved as a result of reduced tax rates, fewer income tax brackets, fewer special privileges which mainly benefit high income taxpayers and an increased use of tax credits as opposed to tax exemptions, a change that will help very substantially those in the lowest income bracket.

In addition, the switch to a tax credit system may be seen as a progressive social change, because doing so, we can use the personal income tax system to continue to improve the situation of low-income Canadians.

[*English*]

The Minister of Finance has left no doubt about his intentions in this regard. They are changes that will be widely welcomed by Canadians, so it should not be surprising that an opposition motion attacking the Government is silent on all these very positive measures. It is silent, too, on the Minister's stated intention to change the corporate tax system. The corporate tax base will be broadened by eliminating many special preferences and reducing others.

The Hon. Member spoke briefly about corporate tax, but he did not say very much about it. The corporate tax base will be broadened by eliminating many special preferences and reducing others. Many more profitable corporations will pay tax. The resulting increase in revenues will permit a reduction in corporate tax rates, so that they remain competitive with those of our major trading partners. Nothing could be more clear about where we are heading with tax reform, which is to lower the rates and broaden the base.

We have not heard much about what Hon. Members opposite would do to bring about improvements which are so badly needed in our sales tax system. The flaws in the sales tax system have been known for many years and documented in a whole series of studies. As a matter of fact, the Hon. Member presented our case when he said that two-thirds of the goods and services in Canada are not taxed, and that we must have a reform of the federal sales tax. I listened closely, and I could not get what his reform of federal sales tax would be. In fact, I asked him direct questions on this and I still could not get the answer.

We have a sales tax which discriminates against our own producers in favour of foreign competitors. This is unbelievable. Any foreigner who looks at our federal sales tax system finds it hard to believe that we would have such a system.

Due to a different tax base, the effective rate of taxes on average is one-third higher on Canadian products. What would Hon. Members opposite do about that? Not only that, but the tax discriminates against similar products made by competing manufacturers within a particular industry. It even discriminates within an industry, as well as discriminating against our exporters.

About one-half of the total sales tax collected is derived from tax on business inputs. The result is an indirect charge on exported goods estimated at about 1 per cent of the sales value of exports, burdening Canadian producers with a competitive disadvantage in world markets. Moreover, the federal sales tax is too narrowly based, as I have said. With such a narrow base, tax rates have been forced to rise for fiscal purposes. The result has been to distort efficient operations in our economy.

Mr. Cassidy: What about food? Is food in or out?

Mr. Hockin: You will find out on June 18.

Mr. Cassidy: Why not now?

Mr. Hockin: Hon. Members opposite are well aware of the sorry state of our sales tax structure. What would they do about it? The Hon. Member wants to know only about one thing—the taxation of food. He knows that the answer to that, and the alternatives Canadian people are invited to look at with regard to that will come on June 18.

What we are not told by the motion—and I do not expect we will hear any suggested answers from them in this debate—is what they would do about federal sales tax reform.

The Minister of Finance has indicated the Government's approach. His White Paper in three weeks will set out proposals to replace the flawed and inadequate federal sales tax. Its replacement will be a broadly based, multi-stage sales tax in which the wide coverage will permit a lower sales tax rate.

Mr. Cassidy: Including food, eh?

Mr. Hockin: The question of what is to be included in the sales tax base is one of the important issues to be addressed in the process of sales tax reform.

Mr. Cassidy: Make up your mind. Are you in or out?

Mr. Hockin: You will know. We want to hear the considered views of interested groups and individual Canadians before taking a decision.

We have heard some of the Hon. Member's views. We ask for some more details, but we do not get them. The composition of the tax base will also be a major item in our discussions with provincial Governments as we explore the alternative mechanisms which could be used in implementing a national multi-stage sales tax.

• (1220)

There is one important element in our tax system that has particular bearing on this whole question and I refer to the refundable sales tax credit which was introduced by the Government in the February 1986 Budget. The credit is $50 for adults and $25 for dependent children and will be refundable in full for families with net incomes of up to $15,000. All Parties have acknowledged the progressive nature of this credit. Obviously the credit will have an important bearing in our discussions on the sales tax base.

Mr. Cassidy: No, all Parties have had real problems with it.

Mr. Hockin: You don't agree with refundable sales tax credit? That has not been the position of the Hon. Member's Party. It has praised the concept and we have made it a reality.

Mr. Cassidy: That's right, we have praised the concept but not the implementation by your Party.

Mr. Hockin: This Government made it a reality, and whatever changes will be made to the sales tax must be considered and judged in the over-all context of the tax reform package that will be tabled on June 18.

As I have already mentioned, the Minister of Finance has made it clear that important changes to personal income tax will have a major effect on providing fair tax treatment for lower-income Canadians. Of all the fears I have heard from the Hon. Member opposite, he has totally neglected to mention how the Minister of Finance has made it clear that lower-income Canadians will find their taxes much lower. That was not part of his speech in any way. I can only urge Hon. Members and Canadians generally to judge what we do on its over-all effect on creating a better and fairer federal tax system for Canada.

I would also like to remind the House that the goal of a better and fairer tax system is not a newly adopted policy of the Government. It has been a major priority ever since the Government took office in 1984. In his agenda paper of the fall of 1984, the Minister of Finance identified the tax system itself as an obstacle to the country's economic growth. I do not know if Canadians realize how important that statement is. There are many obstacles to growth in Canada, but who would have dreamed that the tax system itself was one of those obstacles? It is, and the Minister recognized reform of the tax system as an important aspect of economic renewal.

Since then, in a deliberate and measured way, the Government has introduced a number of important improvements to the tax system. With his first Budget, the Minister of Finance tabled a discussion paper outlining directions for reforming the corporate income tax system and the first phase of those reforms was carried forward in the February, 1986, Budget. We are already in the process of reform and of broadening the tax base to permit a reduction in corporate tax rates. The second phase of corporate tax reform will be launched in the June 18 White Paper.

What has happened already in the area of personal income tax? The tax base has been broadened by the Government by eliminating a number of tax-avoidance and deferral techniques. Not once do we hear anything about that from the Opposition. There are a number of major steps that have already been taken to reduce tax preferences in the corporate sector and in the personal income sector. We have eliminated a number of tax-avoidance and deferral techniques—

Mr. Cassidy: And created new ones.

Mr. Hockin: I would be very happy to go through examples of those during Question Period. What we have created that is new is a minimum tax to ensure that high-income earners cannot avoid paying any tax. We never hear about that either. As well, the first steps were taken toward finding a replacement for the inadequate federal sales tax. A review was undertaken of selected social and tax transfer programs.

There is much to be said about how far the Government has already gone on tax reform before the statement of June 18. It soon became apparent, however, that if we were to achieve our goals of tax reform, we would have to undertake a major restructuring of personal income tax as well. That led to the announcement last July of the Government's intention to proceed with comprehensive tax reform. The goals and guidelines of tax reform were set out by the Minister of Finance in the Blue Book he tabled in the House on October 23.

Fairness is the key measure of tax reform. The tax system must ensure a fair sharing of the tax burden. People in similar circumstances are not now treated equally. They will be treated equally after tax reform. High-income earners and profitable corporations should pay their fair share of taxes and similar products should bear the same rate of sales tax. The previous Government felt that it could not act on any of these but we will act on them.

The tax system should also be simpler so Canadians may understand it and comply with it. I recall that two or three

months ago, I met with the Chinese Minister of Trade who asked me what the books were that were sitting in the corner of the Department of Finance boardroom. I said that they were interpretation bulletins and the Statutes of the Canadian Income Tax Act, comprising about 3,000 pages. I asked how big the Chinese income tax document was, and he said that it was six pages. I do not think we will ever be able to get that much simplicity, but Canadians want a simpler system, a system that will allow them to understand and to do their income tax returns themselves. That is a major motive behind the reforms we will be bringing in on June 18.

Another important objective has been to achieve a better balance of federal revenue sources with less reliance on personal income tax. We also seek greater stability and certainty in federal revenues. There are other important concerns which help shape tax reform, including the need to encourage economic growth and to remove distortions in business decision-making created by tax incentives, the need to reinforce international competitiveness and the need to reflect Canada's social and economic priorities.

We have been concerned that any tax changes should be implemented with appropriate provisions for transition to the new tax system. I think it is important that we signal that now. Throughout we have consulted broadly with Canadians in developing the proposals we have submitted to the House. Consultation is important. The last time there was a major effort at tax reform in the MacEachen Budget, there was not appropriate consultation. The Government was caught unawares time and time again and in a humiliating way had to change at least 49 major parts of that Budget.

We have been consulting. In fact, in order to minimize surprises, we have also brought forward papers for debate and discussion. The Hon. Member could not have introduced this motion and debated it in the way he has if the subject had not been raised by the Government. He wants to talk only about food, but all the other aspects that he does not discuss have been in the public domain. Canadians understand them and that will help in the understanding of tax reform when we table our major document on June 18.

I am confident that the White Paper will be judged a success in meeting those guidelines. I think the consultations we have already undertaken will have been very helpful. I was told that in New Zealand, there was a government information office on the sales tax system and it was able to be closed before the tax was even brought in because the people of New Zealand were so well informed about what the Government was doing.

I think consultation has helped set the stage for the Canadian people to sympathize with and understand what we intend to do. In particular, I am sure that impartial judges will conclude that tax reform meets its central objective, which is to reduce tax rates. This is the best possible incentive for growth, investment and job creation. Lower income tax rates will mean larger take-home pay for the great majority of Canadians. Tax avoidance is minimized through lower rates. Incentives are put in place through lower rates. Lower rates are key to all of these reforms.

By way of conclusion, let me say that these lower tax rates will be brought about by reducing or eliminating a wide range of tax preferences which have been of benefit primarily to corporations and upper-income earners. That is how we will find the revenue to lower rates and what will emerge will be a tax system that will levy less total tax on the large majority of individual taxpayers and achieve this through a greater measure of fairness in the system as a whole.

Ms. Copps: Mr. Speaker, given that the Minister cites the example of the imposition by the Labour Government of the 10 per cent tax in New Zealand, can he tell us what effect that had on working families and particularly on the Consumer Price Index in New Zealand?

• (1230)

Mr. Hockin: My only reference to New Zealand was the effort made there to inform citizens of what the reforms were so that confusion would be minimized. I am not a close student of those reforms and I could not give the Hon. Member the answer she seeks.

Ms. Copps: Mr. Speaker, obviously the Minister has looked at the New Zealand system or he would not know about the information system. If he went beyond that he might be aware that in the three months following the imposition of a 10 per cent across the board tax, including on food, imposed by the Labour Government the inflation rate increased by 8.9 per cent. Can he explain how an increase in inflation of 8.9 per cent over three months would be of benefit to low and middle-income Canadians?

Mr. Hockin: Mr. Speaker, I have to reiterate that I cannot vouch for figures. However, let me tell her that the kind of tax reform we are proposing will broaden the base and lower the rate. For example, say you are a taxi driver and you buy an automobile. What is the tax, 12 per cent? If, through tax reform, that rate is lowered to 6 per cent or 7 per cent this Government has lowered the cost of that automobile for the owner. By broadening the base and lowering the rate you will have less inflation in many cases, not more.

Mr. Cassidy: Mr. Speaker, because the sales tax is levied at the wholesale level, it does not hit taxpayers quite as hard as perhaps some people think. The figures we have indicate that the average rate at the consumer level comes out to about 7.2 per cent. He should beware suggesting there will be a huge drop in taxes if the tax is reduced to 6 per cent or 7 per cent in the form of a business transfer tax.

He also asks where the NDP stands. In July, 1986, we said in our tax probe report that our analysis has led us to conclude that the current federal sales tax is so unfair, unaccountable, and administratively complex that it should be abolished. That is pretty clear. We then talked about alternatives.

The Minister suggested that we should talk about the whole range of tax reform in this debate. We will discuss that after June 18. My Party was focusing on the very specific issue, which he danced around, that food is such an essential necessity of life we believe it should not be taxed. Does he believe food should be taxed, yes or no? I would like him to give the answer on behalf of the Government.

Mr. Hockin: Mr. Speaker, I guess it depends on what kind of food, what level of income, and so on. That question is to be canvassed further on June 18. The Hon. Member says he is not in favour of taxing food but he believes in the two-price policy for wheat, for example. I am sure he believes in marketing boards as well. Those things mean that agricultural products are somewhat more expensive than they would otherwise be. He has never suggested a solution to that problem.

Because of the cost of food, this Government brought in a refundable sales tax credit. We have a child tax credit. We have put these credits in place in order to compensate for the regressive nature of some of the things that have to be done. Yet we never get a proposal that goes even that far from Members opposite in order to help low-income Canadians.

Mr. Redway: Mr. Speaker, the Minister indicated he felt we should be addressing the tax reform question in a broader context. He also made reference to the fact that there are hidden taxes on food resulting from the supply management system and the two price wheat system. I understand that the U.S. Department of Agriculture has done a comparative study and claims to have found that Canadian consumers, as a result of the factors I mentioned, pay a tax in effect of 25 per cent to 50 per cent for milk, 10 per cent to 24 per cent for butter and cheese, and less than 10 per cent but still something in excess of 1 per cent obviously—

Mr. Cassidy: Why don't you eliminate medicare and cut taxes that way, too?

Mr. Redway: —for a host of other foods such as sugar, poultry, beef, pork and several other grains.

Mr. Cassidy: Turn this into a Ronald Reagan paradise, that is what you are trying to say.

Mr. Redway: I wonder if the Hon. Member for Ottawa Centre (Mr. Cassidy) could just calm down and let other people speak calmly. The whole point of the House of Commons, as I understand it, is to have a rational, calm debate. I am disappointed and disturbed that the Hon. Member feels we should have a shouting match, screaming and shouting from his seat.

In light of this report, in light of the things the Hon. Minister has been saying this morning, will he tell me, the House and the Canadian people if the White Paper on tax reform is going to address these problems in a broader way than just the question of tax credits?

Mr. Cassidy: Do you want to eliminate unions as well as marketing boards?

Mr. Redway: Here we go again. We are hearing the NDP Member for Ottawa Centre trying to shout down anyone else who wants to say something in this House. It is disappointing to me and, I am sure, the Canadian people.

Could the Hon. Minister tell us—

Mr. Cassidy: Retrograde Conservatives.

Mr. Redway: There he goes again. The NDP does not want anyone else in this country to say anything.

Can the Hon. Minister tell this House if the Government's tax reform package will address these problems? If so, will it do it in a way that goes beyond the tax credit approach he has been talking about? To date at least those tax credits have been fairly modest in relationship to the taxes paid by the Canadian public on food.

Mr. Hockin: Mr. Speaker, I thank my hon. colleague for raising that question. It is rather awkward because he is asking me to reveal what is going to be in the June 18 document. I think he will understand that I cannot answer that directly, but I could make a couple of comments.

To deal with the imbalance in our tax system, to make it fair, is to come to terms with some of these hidden expenses for low-income Canadians about which he expresses justifiable concern. The child tax credit is designed to help a poor family purchase food for their children. It is quite generous. The refundable sales tax credit is an important innovation of this Government. To remove hundreds of thousands of Canadians from the tax rolls also a major objective of tax reform, and that will help produce more income so these people can buy the products about which the Hon. Member expresses concern.

I have to make a broader point. If you can create 778,000 jobs, that is an enormous contribution to the solution of the problem of which he speaks. It produces income for people who had very little.

The Hon. Member raises an important point about the subsidy system in Canada. The Government has brought in credits and created jobs. It will create a fair system. That is our answer to the very good question he raises. Perhaps there will be more specifics on June 18. Liberal and NDP Members opposite, especially the Hon. Member for Ottawa Centre are silent on the kind of questions the Hon. Member for York East (Mr. Redway) raises.

• (1240)

Mr. Orlikow: Mr. Speaker, the Conservative Government has talked about a fairer tax system since the election campaign of 1984. It is now 1987 and we have seen taxes for the average family increase by $1,500 a year. There has been an increase in indirect taxes through increases in the sales tax rate and charges for government services. A $500,000 exemption on capital gains has been implemented which benefits the

wealthy. We know that over 200 Canadians who had incomes of over $200,000 paid no income tax at all. We know that the biggest corporations have been able to avoid paying any corporation tax at all. As an example, when Gulf Canada was purchased, there was a $500 million tax avoidance through the Little Egypt Bump.

Therefore, we are pretty skeptical about the promises for a fairer tax system. We will watch him very carefully because so far we have seen very little evidence of a move toward a fairer tax system. We have seen higher taxes for ordinary Canadians.

Mr. Hockin: Mr. Speaker, I know it is the duty of the Opposition to express skepticism. However, to express skepticism in the midst of concrete actions in the opposite direction is less understandable. Let us look at the tax fairness measures which we have implemented to date. The proof is in what we have done since 1984.

We ended the scientific research tax credit abuse which was terribly expensive. We eliminated tax shelters based on investment in yachts, recreational vehicles and similar properties. We eliminated the Registered Home Ownership Savings Program. We brought about the elimination of income splitting among family members by using interest-free loans in order to minimize tax. We imposed a minimum tax on high income individuals, which is something the Hon. Member called for.

From July to December, 1985, actions were taken to stop the so-called carve-out transactions in the oil and gas sector and to prevent the use of trusts through market securities issued in such a way that income and capital returns to investors were distributed tax free. We ended the use of partnership and corporate takeovers to increase tax deductions through the so-called partnership step-up rules. The list goes on. All of these measures are evidence that reform is under way.

In addition, the Government is committed to replacing exemptions with credits. This is a very, very progressive move. In the 1987 Budget the Government indicated that it would do this. In addition, through the federal sales tax credit and the child tax credit we have already given concrete evidence that we are moving in this direction.

Exemptions favour those in the higher tax brackets, and I do not know why Hon. Members do not mention this. Each $1,000 of exemption is worth $60 in federal sales tax saving to a lower income individual in the 6 per cent tax bracket, while it is worth $340 to a person in the top 34 per cent tax bracket. Credits provide the same amount of tax reduction to taxpayers at all income levels. That is why it is so important to move to a credit system. Finally, moving to credits will mean more benefits for lower income taxpayers and less for those at higher income levels.

I do not ask the Opposition to cease being skeptical. That is the job of the Opposition. However, I do ask Members to look at these concrete, progressive moves which show that we are moving massively in the direction of fairness, more so than any previous Government in my memory.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I cannot believe my ears. I cannot believe that the Minister of State for Finance (Mr. Hockin) said in his speech that the tax credit which is currently given to families is used to buy food. That tax credit was originally instituted by previous Liberal Governments to help those poor families that could not afford to buy clothing, furniture, or some of the big ticket items. It was certainly never intended to pay for food.

That mentality of the Minister is an indication of what we can expect on June 18. We already hear the Minister saying "sales tax credit to pay for food". Shame on the Government, and the Minister of Finance (Mr. Wilson) and the Minister of State for Finance who claim that they will bring in tax reform. They will bring in tax reform all right. Just ask low-income Canadians including senior citizens living below the poverty line on pensions what kind of tax they are now paying as a result of the Government's so-called reforms instituted in the November Economic Statement in a cumulative way.

Does the Minister really think the Canadian people are that stupid? Does he really think they cannot read the taxes they are now paying in the low and middle-income brackets as a result of the changes made by the Government which favour the rich? We heard the Minister expound on how fair tax credits were as compared with exemptions. He did not mention the $.5 million capital gains exemption which he and his friends on Bay Street have offered to the top 2 per cent of the population which can afford to earn such capital gains.

In the last two and a half years the Government has wreaked a tax expense havoc on the poor and middle-income families which has been unprecedented in Canadian history. We now see the ultimate blow in the form of a tax on food. We heard the Minister of State for Finance talk about what happened when the wonderful socialist Government in New Zealand imposed a 10 per cent tax on food. Yes, in the short-term they saw their take-home pay increase because their income tax had been reduced. However, they also saw prices increase dramatically.

In the first three months following the imposition of a 10 per cent tax on food the Consumer Price Index increased by 8.9 per cent. The Minister said that he could not foresee an increase in the CPI. That is because he has not studied the issue. He has not looked at what has happened in other jurisdictions. It is quite clear that there will be an increase in inflation. It is quite clear that a tax on bread and milk will hit those who can least afford to pay.

We could not pin the Minister down today on exactly what the Government intends to do on June 18, but we heard a bit of the line, the Dalton Camp line, which is probably being crafted now in the Office of the Prime Minister. God forbid that the Government should get itself in the same kind of a mess with the food tax as it got itself in on its attempt to cut back on senior citizens' pensions. I am sure the Government

will have a finely honed, finely crafted line, part of which we heard today from the Minister of State for Finance.

He said that the Government will broaden the base. A food tax will certainly broaden the base. Instead of taxing luxury items and other specific items as is currently the case under federal sales tax legislation, we will be taxing milk, bread, and other food when we already know from looking at the figures for the last 20 years that Canadians are already paying more to eat and survive than for lodging.

A recent article in *Maclean's* magazine gives a fairly good picture of how hard Canadians are already being hit for the cost of food. Between 1961 and 1986 Canadians have increased the amount of money they pay for food up to 25 per cent. The amount they pay for shelter has increased by 19 per cent and the amount they pay for taxes has increased by over 33.5 per cent on average. We can see that the amount spent for food has increased tremendously, and yet the Government is going to add a double-whammy if it introduces a tax on food on June 18. Will the Government that was elected with the largest majority in our history receive the support of Canadians to tax food? No. Nearly two out of every three Canadians oppose the Government's proposal to extend federal sales tax to cover food and services.

• (1250)

Food is not the only item. Food is a very basic item, but will we see the Government introduce a tax on day care? Will we see it introduce a tax on other essential services at the same time that it claims it will introduce these other beneficial measures for working families?

The Government claims that it will broaden the tax base and introduce a fairer system. Yet it is really introducing a tax grab for the federal Treasury. The Government likely receives its advice from Deloitte, Haskins and Sells, who suggested just last week that it will be cheaper for the federal Government to tax food and provide a tax credit than not to tax food at all. Deloitte, Haskins and Sells are making preliminary calculations which suggest that it will be cheaper for the Government to tax food. The federal Government will be in a position to collect $20 billion if it comes forward with the business transfer tax of 8 per cent. Its tax credits, which it will potentially give only to families earning below $15,000—far below the poverty line in most communities in Canada—would only amount to $3 billion. Therefore, the net gain to the federal Treasury is $17 billion.

While the Government talks about tax fairness, it will literally be taking food out of the mouths of babes if it introduces this food tax that is being suggested in the June 18 financial statement by the Minister.

Mr. Redway: Nonsense.

Ms. Copps: The Member says nonsense. He may recall one of his Conservative cohorts in the Ontario Legislature, Frank Miller. He was an erstwhile gentleman who certainly had a very quick tenure as Premier of Ontario. One reason why Mr. Miller went down to defeat, apart from the fact that we had an extremely able Premier to take his place, was that as Treasurer in Ontario he introduced a tax on candy, ice cream and chocolate bars for children, as well as a tax on tampons. I received hundreds of letters from irate consumers, including parents and children, who asked why this man, whom they did not know before this infamous tax, was imposing a tax on candy and tampons. He told me in the Ontario Legislature that tampons were a non-essential item and that is why they should be taxed. We know that the Treasurer ultimately had to eat his words.

When he went to the electorate in the election, people told him what they thought about his tax on candy and tampons. The federal Government should learn from that message that was sent in very strong terms to the then Premier of the Province of Ontario.

There are certain elements in Canadian life that are absolutely essential, one of which is food. If the Minister of Finance really believes he can sell Canadians the notion that while imposing a tax across the board on food consumers will receive a somewhat bigger cheque at the end of the year, it is obvious that the Minister of Finance is not the one doing the shopping in his household. He will not be able to convince the senior citizens who, for the first time, are paying taxes as a result of the regressive tax policies of the Government. It is also obvious that the Minister of State for Finance does not balance the budget in his household.

Canadians pay for their food on a weekly basis and must pay for it with cash. I doubt that Canadians will be able to go to any of the major grocery stores and say that they will pay the balance of their food bill when they receive their sales tax credit from the Minister in 1989. The Member from Newfoundland is smiling. He knows that his constituents will not be happy with a Government that introduces a tax on food while suggesting they will get a bigger cheque at the end of the year.

The figures from Deloitte, Haskins and Sells are self-explanatory and indicate that the imposition of a food tax, including the tax credit that may be given, may still result in a net benefit to the federal Treasury of a billion dollars more than what it would be without the food tax. It represents $1 billion to the federal Government out of the food bill of ordinary Canadians. When I look at the figures, I am practically speechless.

Mr. Jelinek: That would be a first.

Ms. Copps: We make reasonably good salaries as Members of Parliament and I dare say there is not a Member of Parliament who is struggling to pay the food bill. However, we know according to the latest national figures, that there are hundreds of thousands of Canadians, including almost a million Canadian children, living in poverty. Most of those children come from one-parent homes led by mothers. These families cannot afford to pay a tax on food, nor can middle-

income families afford a tax on food as a result of the cumulative tax policy since 1984, as part of the so-called tax reform package introduced by that great reformer. Leonard Shifrin, a social policy analyst, called the Minister the "great deceiver", which I believe is a perfect name.

A family of four with both parents working, earning $35,000 a year, which represents a fairly average family in certain areas of the country, will be paying over the life of the tax reform package an extra $3,452 through increases in income taxes as well as losses through the cut-back in family allowances.

These average families are gouged by almost 10 per cent of their gross income in a tax period of three to four years. The Minister will then return to the House on June 18 and say that he will offer them a tax break and broaden the base. That was the catch phrase used by the Minister of State this morning which, in simple English, means taxing everything that Canadians use. It may even include such areas of service as daycare and medicare. The enormity of the tax grab on middle and lower-income Canadians as a result of the Government's potential initiatives on June 18 is so devastating that I cannot even begin to describe it.

[*Translation*]

Mr. Speaker, we know that the Minister of State himself revealed the kind of attitude he has towards poorer people when he said, among other things: We, the Government, pay the sales tax, we pay the sales tax credit to poorer families so they will be able to eat. But when the tax credits were introduced by former Liberal Government a few years ago, it was not for food, it was to give families an opportunity to buy various things such as clothes and big ticket items. This is why we came up with the tax credit, not to pay for food. Indeed we can already guess that the Minister of State for Finance (Mr. Hockin) with his colleague the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) have begun to toy with the idea of taxing food.

We can only recall the situation in New Zealand where a socialist Government imposed a 10 per cent tax. Even the New Democratic Party . . . Here in Canada we have precious little opportunity to examine the Government performance because it does not perform all that much. However, we have the example of New Zealand, and I was rather surprised to hear the Hon. Member for Ottawa Centre (Mr. Cassidy), who strongly criticized the Conservative Government, reply to my question about what he thought of the action taken by the Socialist Government in New Zealand: "That is not the same. Canada is different".

The Socialist Government in New Zealand imposed a 10 per cent tax on food products, which caused an 8.9 per cent, or nearly 9 per cent increase in the cost of living over the next three-month period. And who is affected by a higher cost of living index? The poor, the old, the underprivileged. Someone with a $100,000 income will not lose any sleep if the cost of living index goes up by 7 per cent or 8 per cent. However, someone who spends the larger part of his income on food and housing does.

During the last 20 years, the percentage of average income paid by Canadians on food alone has increased to 25 per cent. Food has become even more expensive than housing in Canada. We already spend 25 per cent of our average income to eat. The so-called tax reform of the Minister, which will supposedly be clarified on June 18, will involve additional taxes, and a tax on food products is even being considered.

A former Ontario Premier tried it before. He imposed a tax on candy, or a kiddy tax, such as the Minister of Finance (Mr. Wilson) has himself imposed this year. The Premier even put a tax on tampons, thus suggesting to Ontario women that such things are not essential. This caused so much protest that he was defeated during the 1985 election.

Mr. Speaker, the Prime Minister (Mr. Mulroney) and the Minister of Finance should look at what happened in Ontario and realize that Canadians are opposed to any tax on food products. It is all very well for the Minister of State to claim that this will extend the tax base. Naturally it will. At this time, the federal tax covers what could be termed luxury products, items which are not essential to daily life.

However, the tax on food products and the possible tax on day-care, in view of the need for such services, represent taxes on the necessities of life. There are no two ways about it. People have to eat. There are Canadians who have to rely on a steady diet of macaroni, and sometimes even cat food. There occasionally are articles in newspapers describing the plight of the poor. Their life is already very hard. If we look at the so-called tax reforms brought in after the 1984 Budget, we find, for instance, that a family with a $15,000 annual income, which is certainly not astronomical, has already lost a total of $1,844 in the three years this Government has been in power. This represents both benefits that have been cut back and additional taxes that now have to be paid. Such a family has lost $1,844. It is fair for a family of four with an income of $15,000 to have to pay additional taxes and lose benefits for a total of $1,844? I do not think so.

Mr. Speaker, I do not think that Canadians are stupid enough to swallow the arguments of the Minister of State for Finance who says that this will be fair and equitable because everyone will pay. This is truly a Reaganite tax reform, which is not surprising as the Prime Minister is always hopping into bed with the President of the United States. This is the same type of reform we saw in the United States and which cost the poor very dearly while fattening the bank accounts of the wealthy.

Mr. Speaker, this is why we are against this tax, and I think that the Government should listen to us and refrain from introducing it on June 18.

• (1300)

[*English*]

Mr. Redway: Mr. Speaker, the Hon. Member indicated that she was practically speechless as a result of some of the comments made by the Minister. I have to admit that I was struck dumb by some of the comments made by the Hon. Member. The Hon. Member had the nerve and the gall to indicate that between 1961 and 1986 the cost of food increased by some 25 per cent. You and I are well aware, Mr. Speaker, who formed the Government for virtually all of that time. You and I, Sir, are also well aware of the double-digit inflation that ravaged this country while the former Government, of which the Hon. Member is a supporter, was in office. I do not see how the Hon. Member has the nerve and the gall to stand in this House and tell us that she is ashamed of the fact that the price of food rose by 25 per cent when it was her Government that in fact was responsible.

The Hon. Member went on to talk about what is in the White Paper on tax reform. It not only surprised but shocked me that she apparently has inside information as to what is in the White Paper on tax reform. She implied there were all sorts of things such as taxing food and daycare and everything else under the sun. That was very interesting. As you and I know, Mr. Speaker, that is just fear-mongering. She is deliberately trying to spread fear and concern among the low-income earners and senior citizens when she does not have a shred of evidence on which to base her allegations. She indicated as well that DeLoitte Haskins and Sells were writing the White Paper on tax reform. There is not one shred of evidence to indicate that fact. All of the statements she made indicating what was in the White Paper on tax reform cannot be backed up by one shred of evidence. What she has been doing here today is fear-mongering.

The Hon. Member did say one thing which really interested me and I would like to get her response on the record. It has to do with the scorn she heaped on the half million dollar capital gains exemption brought in by this Government as part of a package of economic recovery. It has in fact lowered the rate of unemployment from what it was when the former Liberal Government was in power. It has brought about an unemployment rate in my own community of close to what is traditionally called by economists "full employment". It admittedly has not done the job across the country the Government would have liked but things are certainly moving much closer to that position than when the Liberal Government was in power.

Can the Hon. Member tell us if it is the official policy of her Party, if and when it ever forms a government, to immediately repeal the capital gains tax exemption which is now in effect?

Ms. Copps: Mr. Speaker, I am not sure where the Hon. Member has been for the last two and a half years. If he had been here in the House where he was supposed to be, he would know that my Leader has already called upon the Government to repeal that half million dollar capital gains write-off with the exception of the farmers. That has been on the record as clear as the nose on my face since the Government introduced that measure. Of course, we will repeal it. The Government should repeal it because it is a discriminatory exemption which permits the top two per cent of the population to get a tax grab at the expense of low and middle income earners.

It has been suggested that the Hon. Member has a social conscience. Even his name suggests he might be a red Tory. But I cannot believe the Hon. Member would actually defend the position of the Government that the half million dollar capital gains write-off for the top two per cent of the population should be supported. If we were to look at the figures we would see that a single parent with two children who is earning less than $20,000 per year, who is living below the poverty line as a result of this Government's tax grabs alone, not counting the cut-back in family allowances, will be paying an extra $438 in taxes after the February, 1987, Budget. That is a cumulative increase of $487.

• (1310)

Does the Hon. Member really believe that we should be giving a $500,000 capital gains tax write-off to the top 2 per cent of people who are earning $100,000 and $200,000 while at the same time we are increasing the taxes of those who are living below the poverty line? If he does believe that, then I wish he would answer my mail.

I received a letter recently from a constituent in my riding who is a senior citizen living below the poverty line. He receives the old age pension and a very small income, which puts him below the poverty line. He could not understand why he was asked to pay taxes. He thought that it was a mistake. It is not a mistake. The Government over the last two and a half years in its so-called tax reform package has managed to tax heaviest those who can least afford to pay.

I do not know where the Hon. Member was when I spoke about Deloitte Haskins and Sells. If he had been here he would know that I was referring to an article in the "Report on Business" in *The Globe and Mail* which is usually where the Minister of State for Finance gets all of his ideas. The "Report on Business" in *The Globe and Mail* last week gave the Government an analysis of what would happen if it were to introduce a food tax. It was that particular article to which I was referring. It was that particular article which pointed out quite clearly that the Government's move to impose potentially a tax on food is not for the benefit of the consumers. According to the figures of Deloitte Haskins and Sells, if the Government imposes a tax on food and then bumps back a tax credit to those living on $15,000 per year or less, it will still end up with a net benefit of an extra $1 billion for the federal Treasury. The Government is doing this so that it can have a tax grab, probably in pursuit of that Holy Grail of deficit reduction.

The interesting thing is that this same Government which is pursuing this Reagan-like policy of deficit reduction has only to look south of the border to find that the selfsame President of the United States who campaigned on a policy of tax reform

coupled with deficit reduction has now managed to augur the largest deficit in the history of the United States. If we are following that example, then God forbid the situation which will be created when we do have a chance after the next election to get rid of that $500,000 capital gains tax exemption.

Mr. Orlikow: Mr. Speaker, I want to ask the Hon. Member a question. She has criticized the tax measures brought in by the Conservative Government. However, the Liberals formed the Government for 50 of the last 60 years. We know that they drafted the tax legislation. We know that in the last year in which they were in power, 200 people who had incomes over $250,000 per year paid no income tax at all. We know that many corporations, at least the most profitable ones, paid no corporation tax. We know that the new purchasers of Gulf were able to obtain a tax avoidance of $500 million on that one transaction alone.

I ask the Hon. Member what assurances we have, if we ever have another Liberal Government, that it will not continue the type of policies it had before which were so beneficial to wealthy individuals and wealthy corporations.

Ms. Copps: Mr. Speaker, I am not surprised that the Hon. Member is running on the platform of previous Liberal Governments. He uses the corporate welfare bum slogan. We remember that very well from the 1960s. I think the socialist Party ran with that slogan, and it did so reasonably well. What the Hon. Member fails to recognize is that what we are dealing with right now, something which I pointed out in my speech, is that as a result of specific tax grabs by the Conservative Government since September of 1984 we have seen a cumulative tax grab on families anywhere from $400 in the case of those living at $19,000 per year to literally thousands of dollars on ordinary, average Canadian families.

The socialist Government of New Zealand, a Government with which the Hon. Member likes to associate himself, as does his Leader and the Hon. Member for Ottawa Centre (Mr. Cassidy), introduced a 10 per cent tax on food in its own tax grab. Obviously, we cannot compare the record of previous NDP Governments in Canada because there have been so few of them. The NDP Government of New Zealand has taxed that sacrosanct area which the NDP in Canada claims is untouchable. When I asked the Hon. Member for Ottawa Centre about it, he did not completely dissociate himself from it. He did not say that the tax in New Zealand is wrong. He said that we have a different situation in Canada.

It is easy for this particular Hon. Member and his Party to hearken back to past political campaigns. Let us face it, we took our lumps in 1984. We paid the price by losing dozens of good Members from across the country because people wanted a change. They voted to put the present Government in place because its members claimed they were going to bring in all these great changes. Almost three years have elapsed. Frankly, we in the Liberal Party are just a little bit sick and tired of the Government trotting out past Liberal excesses which cost us. We have paid for them. There are about 70-odd Conservative back-benchers from Quebec and a bunch from my area sitting around saying nothing to pay for our excesses. What the Canadian people want to know now is what the Government is going to do specifically as it relates to tax reform.

In terms of the NDP, I only ask its members to look over to their socialist friends in New Zealand. Why did the Hon. Member for Ottawa Centre not have the guts to stand in his place and blast the Government of New Zealand for its 10 per cent tax on food in the same way as he is blasting the federal Government for potentially introducing a similar tax here in Canada?

Mr. Hockin: Mr. Speaker, the Hon. Member says that members of her Party have paid the price for Liberal excesses by sitting in Opposition for three years. The Canadian people are paying a terrible price for the accumulated deficit that was built up. They left us with a debt of over $200 billion. The Canadian people are still paying the price. The present generation and the next generation will be paying the price because of the huge accumulation of debt that was built up by the previous Government. It is the Canadian people who are paying the price, not the Liberal Party by having to sit out of office for a few years.

The way the Liberal Party should pay the price is to think of alternatives. What would its members do to decrease the deficit? What would they do to reform the tax system? That is how they should pay the price. They cannot pay the price by nit-picking and coming up with some hypothetical criticisms. The price must be paid by doing some hard thinking about what are the alternatives. The Hon. Member is an intelligent Member. She can give leadership in this area. I ask her to tell the House what her alternatives are.

With respect to the federal sales tax, I have in my hand two articles which deal with firms in Canada which have been put out of business because of the federal sales tax. Central Tobacco Manufacturing says that the controversial tax is forcing it to stop production locally and to import products instead from its plant in Plattsburg, New York. This is from an article dated December 17, 1986. The Bic pen people laid off 12 of 73 people. They claim that it is because of our federal sales taxes which the previous Government put in place and which we are trying to dismantle.

What is the Hon. Member's proposal with respect to a federal sales tax system? If we do not reform the federal sales tax system we will have more of this. It is a silent killer of jobs, to quote one of the presidents of these companies.

When the Hon. Member talks about lower income Canadians can she disagree with me when I say that 778,000 people are paying tax today who did not pay tax before because they now have jobs? The creation of jobs has been a monumental contribution by the Government in the last two and a half years. That is a major answer to what lower income Canadians are worried about. Will the Hon. Member acknowledge that that has happened?

I want the Hon. Member's proposals with respect to federal sales tax reform, the ones that she would put forward. I would also like to know broadly what the Hon. Member's specific alternatives are. The Hon. Member is intelligent enough to share that with the House if the Party has done that thinking.

• (1320)

Ms. Copps: Very briefly, Mr. Speaker, I cannot believe that the Hon. Member would be satisfied with the current level of unemployment among Canadians. We are almost four years out of the recession and we now see that the unemployment rate, according to this Conservative Government, is still hovering around 9 per cent. If that is progress for Conservatives, I think it is a shame that this Government, having elected the largest majority in the history of Canada, cannot set a goal for itself to do a heck of a lot better. Nine per cent is not suitable.

The Minister of State for Finance has just given a bit of a peek into what we can expect to see on June 18. He suggests that current sales tax measures are a silent killer of jobs and small businesses. If the Minister introduces a VAT or if he introduces a business transfer tax which includes food, then obviously the paper work will not be there but it will be a killer of income for all Canadians. If he introduces exemptions, then most small businesses will find themselves faced with more paper work than what they have under the current system.

Mr. Hockin: What are you going to do?

Ms. Copps: I dare say that the Minister would not only see the kinds of losses of jobs at Bic, but if he includes a tax on food, all of those small grocery stores and small business people currently involved in the sale of food—agriculture and the production of food accounts for about 20 per cent; I think one in five jobs in Canada is related to the food industry—will also have to become federal tax collectors and they will be echoing the kinds of sentiments just expressed by the Minister of State for Finance.

Mr. Hockin: You would leave the system the way it is.

Mr. Deputy Speaker: If the House agrees, we will call it one o'clock. The Hon. Member for Winnipeg North (Mr. Orlikow) will start his speech after Question Period.

It being one o'clock, I do now leave the Chair until 2 p.m. this day.

At 1.22 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

HISTORIC EVENTS

REPUBLIC OF ARMENIA—ANNIVERSARY OF ESTABLISHMENT

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, on the occasion of the sixty-ninth anniversary of the establishment of the Republic of Armenia, I should like to quote the Acting Chairman of the Armenian National Council, who stated on August 1, 1918:

> Yes, our Republic is small and its bounds are narrow. It is deprived of its best lands, and there is not enough room for all the people. It seems as if conditions are lacking for its independent existence. But I feel that the boundaries of a state cannot remain inflexible forever. I believe that our borders will spread with the iron force of life, with defence of our just and indisputable rights concerning the occupied lands, and with a new treaty of friendship with Turkey and its allied governments . . . We have chosen the path of mutual agreement and peace, and we would like to believe that we are not mistaken in this.

This statement, made 69 years ago by the Speaker of the Legislature of the Independent Republic of Armenia, still reflects the aspirations of the Armenian people.

Every Member of the House is invited to meet with representatives of them tonight at five o'clock.

* * *

ABORTION

SUPPORT FOR UNBORN CHILDREN'S RIGHT TO LIFE

Mr. Walter Van De Walle (Pembina): Mr. Speaker, abortion has been the subject of debate in the House for several months as Hon. Members state their positions on Motion M-37, the Private Member's Motion of the Hon. Member for Grey-Simcoe (Mr. Mitges).

A great many of my constituents have written to me on the matter and have voiced their support for the motion. Residents of my riding are concerned about the number of abortions performed in our province. According to Statistics Canada, 6,544 unborn children were killed in Alberta in 1985.

Furthermore, the Alberta Medical Association has stated that 14 per cent of women having abortions in Alberta, or over 900 women, are in fact having a second or third abortion.

I agree with the concerns of my constituents. I have never hesitated to state that abortion is the killing of an innocent human being. I hope all Hon. Members will give the concerns of their constituents in this matter the serious consideration they deserve.

WILDLIFE

SANCTUARY SOUGHT FOR GRIZZLY BEARS IN KHUTZEYMATEEN VALLEY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, since the arrival of the white man, the grizzly bear has been driven from over half of its natural habitat in North America. Highly sensitive to human activity, the grizzly now only exists in significant numbers in areas of British Columbia, Alberta, Yukon, Northwest Territories, and Alaska. Despite this alarming decline, Canada does not have a single sanctuary dedicated primarily to the protection of the grizzly.

The best candidate for such a sanctuary is the Khutzeymateen Valley north of Prince Rupert on the B.C. coast. Khutzeymateen is one of the last undisturbed valleys on the West Coast. The Khutzeymateen has been recognized by the United Nations as a globally unique and significant site. Most important, the Khutzeymateen has one of the highest concentrations of grizzly bears left in Canada. The Khutzeymateen would be an excellent choice as Canada's first grizzly bear sanctuary.

Unfortunately, the Khutzeymateen, like so many other ecologically important areas in B.C., is threatened by logging. This would be a terrible mistake that would only further reduce the grizzly's already shrinking habitat and population.

I call upon the Government to take the initiative and begin immediate negotiations with the Government of British Columbia to establish a grizzly bear sanctuary in the Khutzeymateen Valley.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—SUPPORT FROM ORGANIZATIONS AND ASSOCIATIONS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, "we believe that a free trade agreement will help better our economy and our workforce and create new opportunity and choices for all Canadians". This is the unqualified conclusion of The Canadian Alliance for Trade and Job Opportunities, comprised of the Canadian Federation of Independent Business, Consumers' Association of Canada, Business Council on National Issues, Canadian Manufacturers' Association, Canadian Chamber of Commerce, and the Canadian Exporters' Association.

Canadians from all walks of life and all regions of the country are speaking out in support of the Government's free trade initiative.

The Canadian Alliance for Trade and Job Opportunities is to be complimented on its campaign to promote free trade and thereby a better life for all Canadians.

• (1405)

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—COMPENSATION ISSUE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, hopes that the Government would achieve an honourable redress for Japanese-Canadian dispossession during World War II seem very near being blasted entirely. One Minister's promise of negotiations two and a half years ago did not survive the second meeting with the National Association of Japanese Canadians. A second Minister's promise of a fair, equitable and honourable resolution was never given any practical expression. A third Minister's promise to obtain approval for a process of negotiation has ended in a take-it-or-forget-it ultimatum from his Chief of Staff.

Forty-five years ago a Liberal Government yielded to racial prejudice in British Columbia and disrupted a peaceable community. Today a Conservative Government refuses to find the financial resources required to do the honourable thing by redressing individuals.

The Government has never really negotiated with the NAJC. The hopes of June, 1984, lie in ruins. One more promise has been broken. Clearly it will require a different Government to clear the national honour of this genocidal blot.

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ENVIRONMENTAL AFFAIRS

RECORD OF AMOCO ACCIDENTS AFFECTING THE ENVIRONMENT—DOME PURCHASE PROPOSAL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the proposed takeover of Dome Petroleum by Amoco Canada has environmental as well as sovereignty implications. Amoco is the company responsible for the world's largest oil spill, the sinking of the *Amoco Cadiz*. Here at home, Amoco Canada was responsible for the Lodgepole sour gas blowout in Alberta which, I am told, could have been a disaster of Bhopal proportions but for the fact that the surrounding area is so sparsely populated.

To say the least, Amoco has not been a leader in environmental responsibility. By contrast, Dome Petroleum has developed quite a sensitivity toward environmental and socio-economic concerns, particularly in the north where human and natural environments are particularly fragile. Amoco's track record causes concern that Amoco Canada will not apply the same environmental standards.

I call on Investment Canada to include the environment in the review of proposals and to scrutinize closely the Amoco-Dome deal from an environmental viewpoint. In doing so, it would protect Canada's economic interests and the economic interests of generations to come.

S. O. 21

[*Translation*]

TRADE

ESTABLISHMENT OF FIRST EXPORT CLUB IN LAC-SAINT-JEAN—GOVERNMENT'S PARTICIPATION

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, I am particularly proud to tell the House and the Canadian people that my riding witnessed the birth of the first export club of the region last Monday.

This association was set up through the co-operative efforts of the Department of Regional Industrial Expansion and the Economic Council of Alma and will monitor companies interested in exporting their products to both extra-regional and international markets.

Mr. Speaker, I want to emphasize our Government's participation in this project and the spirit of co-operation inherent in this endeavour which will make it possible for certain companies to benefit from the experience others may have gained. Hopefully more such initiatives will be taken throughout the country.

* * *

DRUGS

FIGHT AGAINST ABUSIVE CONSUMPTION OF ALCOHOL AND DRUGS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, faithful to its commitment made in last October's Speech from the Throne, the federal Government unveiled this week a five-year $200-million wide-ranging campaign to fight against the abusive consumption of drug and alcohol.

Mr. Speaker, knowing as we do that 16 million Canadians drink alcoholic beverages and that close to 1.5 million are addicted to cannabis or cocaine, we simply had to come to grips with this serious national problem.

Mr. Speaker, alcohol and drug ravages are even more obvious in rural regions. Oftentimes they are the major source of family and social problems which may eventually lead to suicide.

Mr. Speaker, a responsible Government could not stand still before this scourge which is particularly prevalent among young people. The Member for Témiscamingue intends to take active participation in this campaign and denounce the harmful effects of drugs as well as criminals who benefit from illicit drug trafficking at the expense of younger people who are powerless because they are badly informed.

CULTURE

IMPORTANCE OF *LE DROIT* NEWSPAPER FOR FRANCO-ONTARIANS AND FRENCH FACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we learned this morning that the assets of Unimédia, which owns, among other things, the French language dailies *Le Droit* of Ottawa, *Le Soleil* of Quebec City and *Le Quotidien* of Chicoutimi, have been acquired by a new company, Média-Québec, owned by Toronto financier Conrad Black.

It seems that, according to the former owner, Mr. Francoeur, the takeover by Mr. Black was necessary to ensure the survival of these newspapers. For us, Franco-Ontarians, the newspaper *Le Droit* is of vital importance. Since its foundation in 1912, its purpose has been to promote and defend the French fact in Ontario and Canada.

I sincerely hope that this transaction will stabilize the financial position of *Le Droit* and the other dailies involved as their services are essential to our community. I also hope that the reporters of *Le Droit* will be able to remain independent and continue to promote and defend the French fact.

Le Droit is the voice of Franco-Ontarians in the National Capital Region. I am therefore speaking on behalf of all readers of *Le Droit* and wish them good luck.

* * *

• (1410)

[*English*]

HUMAN RIGHTS

U.S.S.R.—RELEASE OF MORE DISSIDENTS URGED

Mr. Joe Reid (St. Catharines): Mr. Speaker, the whole House rejoiced with the Secretary of State for External Affairs (Mr. Clark) when, by persistent effort, he obtained the release of Josyp Terelya, Danylo Shumuk, and others. The Soviet Union has gained much favourable publicity through the release of these political prisoners. Dissident sources, such as the Ukrainian Human Rights Commission, say, however, that the number said to be released is extremely exaggerated.

Few religious activists are among those released, and few were advocates of national or human rights. Very few were released from the notorious Camp 36-1 where a number of deaths have been reported as a result of administrative misdemeanours and mistreatment.

Given the successes of recent months and the great number of political prisoners still in detention I urge the Minister to continue to press for the release of persons exiled or imprisoned for no more than reciting a Christian prayer. The job has really just begun.

HISTORIC EVENTS

REPUBLIC OF ARMENIA—ANNIVERSARY OF ESTABLISHMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, May 28 is Armenian Independence Day. Between 1918 and 1920 the short-lived independent Republic of Armenia had an impressive record of social democracy. During the first elections in June, 1919, all adults of both sexes, including Muslim and Russian minorities, were granted the right to vote in universal, secret and proportional balloting. Six political Parties participated and 80 members were elected, among whom were women and representatives of the minorities.

Despite the extended pressures building against the Republic and the internal problems of hunger, disease and poverty, this tiny nation founded a university, provided schools for Muslim minorities, and authorized formation of labour unions. Courts were established and the jury system was introduced for the first time in that area of the world.

Certainly it was the commitment of the Armenian people to democracy and social welfare, in addition to their past sufferings, that led the Government of Canada, on April 1, 1920, to place itself formally on record as absolutely opposed to the return of any Armenian provinces of Turkey to Turkish rule.

* * *

COPYRIGHT

AMENDMENTS TO ACT WELCOMED

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I was delighted with the copyright Bill tabled yesterday. These amendments are just the first step in a comprehensive revision of the Act. A second Bill dealing with other copyright issues will be tabled in the House as soon as possible, probably in the fall.

The abolition of the compulsory licensing of sound recordings is most welcome. By abolishing this provision, a grave restriction on musical copyright will be removed. The composer of a song or the copyright owner will be freely able to negotiate fees and conditions through the market-place.

This new Bill encourages the creation of new types of collectives in all areas of copyright. It also expands creator's moral rights.

The Bill introduces a new right, that of exhibition. Artists will now have a right over the public exhibition of their work.

I trust that the second set of revisions to be tabled will address the issue of classroom use of copyright material, an issue I brought up in the House late last fall. The Bill tabled yesterday is very encouraging for all Canadians directly or indirectly involved in matters relating to copyright. I look forward to step two.

[*Translation*]

UNEMPLOYMENT INSURANCE

PROPOSAL TO IMPROVE AND ADOPT BILL C-50 BEFORE JUNE 10

Mr. Jean-Claude Malépart (Montreal—Sainte Marie): Mr. Speaker, this morning, the Official Opposition made a firm proposal to the Conservative Government to ensure that the 35,000 early retirees whose unemployment insurance benefits were unfairly cut off will be reimbursed by the first week of July.

Mr. Speaker, the firm proposal made to this Government includes, first, the holding next week of the second reading debate on Bill C-50; the referral of this Bill to committee to allow the Opposition and various witnesses to suggest improvements; the holding of the third reading debate and passage of an amended Bill before June 10 so that the 35,000 early retirees involved in Canada, in both Eastern and Western Canada, as well as in Quebec and Ontario, may be finally reimbursed as they should.

* * *

● (1415)

[*English*]

THE DISABLED AND THE HANDICAPPED

WORK EXPERIENCE PROGRAM FOR MENTALLY DISADVANTAGED—SUCCESS OF HOUSE OF COMMONS PILOT PROJECT

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I am pleased to inform Members of the House today that the Speaker has opened the doors of opportunity for the mentally disadvantaged youth of Ottawa by providing, with the outstanding assistance and commitment of employees of the House of Commons, a unique on-the-job work experience training program to allow mentally handicapped students to learn on-the-job skills in the House of Commons.

The success of the Exceptional Students Pilot Project has given these youngsters the chance to develop their personal potential while enriching the lives of all of us. Let us allow this experience to serve as a model of how all Canadians can further the development of the mentally handicapped and provide the young people with the opportunity to achieve their goals.

This weekend the Speaker will share this Hill experience with his colleagues from the Legislatures of Canada. He will spread the word and encourage others to lead by initiating similar programs so that a beacon of hope will shine across the country.

Oral Questions

PARTICIPACTION

CHALLENGE 87 WON BY HAMILTONIANS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, once again Hamilton is number one, and number one by a very wide margin. The results of Participaction Challenge 87 which required 15 minutes of continuous exercise, show that 210,000 Hamiltonians participated. The runner-up, London, had a pathetic 97,800 participants.

We have our own ski hill in Hamilton. We have our own hockey arena. We can skate, we can ski, we can even jump on tables. The Hamilton community has shown an example to all of Canada by getting off our butts, getting out there and participating. I challenge other communities with pathetic participation levels, such as Ottawa which had only 97,000 participants.

Once again Hamilton is number one. All I ask is that Harold Ballard please allow us to have an NHL team so that we will win not only the Grey Cup but the Stanley Cup.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

RAILWAYS

APPLICATION OF COLLECTIVE AGREEMENT BY CN AT MONCTON

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, in Moncton, CN violated certain articles of the collective agreement when it laid off workers at its workshops. That was the ruling handed down by arbitrator J.F.W. Weatherill. The ruling means that CN employees with eight years of service or more are entitled to employment security, and CN had no right to lay them off. I hope CN will act on this ruling as soon as possible, to correct the grave injustice that was done to Moncton workers.

Mr. Speaker, I also invite the Minister of Transport (Mr. Crosbie) to get involved and ensure that justice is done. And I think the Minister should apologize to the workers for wrongly blaming them for the closing of the CN shops.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBERS OF WORLD WAR I FLYERS ASSOCIATION

Mr. Speaker: I would like to draw the attention of Members to a very special group of Canadians here today in the Gallery. They are members of the World War I Flyers Association who are holding their reunion in Ottawa this week.

Some Hon. Members: Hear, hear!

• (1420)

ORAL QUESTION PERIOD

[*English*]

ENERGY

DECISION OF U.S. FEDERAL ENERGY REGULATORY COMMISSION—EFFECT ON NATURAL GAS EXPORTS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. On May 5 the Prime Minister sent a communication to President Reagan, asking him to assure that a solution is found for the detrimental decision of the U.S. Federal Energy Regulatory Commission which will cost exporters of natural gas in this country between $140 million and $400 million a year.

Yesterday that same American commission turned down a petition from Canadian natural gas exporters to have this dreadful decision reheard.

It is obvious that the White House did not even pay attention to the Prime Minister's petition and request to the President of the United States to intervene in this. Why does the Canadian Government keep giving the Americans everything they want while, at the same time, we have to sell off our natural resources and our major Canadian corporations?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, perhaps I may remind the Hon. Member that the Canadian Government has made representations through diplomatic channels and has had various meetings with people in the U.S. Administration. In fact, the U.S. Administration, at the highest level, the Secretary of Energy and all others with administrative responsibilities, have always shown the greatest sympathy and support for the Canadian position.

There is also the fact that an American agency, a quasi-judicial body, has made a decision that to a certain extent was largely contrary to the Administration's expressed intentions. On behalf of the Canadian Government, I have deplored, in the strongest diplomatic terms, this decision by the U.S. judicial body.

Finally, we would have preferred a decision other than the one that was announced. We would rather have seen the postponement requested by the Secretary of Energy so they could continue the in-depth study of the natural gas rates system, initiated by the U.S. Government, and await the conclusions of the study. However, the judicial body decided otherwise, Mr. Speaker.

[*English*]

GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, we do not want the sympathy of the United States, we want them to have some respect for Canada.

Some Hon. Members: Hear, hear!

Mr. MacLellan: The Prime Minister himself has said that this decision of the Federal Energy Regulatory Commission in the United States extends U.S. regulations into Canada. Why is the Government not only giving away our resources, but now allowing the Americans to make our laws?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, for the time being this is not a problem with a government but with a judicial body, and subsequent actions will have to be taken at that level.

[*English*]

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, it seems that anything the Americans want, the Americans get, including the take-over of Dome Petroleum by Amoco.

Why have Investment Canada and the Competitions Branch been told by the Government to keep their hands off this transaction? Is it because Simon Reisman has told the Government that any interference by the Canadian Government in this will jeopardize the success of U.S. free trade talks?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I have never seen such a display of ignorance in this House.

The judicial power in the United States has the same independence that our Canadian institutions provide for our judicial power. And why should it be otherwise? When a Canadian judicial body makes a decision contrary to the will of U.S. citizens, that is the responsibility of the body in question, and the Government of Canada is not asked to reverse a judicial decision. That is what we call division of powers.

To infer that we can, at will, blur those divisions between the judicial, legislative and executive powers is erroneous in the extreme, Mr. Speaker.

As for the question of Investment Canada, the Hon. Member knows perfectly well, and if he didn't, he does now, because I can inform him no such requests were made.

[*English*]

GOVERNMENT ACTIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. His colleague, the Minister of Energy, Mines and Resources, has just stated that the Government knew that this was a quasi-judicial process and that there was no power of intervention. If that is the case, why did the Prime Minister, with full knowledge of that, then undertake to write the letter to President Reagan holding out the hope to the western Canadian oil and gas industry that he was personally going to do something about it? Why were that expectation and hope raised when the Government already knew it was bound to fail? Why is the Government creating those kinds of tricks on Canadians and holding out those kinds of false hopes?

• (1425)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the Hon. Member knows the process and is not willfully trying to play a trick on the House of Commons. What we had sought—and Secretary of State Shultz had already acted on the question as a result of our representations—was a delay in the decision so there could be more evidence brought forward. That request by this Government and by the U.S. administration was not heeded, was not acceded to, by the quasi-judicial body concerned. We very much regret that, as my colleague has made clear. However, the matter is now a matter to be handled by the private companies. They have already indicated their intention to launch an appeal.

GOVERNMENT INTENTIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will then direct my question to the Secretary of State for External Affairs. The Government has now said that the letter which was sent by the Prime Minister was sent in the knowledge that there was not going to be any effective stoppage, but simply to try to get a delay, which has now been rejected. Is the Government now simply laying off the whole issue? Is it not going to make any further response even though the Minister of Energy, Mines and Resources himself has said that this is an extraterritorial application of U.S. law into Canada?

Surely there must be steps the Government could take to challenge this in the U.S. system and the international system? We would really like to know if the Government intends to take further steps to combat this very unfortunate and damaging decision taken by the Americans?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would, as usual, prefer the words I just uttered in the House of Commons to be taken as our position rather than the interpretation placed upon them by the Hon. Member for Winnipeg—Fort Garry.

We had sought, through the intermediation of the United States administration, a delay in the proceedings. The United States administration sought that delay in the proceedings. It was not granted. We regret that. We are now looking at every option which is available to the Government of Canada to support Canadian interests which must now pursue the matter through the courts. We have indicated to the companies which are involved in the appeal that they enter into that appeal with our support.

UNITED STATES REGULATIONS AFFECTING PRICE OF CANADIAN NATURAL GAS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. This decision by a United States agency could cost the people of Alberta some $400 million. In the case of softwoods, the United States tried to impose its law—and got away with it with the Conservative Government—on our provinces and the price for which they should sell their wood products. So too in this decision it is now insisting U.S. regulations affecting gas pricing ought to apply on our side of the border.

Given the serious impingement on Canadian sovereignty which is involved in this course of action, will the Prime Minister immediately contact President Reagan on a Head of Government to Head of Government basis, and let him know this is completely unacceptable to the people of Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, no one knows better than I, with all respect to the Hon. Member for Oshawa, the importance and impact of this decision upon the people and the producers of Alberta. That is why we used every instrument available to us to try to seek a delay in the proceedings. That effort, although it was supported by the United States administration, did not succeed.

We have now indicated we are prepared to be of as much help, as is feasible for this Government, to the private sector as it pursues the only course open to it. I take it what the Leader of the New Democratic Party is asking us to do is to go down and, I presume, shout at the President of the United States.

Mr. Broadbent: Oh!

Mr. Clark (Yellowhead): Well, if he has some other course of action which is open in law, open in diplomacy, to the Government of Canada, we would be interested in knowing what that is.

• (1430)

REQUEST THAT PRIME MINISTER COMMUNICATE WITH UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would be happy to suggest what that should be to the Secretary of State for External Affairs, but I want to suggest it to the Prime Minister.

The Prime Minister said when he was in Lethbridge, and I quote him: "President Reagan has an obligation to act".

With respect, I would suggest that the people of Alberta think that the Prime Minister of Canada has an obligation to act.

Given the seriousness of this, not only for the people of Alberta, but because the matter goes to the heart of the notion of the sovereignty of a nation, making its own laws, pertinent to its own people, will the Prime Minister in a straightforward fashion get in touch with President Reagan and make it clear that in this decision, as well as in any other related trade embargo decision, Canadian law, and Canadian law only, ought to affect the people of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the NDP may have noticed a statement on an unrelated but also important matter yesterday by the President of the United States in which he is, I think, signalling a very strong response to the contention of this Government in regard to sovereignty in the Arctic, which is most encouraging. I think it is an indication of the strong results that come from the policy adopted by our Government in asserting the sovereignty of Canada at all times.

In regard to this case that has been raised, we think that the FERC ruling marks a serious set-back in our joint efforts which we have developed since the Quebec meetings toward a market-oriented pricing arrangement concerning energy products. We believe that this kind of inhibition runs counter to the best interests of both countries. It is one that we vigorously and strongly protest. The Secretary of State for External Affairs has quite properly pointed it out in an appropriate context. We shall do so again and we will pursue it with all of the vigour and all of the leverage which this national Government has, to make sure that producers in western Canada, particularly Alberta, get justice to which they are entitled.

EFFECT OF DECISION ON ECONOMY OF ALBERTA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I understand what the Americans said yesterday about Canadian sovereignty in the Canadian Arctic is that they accept Canadian sovereignty over Canadian territory. That is very nice.

But I want to say to the Prime Minister that what is involved here is something that directly affects the people of Alberta in terms of trade, and implicitly all other Canadians in terms of trade, namely, it is Canadian law on commercial matters that should be pertinent to Canadians' lives, not American law. That is the point.

Since the Prime Minister made the commitment in Alberta, and since he knows in the Accord that he reached with President Reagan two years ago in Quebec that the President made a specific commitment to move in this area, will the Prime Minister get in touch with President Reagan and make it clear that on a matter like this, that is inextricably connected

with Canadian sovereignty, the decision that has now been taken by the United States is totally unacceptable to the people of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend is in substantial error in regard to the interpretation he places on the statement yesterday.

With regard to the second point which the Hon. Member makes, whether Canadian law applies, well, of course, it does. Concerning the third point as to whether we will be in touch, we already have. It is my hope to be meeting with President Reagan for a discussion of this and other important matters relating to our ongoing bilateral agenda.

Mr. Rodriguez: When?

* * *

AGRICULTURE

REQUEST FOR DEFICIENCY PAYMENT FOR 1987-88 CROP YEAR

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. The Prime Minister told the House this week that we should not be recommending that the Government provide a deficiency payment to help grain farmers survive the trade wars that are going on between the United States and the European Economic Community.

Today the Canadian Federation of Agriculture, on behalf of tens of thousands of grain and corn farmers across the country, are demanding a commitment by the Government that it provide a deficiency payment as they meet with members of caucuses on all sides of the House.

When will the Minister of Agriculture stop stonewalling the farmers and the Canadian Federation of Agriculture and make a commitment to a deficiency payment for the 1987-88 crop year?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I must respond to that because the Hon. Member says that I recommended that the Government not be making a deficiency payment to western farmers. That statement is a complete fabrication and falsehood.

Mr. Axworthy: Withdraw.

Mr. Mulroney: That is at total variance with what I said in the House of Commons.

Mr. Guilbault (Saint-Jacques): Withdraw.

Mr. Mulroney: It is at total variance with what I said in the House of Commons. It is at total variance with the record of this Government which has given more aid to western farmers, which has been here to assist western farmers—

An Hon. Member: What about the problems?

Mr. Mulroney: Here is a Liberal yelling. When the Liberals refused and said to western farmers, "Why should we sell your wheat?", this Government said we should sell your wheat because we have an obligation to help farmers. That is why.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Algoma.

PRIME MINISTER'S SCHEDULED MEETING WITH FARM ORGANIZATIONS

Mr. Maurice Foster (Algoma): Mr. Speaker, we will let *Hansard* speak for itself. I think we will find exactly what I said is exactly what the Prime Minister said earlier this week.

If the Prime Minister wants to come clean with the Canadian Federation of Agriculture, the pools, the corn growers and the farmers—and he will be meeting with them tomorrow morning—why does he not make a simple commitment that he will provide a deficiency payment for the 1987-88 crop year so that our Canadian farmers will know that they are going to survive, the same as farmers in the United States, not a gold-plated deficiency system, but just to survive?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I invite my hon. friend to take a look at *Hansard* very closely and to reflect upon what was said. I know he will want to withdraw the inadvertent distortions in what he said in the prefatory remarks to his questions.

Indeed, he is right. As opposed to any Liberal Prime Minister that he can care to name, I, tomorrow, will be meeting with farmers again. It is probably the sixth or seventh formal meeting with farmers that I have had in the last few years.

Some Hon. Members: Hear, hear!

Mr. Guilbault (Saint-Jacques): They will boo you too.

Mr. Mulroney: There is the Liberal point of view. The Liberals give the farmers the finger, and we give them the time of day and a hell of a lot of help. That is the difference.

* * *

CANADA POST CORPORATION

WAGE SCALES FOR NEW EMPLOYEES—EFFECT ON WOMEN WORKERS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Prime Minister. Last November the Prime Minister insisted that Crown corporations be required to have affirmative action plans and work toward meeting the equity legislation passed by the House of Commons.

Considering that 85 per cent of Canada's letter carriers are men and that the Crown corporation is insisting that all new employees have 25 per cent less in salary, does the Prime

Minister not recognize that the Government's action in this case is going to mean that women workers always earn less than men?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am sorry, I did not catch the earlier part of the Hon. Member's question—

An Hon. Member: You never do.

Mr. Andre: —because it was not directed at me initially.

In terms of salaries for employees, this is a matter that is being negotiated now between the unions and the Post Office. I do not think it is particularly useful to bring those negotiations or the elements of them to the floor of the House of Commons.

SALARIES OF NEW WOMEN EMPLOYEES

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is for the Prime Minister. It is a matter of government procedure and government policy. Is he going to allow a Crown corporation to insist that all new employees, who will basically be women, receive salaries which are 25 per cent less than those of the men who are working there now?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not understand why the Hon. Member would feel he would be contributing to labour peace by bringing in here the question of starting salaries or any other element of the contracts that are now being discussed at the table between management and labour.

As to the assertion of starting employees of one gender or another, that does not mesh with the facts as I know them. As far as I know, there are both men and women working in the Post Office, although I cannot give the Hon. Member the exact percentages at this point in time.

* * *

• (1440)

UNEMPLOYMENT INSURANCE

REIMBURSEMENT OF EARLY RETIREES—PASSAGE OF LEGISLATION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Employment and Immigration. In January, 1986, the Government unfairly and savagely cut the unemployment insurance benefits of thousands of pre-retired Canadians. After a year of protests the Government recognized its error and introduced Bill C-50 on April 1. However, after eight weeks, the Government has not called that Bill for debate.

While we do not accept all parts of the Bill, today we made a proposal to the Government to limit debate on the Bill to two days, with short committee hearings, so that it would be completely passed by June 19. Won't the Minister give attention to this proposal and accept it immediately so that we can reimburse these thousands of Canadian pensioners?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): We have done much better, Mr. Speaker. Yesterday, the House Leader suggested to the Liberal Party having a full day debate on the issue. I am making the same proposal today. We are not suggesting a two-day debate. If you had not blocked so many Bills in the House, this measure would have been passed a long time ago.

[*English*]

REQUEST FOR TWO-DAY DEBATE

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my supplementary question is directed to the Government House Leader. Bill C-50 is a complex, controversial Bill which affects thousands of Canadians. The Government is asking us to deal with it in all stages in one day, when it delayed the issue for more than a year.

Two days are reasonable and necessary. Won't the Government House Leader give the Minister permission to accept this reasonable proposal?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it would be nice if the Liberal Party got its act together. We have the critic negotiating here on this particular issue—

Mr. Allmand: It is the same position.

Mr. Guilbault (Saint-Jacques): Clean up your own mess. It is your mess.

Mr. Mazankowski: When they are through, Mr. Speaker, I will give the answer.

We discussed this matter at a House Leaders' meeting yesterday. It is a matter which is still before us for consideration.

There was a proposal made. My understanding is that both House Leaders were to go back to their respective caucuses and/or critics and to come back with another proposal. We are prepared to move on it very quickly.

Mr. Allmand: There it is.

Mr. Mazankowski: The Hon. Member is a well seasoned Member. He knows very well that these kinds of negotiations normally take place at House Leaders' meetings, not on the floor of the House of Commons. What he is really trying to do is bail them out of a sink-hole into which he and his colleagues have got themselves.

ENERGY

DECISION OF U.S. FEDERAL ENERGY REGULATORY COMMISSION—EFFECT ON ALBERTA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Prime Minister. I think, as he is well aware, that the U.S. FERC ruling will cost the people of Alberta and their economy $400 million.

Since the letter to the President of the United States has failed; since, as we have learned from the Secretary of State for External Affairs, diplomatic efforts to this point have failed; and since they are both looking for positive suggestions, would the Prime Minister be prepared to accept a motion before the House to allow the House to express unanimously its views on the matter so that the President of the United States, the U.S. Congress, and their regulatory agencies can hear Canadian voices united loud and clear on this important Alberta issue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no doubt in the minds of the United States about the strength of the feeling of Canadians on this question. That has been made clear.

What we must do is see if there are means open to us by which that decision can be reversed. One way in which that can occur is through the courts.

I am touched as an Albertan by the interest pretended by the New Democratic Party in the oil and gas industry in my province. Its policy calls for a halt to all exports of oil and gas from Alberta to the United States.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Fulton: I was born in Alberta. I know a little about Alberta. I do not know what kind of Canadian unity is supposed to be expressed in here with that kind of petty comment from the Secretary of State for External Affairs.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member will put his question, please.

PASSAGE OF UNANIMOUS MOTION REQUESTED

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Prime Minister, because the Secretary of State for External Affairs is just flatly wrong.

My question to the Prime Minister is a serious one in that neighbourly countries like the United States listen when legislatures pass unanimous resolutions. I ask in utmost seriousness will the Prime Minister accept a motion before the House so that all Parties and all Members can express their concern to Albertans and their concern to the Americans about this FERC ruling which would cost $400 million per year?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the question is not about unity in the country. The question is about unity in the New Democratic Party.

Let me quote their policy: "We therefore recommend the phasing out of such exports". Once it becomes known in the Province of Alberta that what the New Democratic Party wants to do with the oil and gas industry is cut off the exports and cut off the jobs which are involved in those exports, then, seriously though we regard the FERC decision in the United States and seriously though we regard that problem to Alberta, it is clear that the four letter word "FERC" is less dangerous to Alberta than the three letter word "NDP".

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

OFFICIAL OPPOSITION'S OFFER CONCERNING 35,000 ELDERLY WORKERS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Prime Minister and again concerns older workers in Canada. We know that his performance in this matter has been dismal.

Ms. Copps: He does not care about it either.

Mr. Malépart: The Official Opposition made a specific offer to ensure that the 35,000 older workers involved will receive their cheques before the first week of July. Would the Prime Minister ask his Deputy Prime Minister, first to call the second reading debate of the Bill next week, second, to allow referral to committee so that witnesses can be heard, and third, to see to it that the Bill passes the third reading stage with amendments the first week of June to ensure that these older workers receive what is owed to them?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, for several months, the Hon. Member for Montreal—Sainte-Marie has been travelling throughout Quebec promising people who are waiting for their pensions that they will be paid. Now is the time to deliver. We are ready to pay after a one-day debate. We are waiting for you.

INQUIRY WHY GOVERNMENT APPARENTLY REFUSES TO HEAR CERTAIN PERSONS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): The Minister of Employment and Immigration has already made a shocking statement about the purity of the Lac-Saint-Jean area. He has already made the shocking statement that francophones do not know how to add, and he has just

committed a shocking injustice as far as older workers are concerned.

Can the Prime Minister explain why his Government is denying our military, our veterans and our senior citizens the right to express their views? Why discriminate against these people? Why have the hypocrisy to applaud?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker—

Mr. Malépart: Mrs. Solange Denis and Charlie Brown.

Mr. Speaker: Order, please! The Hon. Minister has the floor.

Mr. Bouchard: Mr. Speaker, I only want to say to the Hon. Member for Montreal—Sainte-Marie that the retirees want a one-day debate only, not the type of shouting we have just heard. They want to get paid, sir, if you please.

Mr. Malépart: Two days of debate.

* * *

[*English*]

HARBOURFRONT

TORONTO PROJECT—FUTURE DEVELOPMENT

Mr. Alan Redway (York East): Mr. Speaker, once the Liberals calm down, I will direct my question to the Minister of Public Works. It concerns the Harbourfront property in Toronto.

Will the Minister advise the House why, in the name of heaven, just three weeks after imposing a freeze at Harbourfront, he approved a new lease for development at that site? Is there a freeze at Harbourfront or isn't there a freeze?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the freeze continues. The lease which was recently signed with Wang and Danetsky was a formalization of an agreement entered into some years ago. The Government was legally committed. The freeze continues, and there are many other approvals which this developer must obtain specifically from the Toronto planning authorities before anything further happens.

* * *

NATIONAL DRUG STRATEGY

CONFIDENTIALITY OF BANK ACCOUNTS—CONTENT OF PROPOSED LEGISLATION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. As he knows, a significant and effective component of U.S. legislation against the laundering of illicit drug generated income is its Bank Secrecy Act. It looks as though Canada is not to follow suit.

Would the Prime Minister confirm or deny that the legislation against money laundering will not include a requirement for reporting on the part of financial institutions and banks in Canada?

• (1450)

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, this particular question is relevant to financial institutions. I have to tell the Hon. Member that I cannot speculate, and I know he would understand that, on the contents of legislation which has not yet been introduced in the House. I suggest that he wait until the legislation is introduced by my colleague, the Hon. Minister of Justice.

EFFECT OF PROPOSED LEGISLATION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, would the Government not agree that the failure to have a reporting component to this legislation would be like loading up a gun with blanks, especially when four Canadian banks are already under investigation for the laundering of money in the Bahamas?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, as I said, the way that issue will be handled will become evident in the legislation.

REPORTING OF LARGE BANK DEPOSITS

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is on the same subject, the Government's so-called war on drug abuse. It appears clear now that the legislation to be introduced tomorrow will not include a provision that would require Canadian banks and financial institutions to report large sums of money that have been deposited in their institutions.

Can the Prime Minister give the House his undertaking that the legislation that will be introduced tomorrow will include a provision requiring the banks to report? If not, why will that provision not be in the legislation?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, one has to wonder why hon. gentlemen are asking these questions. They pooh-poohed the fact that there was any problem with drug abuse in Canada a few months ago when the Prime Minister introduced the subject. Now they are trying to show an interest in it.

The legislation in question that will deal with the proceeds of crime was under study and review last year. It will be introduced this week. If there are any improvements to it that Hon. Members would suggest, they may suggest them in committee. I would suggest that we wait until it is introduced before we have a vigorous debate on the provisions of legislation that is not yet known.

SEIZURE OF PROFITS OF CRIME

Mr. John Nunziata (York South—Weston): Mr. Speaker, if the Government is serious about its war on drug abuse, it should not go into the battle with pop-guns. A former Deputy Solicitor General has stated:

> Canadian legislation that would permit the freezing, seizure, and forfeiture of the profits from enterprise crime would have little effect unless there were mechanisms in place whereby these profits could be traced.

Will the Minister not admit that that provision will not be in the legislation because the Government caved in to the Canadian banks?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, one of course despairs of ever reaching the hon. gentleman, but the fact is that his own Party was in power nearly every year since 1945 and did exactly nothing about the proceeds of crime or the disposition of the proceeds of crime. Why is there this late interest in the subject when nothing was done by his Party for 40 years?

* * *

CORPORATE AFFAIRS

PURCHASE OF WOODWARD'S STORES BY SAFEWAY—PROTECTION OF CONSUMERS IN EDMONTON AND CALGARY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. He will know that Safeway has purchased 23 of the food stores formerly owned by Woodward's. This means that in the City of Edmonton, Safeway will have more than 60 per cent of the market. In the City of Calgary, it will have over 50 per cent of the market.

There has been a great deal of concern over this expressed by the Consumers' Association of Canada. What steps does the Minister intend to take to protect the consumers in Calgary, Edmonton and a number of other cities in Alberta and British Columbia who will be so adversely affected?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as the Hon. Member knows, the examination of this merger takeover is part of the responsibility of the Director of Investigation Research of the Combines Branch. The Hon. Member will also know that it is against the law for the Minister to interfere and participate in that activity. His request of me that I break the law by interfering is one I will have to turn down.

The decision has been announced by the Director of Investigation, and part of the agreement was that Safeway would divest itself of a number of stores in areas where there was significant detrimental impact on competition as a result of the Woodward's takeover.

REQUIREMENT TO SELL CERTAIN STORES—REPORTED REQUEST FOR EXEMPTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, does the Minister not know that the way Safeway got around the requirement to account for what it is doing to the Director of Investigation was to promise to sell 12 to 15 stores but it has now said that it wants to be exempt from the necessity of doing that? Is it not time the Government and the Director took some action to protect people who will really get hurt by Safeway's monopoly?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think one should in fact examine what was said and not what headline writers wrote. In the event, any change of that sort could only occur with the concurrence of the competition tribunal, the semi-judicial and indeed judicial body that would examine this. If that eventuality should come to pass, the Hon. Member and any other interested Canadian would have the opportunity to make representations before the competition tribunal to ensure that the decision is in the interests of the consumers of Canada.

* * *

[*Translation*]

LAPRADE FUND

AWARDING OF MONEYS—CRITERIA FOR DISTRIBUTION

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, my question is directed to the President of the Treasury Board. Further to a recent news item in the daily *Le Nouvelliste*, announcing that two million dollars from the Laprade Fund would be distributed to eight ridings, could the President of the Treasury Board inform the House whether these monies can be used to set up a special investment fund, similar to the one in the Lac-Saint-Jean area, or will they have to be used for a specific purpose, for projects that are to be submitted either to the office of the President of the Treasury Board or of the Minister of Regional Industrial Expansion?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first of all, the Hon. Member referred to an article that appeared last week and which, I imagine, was based on leaked information and contained a number of inaccuracies. The Laprade Fund will be used, as I have said many times, to create permanent jobs, to promote industrial, recreational and technological development in the region and also as a complement, especially to existing programs. What we want to do, further to what happened at Laprade, is to provide a development fund for the central region of Quebec, which will give us our 'place in the sun' and promote economic development.

Oral Questions

DETERMINATION OF PRIORITIES

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, my supplementary is also directed to the President of the Treasury Board. Will the projects that are submitted, or the projects or studies that are on the table now, be used to determine the priorities in each riding, and will this be done from the office of the President of the Treasury Board or of the Minister of Regional Industrial Expansion, or can those projects or priorities in the ridings be determined by management boards that could be set up to manage the Laprade Fund?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member is speculating on how the Laprade Fund will be spent. We as a Government would prefer to see the people in the various regions across this country contribute to a very large extent to our economic development, and the Laprade Fund will be used along those lines. We will try to get the people in the region actively involved, by having people from each riding help determine priorities according to the general criteria for awarding monies from this Fund.

* * *

[*English*]

VIA RAIL

SERVICE IN WINDSOR-LONDON-TORONTO CORRIDOR

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, my question is directed to the Minister of Transport. The Windsor-London-Toronto corridor is one of the most highly travelled corridors in the VIA Rail system. In light of recent service cut-backs made without any consultation, together with a new commitment to improve this national service, will the Minister relate to the House how residents of southwestern Ontario, particularly London—Middlesex, can gain assurance that changes in service policy are not implemented without their input, and will he assure those patrons that they will in fact be granted an opportunity to be heard?

• (1500)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, with the additional funds we are now providing for VIA Rail we hope passenger comfort and equipment reliability will improve. I agree with the Hon. Member that there needs to be greater consultation between VIA Rail and those it serves. I believe in his area a consultative committee is going to be set up by VIA. That will be in addition to the North Main line consultative committee on which London is represented. A community consultative committee is going to be set up in London itself to discuss not only scheduling but all other VIA related issues. That is a course I hope VIA will continue to pursue in response to the vigorous representations of the Hon. Member.

[*Translation*]

THE CONSTITUTION

ABORIGINAL PEOPLES' RIGHTS—GOVERNMENT POSITION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister who received last week an invitation from the leaders of aboriginal organizations to meet with them here in Ottawa during this week's conference to discuss the implications of the Meech Lake accord over which they entertain serious and legitimate concerns.

Is the Prime Minister prepared to meet with the leaders of the main aboriginal organizations at the earliest opportunity to set up a negotiation program to complete the Canadian Confederation by including the aboriginal peoples' right to self-government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my colleague for this question. Indeed, on four occasions, through constitutional conferences on aboriginal issues, we attempted to reintegrate, to give native peoples the full benefit of Canada's constitutional provisions.

Again recently, despite our best efforts, we as a nation failed in this latest attempt. I pointed out at the time, and again here in the House, that in spite of that failure—my friend would know that the provinces must co-operate if we are to succeed—at the appropriate time I would of course be prepared to re-open the case and make a new attempt to propose a fair integration process to the native peoples with respect to the Canadian Constitution.

I remain available and interested in seeing this process through to its successful completion.

[*English*]

REQUEST FOR SCHEDULING OF NEGOTIATIONS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am sure all Canadians appreciate the Prime Minister's commitment. What concrete measures will he take to ensure that a schedule is set up for negotiations to include aboriginal self-government rights in the Constitution, and will he raise this matter with the Premiers at the next meeting?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker—

Ms. Copps: Wake up!

Mr. Mulroney: It is nice to see her grace from Hamilton East back in her seat. When we are trying to discuss something of value to the aboriginal peoples all we get is heckling from the Liberal Party.

In regard to the very important question raised by my hon. friend, I think he will agree that the most important aspect in this kind of process is to ensure a reasonable chance of success. We have had four constitutional conferences on this question so far without success. As I have already indicated, it is

important that we try to create a climate so that the next time we meet a degree of success is attainable. I expressed that view in regard to the timing and manner in which I proposed to have this Government prepare for the constitutional negotiations with the Province of Quebec at Meech Lake. I believe that was an important part of the process.

I also believe that much more important than a schedule at this point in time are discussions with the First Ministers to try to create a climate wherein it is generally recognized and accepted that a sense of justice and equity is required for the aboriginal peoples of Canada so that there can be a constitutional accord on this vital issue.

Mr. Speaker: I have to advise Hon. Members that this will be the last question.

* * *

REFUGEES

CASE OF FRANCESCO PIPERNO—REQUEST FOR DEPORTATION

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Minister of State for Immigration and concerns Francesco Piperno, a known terrorist, who organized a conference at the University of Quebec in November, 1985. He has used taxpayers' money to bring all sorts of terrorists to Canada. I am asking the Minister why he does not apply Section 39 of the Immigration Act of 1976, Chapter 52, which permits him to have this individual deported for the safety and security of Canada?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, as I answered clearly in the House yesterday, this matter is now before the Immigration Appeal Board. It is inappropriate for me to comment while the case is before a quasi-judicial body.

Mr. Pennock: Supplementary.

Mr. Speaker: The Hon. Member for Etobicoke North.

SECURITY RISK INQUIRY

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, we are talking about a matter of security. This person has been convicted *in absentia* in Rome for terrorism and he is teaching students in Canada. In the absence of the Solicitor General my question is directed to the Deputy Prime Minister. Can he assure this House that the necessary steps have been taken to ensure that this person is not a security risk to young Canadians here in Canada?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I should want to reassure my colleague concerning the case to which he is referring. The case is now before the Immigration Appeal Board, and the Minister cannot intervene directly to stop a process which is already under way. We will wait for the ruling which should be made soon. The government takes security matters into account, and that will be our approach in this case as well.

[*English*]

Mr. Gray (Windsor West): Mr. Speaker, I have two points. One is the usual business question and the other is a point of order arising out of today's Question Period. I ask your guidance as to which you would like me to raise first.

Mr. Speaker: I suppose the choice is yours.

* * *

POINT OF ORDER

ALLEGED UNPARLIAMENTARY LANGUAGE

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to raise a point of order arising out of today's Question Period. In answer to a question raised by the Hon. Member for Algoma (Mr. Foster), the Prime Minister, in referring to the words used by the Hon. Member, used the word "fabrication". I want to refer to Beauchesne's Citation 320(2) which indicates that since 1958, it has been ruled unparliamentary to use the following expressions. Then on page 106 we find the word "fabrication". There appears to have been a ruling by a Speaker reported in the *House of Commons Debates* of January 27, 1959, at page 385.

Unlike the word "falsehood", the use of which was discussed in a point of order a few days ago, and which was found in some cases to be parliamentary and in other cases unparliamentary, the only precedent before you is that of a Speaker who ruled that the word "fabrication" was unparliamentary. Therefore, I respectfully call upon you to ask the Prime Minister to follow the accepted practice of this House and withdraw the word "fabrication" unconditionally.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I refer my hon. friend to the prefatory remarks of the Hon. Member today in which he made a statement—

Mr. Guilbault (Saint-Jacques): We are talking about your remarks.

Mr. Mulroney: Yes, indeed. He talked about remarks I made on May 26 at page 6401 of *Hansard*. He will see there is absolutely nothing in those remarks that would give rise at all to the—

Mr. Marchi: Today's remark.

Mr. Mulroney: Mr. Speaker—

Mr. Guilbault (Saint-Jacques): It is irrelevant. Either withdraw or not.

Mr. Mazankowski: Why don't you keep quiet?

• (1510)

Mr. Speaker: I think Hon. Members are aware that the Chair has been very careful on points of order and questions of privilege to hear all those who are involved in the dispute or the complaint, and to hear as well other Hon. Members who wish to intervene. In the present case the Right Hon. Prime Minister (Mr. Mulroney) is responding to the Hon. Member for Windsor West (Mr. Gray). The Prime Minister has the floor as he is entitled to have.

Mr. Mulroney: It is a very, very simple point, Mr. Speaker. My hon. friend said that I had said no to western farmers. I said no such thing. My hon. friend is the one who, as reported at page 6401 of *Hansard*, said "It is a no, a firm no." In other words, his interpretation gave rise to his own suggestion that I had said no to western farmers when I had said exactly the opposite.

If the objection is to the word "fabrication", if that is unparliamentary, I would happily withdraw it in favour of the word "invention" because I made no such comment at all. I would be happy to follow your directive, Mr. Speaker, in this regard.

Mr. Rossi: Did he say "fabrication" or not?

Mr. Mazankowski: He withdrew it.

Mr. Speaker: The Hon. Member for Windsor West has risen on a point of order and quite properly pointed out to the House that the word "fabrication" has in the past been found to be unparliamentary. The Hon. Member for Windsor West, who is a scholar on procedural matters, would also point out that these words must be looked at in the context in which they were spoken. The Chair has not had the opportunity in the last few minutes to check *Hansard* for that particular citation.

However, the Right Hon. Prime Minister got up and said "I withdraw the word 'fabrication'", and I think that that ends it.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like permission to ask the usual question of the Government House Leader as to the business he intends to call during the coming week.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in order to accommodate the Opposition we will be calling Bills C-42 and C-56 tomorrow. Monday will be an allotted day. Presuming that we conclude the second reading stage of Bill C-42, we will call Bill C-56 on Tuesday. Perhaps we will get into Bill C-56 tomorrow. However, that will be the order of business.

POINT OF ORDER

METHOD OF PRESENTATION OF PETITIONS—MR. SPEAKER'S RULING

Mr. Speaker: The Hon. Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council (Mr. Lewis) has been patiently awaiting, for quite some time, the Chair's comments on a matter which he raised on March 23 last. The Hon. Parliamentary Secretary, on a point of order, questioned the current practice with respect to the presentation of petitions. In particular, he pointed out a number of instances where petitions were certified by the Clerk of Petitions and then presented to the House some weeks or months later. He claimed that a lengthy lapse of time between the certification of a petition and its presentation in the House denied those Canadians who were petitioning the opportunity for speedy redress of their grievances. It also, he claimed, denied the Government the right to reply promptly.

So that all Hon. Members and the public will understand, under the rules of this place when a petition is presented either by an Hon. Member rising to his or her feet to present it, or by filing it at the Table, the Government is now required under the rules to reply to that petition in so many days. It is important that all Hon. Members and the public which is watching this understand that because that is a key ingredient of these remarks.

The Hon. Parliamentary Secretary is raising an extremely legitimate complaint here. Any Canadian who signs a petition would not expect that several months would elapse from the date the petition is first signed until a response is forthcoming. While a delay of several weeks is potentially required in order to allow for the collection of signatures, the transmittal to Ottawa, the certification by the Clerk of Petitions, the presentation in the House, and the response by the Government, most Canadians would agree that delays of some seven or eight months, as pointed out by the Hon. Parliamentary Secretary, are difficult to justify.

The second point raised by the Parliamentary Secretary dealt with the presentation of petitions by Members other than the Member who had the petition certified. As Hon. Members will know, before a petition can be presented it must be certified at the Table. He claimed that this practice would be misleading because when Members from across the country were presenting petitions the implication could be drawn that a particular issue was of more widespread concern to Canadians than possibly was the case.

[*Translation*]

By way of response to these two points let me first quote Standing Order 106(1) which states:

> Prior to presentation, the Clerk of Petitions shall examine all petitions, and in order to be presented, they must be certified correct as to form and content by the said Clerk.

There is no specific mention in this Standing Order of any requirement to present a petition within a specific time frame, only the point that "prior to presentation" it must be certified.

The Chair consulted the McGrath Committee report of June 1985 which recommended this particular Standing Order to see whether any indication was given there of a possible restriction on the period of time between certification and presentation but could find no guidance.

[*English*]

To take the matter further, in Beauchesne's Fifth Edition Citation 691 states:

> A Member cannot be compelled to present a petition. In a subsequent action, it was held that there is no right in a person desirous of petitioning the House to compel any Member to present his petition and that no action will lie against a Member for refusing to do so.

If there is no requirement that a Member present a petition, can there be a requirement that a petition should be presented within a specified period of time following certification? On March 23, 1987, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) ably pointed out that various reasons might prevent a Member from presenting a certified petition expeditiously. I would suggest to Members that several months need not elapse between certification and presentation in most circumstances. However, I agree with the Hon. Member for Churchill (Mr. Murphy) that the present Standing Order does not impose any specific restriction.

[*Translation*]

To address the second point raised by the Hon. Parliamentary Secretary let me quote Standing Order 106(4) which states:

> Any Member desiring to present a petition in his or her place in the House may do so on "Presenting Petitions—"

There is no specific mention here that the Member presenting the petition must be the Member who had it certified, or indeed that it must be the Member in whose riding the petitioners reside. There is no restriction stated in the Standing Order. It merely states "any member".

• (1520)

[*English*]

On a careful reading of the Standing Orders and a strict interpretation of those Standing Orders, I can find no requirement that the Member who has the petition certified must be the Member who presents it. In fact, as the Hon. Member for Ottawa—Vanier pointed out, Beauchesne's Citations 689 and 690 specifically relate to Members presenting petitions for other Members.

However, because the current Standing Orders relating to petitions are provisional and have only been in force for a short time, and because the Standing Committee on Elections, Privileges and Procedure is in the process of considering the Standing Orders at the present time, it might be timely to suggest to members of this committee that they may wish to pay particular attention to the Standing Orders relating to the presentation of petitions, if as the Hon. Parliamentary Secretary has contended, these particular Standing Orders are causing concern.

As these provisional Standing Orders are now written, I am unable to order that the Member who has a petition certified be the same Member who presents it to the House, nor can I define any time restriction for the period between the certification and the presentation of a petition.

I do, however, feel that the issues raised by the Hon. Parliamentary Secretary are legitimate ones dealing with the fundamental right of every citizen to petition the House of Commons and to expect speedy redress. I would suggest to all Members that they give this issue their close attention. I thank Hon. Members for their representations.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—TAX REFORM—OPPOSITION TO FOOD TAX

The House resumed consideration of the motion of Mr. Cassidy:

> That this House oppose any imposition of a federal tax on food and urge the Government to reject any such tax as part of its tax reform package.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, today we are debating a motion by the New Democratic Party which expresses the view of hundreds of thousands of Canadians who do not want the sales tax extended, and certainly do not want it applied to food.

This country has been governed by Liberal Governments for 50 of the last 60 years. During those years the tax system became increasingly unfair. In the last year for which we have figures, over 200 Canadians with incomes of $250,000 or more paid no income tax. Many of the most profitable corporations in this country have paid no corporation taxes for years. Indeed, there is the recent example of the Gulf Canada purchase in which the purchasers were able to avoid payment of $500 million in corporation taxes which they should have paid.

We realize today that we mistakenly believed the Prime Minister (Mr. Mulroney) during the last election campaign to be sincere when he said he believed in a more fair and equitable tax system. Unfortunately, the record proves the exact opposite. Since the Government has been in office it has loaded increased taxes on ordinary citizens and has made it easier for those in the high income brackets and those wealthy corporations to pay even less than they did in the past.

On May 6, the Minister of Finance (Mr. Wilson) condemned the current sales tax regime as being flawed and inadequate. We agree with that. However, he went on to say that he wanted to replace the sales tax system with "a broad-based, multi-stage sales tax". This concept can mean virtually anything. It could mean that there will be a tax on almost all goods and services at all stages of production and development

of consumption items. It could mean that there will be a tax on everyday transactions such as a tenant paying rent, a parent taking a child to day care, or someone visiting a dentist. The Government has been very careful not to make public the details of what it proposes.

We have estimated that the average Canadian family spends about $5,000 a year on food. Under a new Conservative sales tax regime, the average Canadian family might pay a minimum of $300 in new taxes if food is not exempted from this new tax. We intend to fight such a proposal if and when the Government attempts to bring it forward. The Government has argued that it will minimize the difficulties which will be created for low and middle-income people by this new sales tax through the use of an enhanced refundable sales tax credit which, at the present time, gives adults $50 in refunds and children $25 in refunds. However, the National Council of Welfare has calculated that while this form of tax relief does reduce the sales tax burden considerably, it does not fully offset the cost of recent Conservative sales and excise tax increases. Furthermore, the tax credit is only available to families with incomes between $10,000 and $15,000.

We have made some calculations on what tax increases have meant to ordinary Canadian families since the Conservative Government took office. As a result of the November, 1985 economic statement of the Minister of Finance, there were increases in oil and gas price, unemployment insurance premiums, and an increase in sales tax. That cost the ordinary family $425.

The May, 1985 Budget eliminated the federal tax reduction, modified indexing of income tax, cut the family allowance payments, broadened the sales tax base, increased cigarettes and alcohol tax, and increased the gas tax. That cost the ordinary family $512 in the course of a year.

There were further increases in the Budget of February 26, 1986. There was a 3 per cent surtax on income tax, a sales tax increase, and an increase in taxes for cigarettes and alcohol. That cost the family $340 in a year.

In February of this year there were further increases in the gas tax. The sales tax base was broadened and cigarette and air ticket taxes were increased. That cost the family about $80.

The cost to the ordinary family of increases in taxes by the Conservative Government has been $1,384 in the course of a year.

The New Democratic Party and the National Council on Welfare are not the only ones to criticize the imposition of a business transfer tax. Mr. Bulloch's Canadian Federation of Independent Business, whose membership includes tens of thousands of small-business people, have opposed such a tax.

The Minister of Finance has said that one of the chief objectives of tax reform is to give the majority of Canadians more take home pay by way of a personal tax cut. We are concerned that what the Conservatives give with one hand they will just as likely take with the other through increases, hidden sales taxes.

This is not only true of sales taxes. We have seen a steady increase in the use of consumption taxes. We oppose the increased use of consumption taxes because we believe that it is regressive and shifts corporate tax burdens directly on to consumers. We believe that not only do corporations not pay their fair share, they pass their share of taxes on to consumers.

The increased use of sales taxes is a blow to the fair and progressive tax system in Canada that was almost destroyed by former Liberal Governments. Yet this is exactly the direction in which the Conservative tax changes have taken us since 1984.

• (1530)

As a consequence of the last three Budgets, and one economic statement, Canadians are now paying over $20 billion in new sales and excise taxes, or will be by 1990. That amounts to an additional $910 for an average Canadian family over and above what we were paying in sales taxes prior to the time the Conservatives took office. It is also one of the largest single tax increases in Canadian history.

What this has meant in terms of how the Government gets its revenue can be explained very simply. The revenue that personal income taxes have brought to the Government has increased by 43 per cent. The revenue which came to the Government as a result of the increases it instituted through indirect taxes has increased by 56 per cent. The revenue of the Government from changes in the corporate income tax has increased by just three-tenths of 1 per cent. So it is pretty obvious to us who the Conservative Government represents.

We believe in a fair and progressive tax system, a system where individual incomes above a basic level are taxed on a progressive and graduated basis in order to redistribute the income from the wealthy to average and lower income Canadians and to achieve a more equal society. The past and future addiction of the Conservatives to sales tax increases will mean a serious erosion of progressivity in the tax system as consumption taxes take up an increasingly higher proportion of over-all revenues.

In 1986 alone, sales tax increases managed to move the percentage of revenues represented by these taxes from 22.3 per cent to much more. Tax reform proposals which the Minister will bring in in a few weeks will undoubtedly propel this percentage higher. It is the equivalent of imposing a flat tax on all incomes regardless of whether the person is rich or poor.

Let us deal with what a tax on food will do. It is important to note that the Conservatives have already put in motion their methods of collecting sales tax on food. In February of this year they extended the federal sales tax to snack foods effective July 1. A month from now we are going to see the kids paying more for their potato chips and chocolate bars.

This tax will primarily hit children and raise $120 million in revenue. It will cost the average family about $15 a year.

Why would a Government which cares about the Canadian people impose that kind of tax when it lets the purchasers of Gulf Canada avoid paying $500 million in taxes? If the Government had collected that tax which the purchasers should have paid, and were obligated to pay by law, except for the very strange ruling by Revenue Canada, the Government would not have to do most of the things it is doing.

We have estimated that the average Canadian family will pay $300 in new taxes as a result of taxing food. That is if the new tax is what is called "revenue neutral", in other words, if it is set at 6 per cent. However, what is to prevent the present Conservative Government, which is so concerned about the deficit, from setting the rate not at 6 per cent but at 7 per cent or 8 per cent or higher, as it is in many European countries? This would mean an increased cost of about $350 or $400 a year to the average family.

We say that tax increases on such fundamental living items will generate a tax revolt among Canadians. The people of Canada took the Prime Minister seriously when he talked before the election about a fairer, simpler, less complex tax system. He said that Canadians who were wealthy and corporations which were profitable would pay their fair share of taxes. We are still waiting for that. We are certain that the imposition of a tax on food is precisely the wrong way in which the people of Canada want this Government, or any government, to go. Therefore, we give notice now that we will fight such a proposal if it is in the White Paper the Minister will be bringing down shortly. We will fight it with everything we have, both in Parliament and outside of this place among the ordinary people of this country.

Mr. Schellenberg: Mr. Speaker, clearly the New Democratic Party opposes any kind of tax on food, but surely it will acknowledge that there are already hidden taxes involved in the processing of food, whether it is the hidden price subsidies or the cost of packaging or the cost of transportation. These are all taxes on the production of food. Is the NDP saying that it would attempt as a Government, should it ever become a Government, to remove those taxes on food? Is the NDP in opposition to those taxes on food? And if it thinks it can remove them, how would that be done?

Mr. Orlikow: Mr. Speaker, what I said today and what we have always said is that we believe that the services the people of Canada want and need have to be paid for in one way or another, but we also believe that the tax system should be as fair as possible. That is why we are opposed to increases in hidden taxes. That is why we are opposed to increases in sales taxes, the business-transfer tax or value-added tax, whatever name or label one wants to give to that kind of tax. We are opposed to any increases. We believe that the loopholes in the income tax should be plugged so that everyone will have to pay a fair share. Why should a teller in a bank pay more in income tax than the bank he works for pays in corporation taxes? Why should a clerk at the Hudson Bay store pay more in income tax than the Hudson Bay Company pays in corporation taxes?

We say we want to plug the holes in the Income Tax Act, most of which were created when the Liberals formed the Government. We want fairness. We want the large corporations to pay taxes at least at the same rate and with the same consistency as the small businessman. There is more than $30 billion in deferred corporation taxes owing, and 90 per cent of that or more is owed by a very small number of the largest corporations.

Are we proposing that all the sales taxes which are already there should be removed? Of course, we cannot do that because we cannot do everything at one time. What we are saying is we do not want any increase or broadening of the sales tax base, and we want those individuals who are wealthy and those corporations which are profitable to pay their fair share of taxes.

Mr. White: Mr. Speaker, I listened with interest to the Hon. Member for Winnipeg North (Mr. Orlikow) who is, as I am, a Manitoban. We have in Manitoba a NDP Government, one of two in Canada. I think we can use them as an example of NDP tax policy in action.

• (1540)

On March 16 a Budget was introduced in Manitoba. It increased taxes for four out of every five Manitobans. The retail sales tax was increased. In spite of the Hon. Member's comment that the NDP is opposed to a consumptive tax, the NDP in Manitoba raised the sales tax from 6 per cent to 7 per cent. The Government extended the provincial sales tax to include take-out meals. The payroll tax was increased by 60 per cent. Every small business in Manitoba pays a tax on gross payroll, and that figure was increased by 50 per cent. A 2 per cent tax was imposed on net income for every Manitoban. This basically means a 21 per cent tax increase for a single mother earning $27,000 per year. However, if a taxpayer is part of a childless couple making over $200,000 per year then that couple will pay less than half the increase that a single mother will pay. If there is going to be a tax revolt it will be in Manitoba where we pay the highest rate of provincial tax in the country.

In light of what the Hon. Member has said I am wondering if he and his federal colleagues have passed on their feelings and their displeasure with the Manitoba budget to their cohorts in Manitoba.

Mr. Orlikow: Mr. Speaker, the Hon. Member for Dauphin—Swan River (Mr. White) has given the facts with respect to the increases levied by the Government of Manitoba in its last Budget. However, I ask him to think about the reasons for these increases. The fact is that Manitoba is one of the have-not provinces, whether we have an NDP Government, a Conservative Government or a Liberal Government as we had years ago. Manitoba depends to a large extent on transfer payments from the federal Government, as do the Atlantic

provinces. What has happened since the Conservatives won the last election is that the funds going to the Province of Manitoba from the federal Government have been sharply reduced.

Mr. Minaker: They have not.

Mr. Orlikow: The Hon. Member says that they have not. The fact is that the Government has limited the transfer payments under the EPF and a whole host of other programs. The other thing is that Manitoba, like nine of the provinces in the country, has its income taxes collected by the federal Government. Those exemptions and those loopholes in the income tax structure which I talked about, put into place by members of the Liberal Party when they formed the Government, and which have been extended by the Conservative Government, such as the $500,000 exemption on capital gains, are built into the system by the federal Government. The Government of Manitoba, like every other provincial Government in Canada, except Quebec which collects its own income taxes, has to build its tax program on the federal tax system. So of course the Government of Manitoba had to do a number of things which it did not like to do. But it had to do them because of the way the federal Government has treated the Province of Manitoba. The alternative to that was not to increase taxes and to impose Draconian cuts in services which we see have been implemented by the Conservative Government of Saskatchewan.

I make the following challenge to the Hon. Member for Dauphin—Swan River. I will come up to his constituency and the two of us can talk about the Budget presented by the NDP Government of Manitoba and what it has meant and the Budget presented by the Conservative Government of Saskatchewan with its major cut-backs in services and the lay-off of 2,000 civil servants. I will take my chances that there will be much more sympathy for the Manitoba Government than there will be for the Government of Saskatchewan.

Mr. Redway: Mr. Speaker, here we go again. Once more all we hear from the Hon. Member this afternoon are more words of fear. He is here to sow fear on behalf of his Party. He is here to sow fear in the minds of average and ordinary Canadians. His Party was created on fear and it continues to exist on fear. I refer not to the fear of realities but to the fear of myths, the fear of suspicions which the Hon. Member and members of his Party try to sow in the minds of other Canadians.

One thing that is a reality and about which we know is the fact that before the last Budget there was a federal sales tax on certain, what we might describe as, junk foods. The Hon. Member spoke about the extension of the federal sales tax to other junk foods during his remarks.

I have in my riding a company by the name of Wrigley which produces chewing gum. It complained to me and to the Minister of Finance (Mr. Wilson) about the fact that the federal sales tax prior to the last Budget applied to it but not to its direct competitors which produced potato chips and things of that sort. That was a disadvantage to Wrigley that was driving it out of business. That was threatening to put its 300 employees, some of whom I suspect were supporters of the Hon. Member's Party, out of work and onto the street. In fact, the last Budget imposed a sales tax which applied fairly to competing products in this area.

Based on what the Hon. Member says I have the impression that he thinks we should do away with sales tax on this type of food. Can he tell us whether or not he would remove the federal sales tax, not only on things such as potato chips, a measure which was included in the last Budget, but also on Wrigley's chewing gum? If that is his position and the position of his Party then will he tell us whether or not the following resolution passed at the 1977 NDP federal convention is still the policy of his Party?

> Be it further resolved that a surtax shall be placed on junk foods to make them very expensive.

Mr. Orlikow: Mr. Speaker, let me begin by saying that if the polls showed that the NDP was still at 18 per cent we would not have Conservative Members of Parliament digging out resolutions passed at NDP conventions 10 or more years ago. I thought I made it clear in my reply to the last question I was asked that we do not believe that we can get rid of all sales taxes which are now in place. What we are saying is that we will not have a more fair system by broadening sales tax and by including more items.

I want to tell the Hon. Member for York East (Mr. Redway) that when the former Conservative cabinet Minister from Ontario, Mr. Norton, came to see me this morning to plead that we not put sales tax on potato chips I wished I had known what he felt. Had I known that, I would have told Mr. Norton that he was wasting his time, he should go to see the Hon. Member for York East.

I wish to say something about spreading fear. This morning in the course of asking a question the Hon. Member made it very clear that he is opposed to marketing boards and supply management for agriculture. In talking about fear, if that is the policy of the Conservative Government, then Conservative Members of Parliament from rural areas, and I see the Hon. Member for Assiniboia (Mr. Gustafson) in the House, should really be frightened. I say that because if there is one thing that the farmers of the country know it is that the only way they can survive in almost every commodity which they produce is by having marketing boards and supply management. If we are talking about fear, then that is really something to fear.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Trois-Rivières (Mr. Vincent).

• (1550)

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome the opportunity to take part in this debate, after the comments by the Hon. Member for Winnipeg North (Mr. Orlikow), and I hope I will

be able to rouse the Hon. Member for Ottawa Centre (Mr. Cassidy), on whom our colleague's comments seemed to have a soporific effect. I think it is important to clarify the Government's intentions with respect to tax reform. Mr. Speaker, you will recall, and I do not want to go back to early 1984, but you will recall that when we were elected, we promised that, as a Government, we would bring in a complete program for economic renewal, and this program included improving the tax system. Mr. Speaker, when we talk about tax reform, we are not talking about your usual budget with a few amendments to the Income Tax Act, as it affects personal income tax and corporate taxes, and some changes in the federal sales tax. We are really talking about the kind of tax reform that will be as important as the last one, which dates back to 1971. Last July, Mr. Speaker, the Minister of Finance (Mr. Wilson) announced his intention of proceeding with a study of the options the Government had for a thorough reform of the Canadian tax system. In October, he identified the specific guidelines for this reform. Mr. Speaker, I shall, if I may, repeat them here.

First, fairness; second, simplification; third, ease of compliance; fourth, balance; fifth, revenue stability; sixth, international competitiveness; seventh, economic growth; eighth, Canadian priorities; ninth, measured transition; and finally, Mr. Speaker, consultation.

The Minister of Finance is following these 10 guidelines to prepare the tax reform and the White Paper which will be announced on June 18. But why exactly? What do those guidelines mean, Mr. Speaker?

First, I believe that is is essentiel to ensure a fairer distribution of the tax burden so that Canadian taxpayers in comparable circumstances will pay the same amount of taxes. We must also ensure that corporations pay their fair share of taxes. Mr. Speaker, I shall not list the aberrations introduced in our tax system by the former Liberal Government. I shall only mention in passing the scientific research tax credit which lost billions of dollars in revenue for the Canadian Government and in assistance those who really needed it.

Mr. Speaker, I shall wait for the questions of the Hon. Member for Ottawa Centre before replying.

There is another point which should be emphasized. I recall that, when I was Parliamentary Secretary to the Minister of National Revenue, the Hon. Perrin Beatty, we said that self-assessment should be maintained and that Canadian taxpayers should work in co-operation with their Government in this regard. However, this does not mean that there is no need to simplify our tax system.

At the same time, we must bring back some balance to the sources of public revenue. In so doing, Mr. Speaker, we must take action to ensure that the tax system will become less dependent on personal income tax and that Canadian taxpayers have more money at their disposal. This is the purpose of our tax reform. Canadians whose taxes were too high will have more money in their pockets. Businesses which took advantage of the unfair benefits granted by the former Government will pay a fair and reasonable amount of taxes. At the same time, the Government will have enough money to pursue its economic development initiatives and maintain useful programs. However, in this context, while we speak about our regions, our provinces and our country, we must also remember that Canada must compete with the United States, Japan, France, New Zealand, Aústralia and Great Britain, many of which are also reforming their own tax system.

Mr. Speaker, our tax system must be just and fair and deal strictly with tax matters; it should not be an income tax legislation dealing with regional development or economic development. Our tax system should help the Canadian economy, but the purpose of our tax legislation should not be regional development. At the same time, Mr. Speaker, that tax reform should help create a positive climate so that the people of Canada, with a little more money in their pockets, should be able to invest at the regional level in your riding, Mr. Speaker, in the Trois-Rivières constituency, in the constituency of my Hon. colleague, to invest in the Canadian economy and trust that Canadian economy and of course their tax system. Now, Mr. Speaker, those principles are the underlying principles of the tax reform which will be tabled by the Hon. Minister of Finance on June 18.

Opposition Members are against that tax reform. I can tell you, Mr. Speaker, and I shall quote—

An Hon. Member: Against the tax reform? But you—

Mr. Vincent: They are against the tax reform. That is what you said, that you were against it . . . I could quote, Mr. Speaker, from some of the suggestions and recommendations of a tax reform committee: "The Canadian tax system should be as close as possible to, but not necessarily a blueprint of, the U.S. tax system, it should increase the corporate tax rate instead of paying specific attention to profit transfers by foreign-based companies, instead of dealing with the appropriateness of a minimum tax calculation for companies, it should be used to establish tighter administrative controls for companies and to tax every source of income whatsoever, it should deal with the $25,000 life insurance tax exemption". I could go on, Mr. Speaker, as there are several more pages of similar suggestions. Mr. Speaker, I have just quoted part of a report submitted to me by a group of businessmen in my riding of Trois-Rivières: Pierre Bettez, a chartered accountant; Pierre Dessureault, a chartered accountant with the Dessureault, Leblanc, et Lefebvre firm; Paul Lavoie, a consulting economist; Jean Morand, a lawyer with a Master's degree in tax administration, with the Jolicoeur, Lacasse et Simard law firm; Gilles Morin, a chartered accountant; Gabriel Pellerin, a chartered accountant; Luc Therrien, a lawyer with a Master's degree in tax administration with the Baumier & Associés law office, and Laurent Verreault, the Chairman of the Laperrière & Verreault group. Mr. Speaker, there was a meeting of those people in Trois-Rivières and I told them: We are working on a tax reform, and I would like to know what you, as professionals involved daily with such matters, would expect from that reform. And I have just quoted part of their report.

I believe that most Canadians, if presented with those suggestions, would agree with them. Our tax burden is unfairly distributed at the present time, Mr. Speaker. The increase that we have seen in the income tax of ordinary taxpayers is counter-progressive, it acts as a barrier to the economic growth of our regions, our provinces and our country.

If you look at the tax incentive that were granted over the years by the former Government, particularly to businesses, companies, Mr. Speaker, it is amazing to see how a number of those businesses, not many of them, but too many nevertheless, took unfair advantage of tax shelters, those tax shelters which the former Government considered normal, which were provided since 1971, since the last tax reform, over the years, and I remember, Mr. Speaker, seing budgets where we had to deal with heaps of documents, technical papers and so on. With respect to the ordinary taxpayers, the situation was pretty much the same. However, tax shelters were mostly available for high income earners than for Canadians with a lower income. The last point, Mr. Speaker, leaving aside partisan biases, is the federal sales tax—

• (1600)

I remember that in 1978, Mr. Speaker, when I was a student at Sherbrooke University, taking a Master's degree in taxation, our professor used to tell us about the federal sales tax that the Federal Government should change shortly, because it was nonsense. That was in 1978 and the federal sales tax law has not been amended. We are aware of it and we have said it. That tax presently harms our businesses. It kills jobs and that is why this reform is so important. That is why this reform must aim to reduce tax rates of individual taxpayers who have paid too much tax and of corporations which paid their fair share, while increasing the tax rate of corporations which have not paid their share. At the same time, in that comprehensive reform, we should amend the federal sales tax. We have said that we would reduce tax rates and also that we would reduce the number of tax brackets in order to streamline the system. And we said that we would change exemptions which taxpayers enjoy in tax credits.

Mr. Speaker, as you know, a tax credit, whatever its kind and level, is much more profitable than an exemption for a taxpayer. To understand that, you do not have to go to university for it is mathematical. At the same time, it brings about a huge benefit. It makes the tax system more equitable because as you know, Mr. Speaker, if I am entitled to a tax credit of $1,000, somebody whose yearly income is $100,000 will happen to pay more tax than with an exemption for the same amount. As for low income people, of course, they will benefit more from a tax credit than an exemption.

Therefore, all Canadians will eventually pay less tax, thanks to the tax reform. That is the important thing to remember. The White Paper on tax reform will be tabled in that perspective.

Obviously, within that context, high income people who might have avoided to pay their fair share of tax in the past will have to pay more. That is the substance of my basic criteria when I referred to fairness, when I said that all Canadians must pay their fair share of income tax at all levels.

You will remember, Mr. Speaker, that in terms of tax law, we have innovated in this country with the introduction a federal sales tax credit. It was the first time in this country that a Government, after increasing the rate of the federal sales tax, had the decency to grant a refundable credit to low income people. This is a new kind of law, Mr. Speaker. And I can tell you, having had the opportunity to go to different places in Quebec as well as outside that province, that people are grateful for that. Nobody likes tax increases, but people recognize that, while there has been an increase, this Government has taken steps to help low-income families.

Mr. Cassidy: With capital gain tax exemptions.

Mr. Vincent: There is nothing to indicate that this new benefit will not resurface in the White Paper.

As far as corporations are concerned, we must put together a package for our corporations which really create jobs in this country, even if the socialist party refuses to believe it. We must see to it that they carry their fair share of the tax burden. We must be careful not to overtax them, however, because they create most jobs in this country, but we must collect the income tax they owe. I suggest that the previous Government's performance in this regard had left a lot to be desired. The White Paper will be there to correct all past mistakes.

As I was saying a while ago, Mr. Speaker, our federal sales tax scheme is much too narrow. As it is currently applied, it favours imported goods at the expense of Canadian goods. This is something which is not right and should be changed, Mr. Speaker.

As a country, Canada needs a federal sales tax scheme with a wider base and reduced rates to be levied more evenly and equitably on a wide variety of goods and services.

There can be different types of federal sales tax. There could be a multi-stage sales tax, with or without invoices, levied only by the federal Government, or a federal provincial sales tax with invoices, but what we should be seeking in a non-partisan way is the common good of Canadians. If the federal government can agree with the 10 provinces, and so far I think that things are going well at this level, to set up a national sales tax scheme, I think it would be a great step for Canada, for each and every province and, therefore, for all Canadian taxpayers.

The make-up of the sales tax base will be a key element of our indirect tax system reform and I think that what we should be looking at is the tax reform as a whole. We should take into account personal income taxes, corporate taxes and indirect taxes which is the federal sales tax. I think that if we tried to look at them separately and individually, as the Hon. Member for Ottawa Centre is doing, we would be wrong. This is a major and comprehensive reform. It must not be divided.

You are signalling that I am running out of time, Mr. Speaker. In conclusion, I feel that the motion moved today must be defeated and that my friend the Hon. Member for Ottawa Centre should wait until we introduce our White Paper on June 18 before making comments which might not reflect reality and, as my other colleague was saying, serve only to frighten Canadians. This is a responsible Government which is seeking a tax reform for the common good of Canadians and, in this context, I urge him to wait until June 18.

Mr. Malépart: Mr. Speaker, I was wondering at first why in opinion polls in Quebec, the Tories are third, the NDP people are second and Liberals first. However, after the speech which I have just heard, I understand why in Trois-Rivières, even the Rhinocéros Party leads the Conservative Party. I shall put my question to the Hon. Member. He boasts about the merits of his Government, about the capital gains exemption. His comments are timely. Mr. Alain Dubuc of the newspaper *La Presse*, who is neither a Liberal nor a Conservative, was not born yesterday, is not on welfare, and is better informed than the Hon. Member for Trois-Rivières (Mr. Vincent) says: "The capital gains exemption is an indecent gift". If an Oscar were given for the most stupid tax measure, the capital gains exemption would win that award outright."

• (1610)

Now the Hon. Member is boasting about the eminent members of his committee who had all obtained contracts and were not ordinary citizens. Does the Hon. Member for Trois-Rivière approve or disapprove the comments of Alain Dubuc who is a reputable and unbiased economist? Has he some comments to make about Alain Dubuc? Is Alain Dubuc right or wrong?

Mr. Vincent: Mr. Speaker, I recognize the Hon. Member for Montreal—Saint-Marie (Mr. Malépart) by his more than partisan comments. I find it sad that he would attack my constituents of Trois-Rivières who worked hard to submit theirs views on tax reform and who unfortunately—and my colleague will be sorry to hear that—did not get any contract but have worked in good faith. They are accountants and businessmen who have voluntarily given their time to help their province and country. I suggest, Mr. Speaker, that it is unfortunate to hear in the House of Commons comments such as those made by the Hon. Member for Montreal—Sainte-Marie. I trust that when he is given the opportunity to rise, he will surely apologize to those people in Trois-Rivières.

Mr. Speaker, with respect to the question put by my colleague from Montreal—Sainte-Marie, I did not read the above-mentioned report. However, I can say that the capital gains exemption introduced by our Government has definitely helped to create permanent jobs in Quebec and everywhere in Canada. And if it is a gift, it was a profitable one for all Canadians. I find it rather less absurd than the tax credit for scientific research implemented under the former Liberal government, under which some billions of dollars were wasted and given away to Canadian and international corporations already making millions in profits. That seems to me to be much more aberrant.

Mr. Cassidy: Mr. Speaker, having listened carefully to the speech by the Hon. Member for Trois-Rivières (Mr. Vincent), I should have thought that he would make no statement on the motion before the House today.

Finally, he indicates that he is not even willing to attempt to influence his Government to ensure that taxation of food will not be included in the tax reform proposals that the Minister of Finance will submit on June 18.

The Hon. Member is mistaken when he states that the Opposition is against fiscal reform. If he is referring to the New Democratic Party, I submit that our party has been pushing for fiscal reform. I was among the Members of our Party who travelled all across Canada to discuss tax reform with Canadians and to gather information as part of the 1986 Tax Probe project. I have recently given speeches on this topic in various communities in Ontario and Quebec. The Hon. Member is therefore mistaken to think that the New Democratic Party is not pushing for tax reform.

But then again, there is such a thing as the wrong kind of fiscal reform. I fear, Mr. Speaker, that the Hon. Member does not grasp the necessity of voicing a considered opinion on the specific initiative which the Government is proposing, that is to impose a 7 per cent, 8 per cent or 9 per cent tax on all purchases of food and grocery items in Canada.

I would perhaps want to put my question once again to the Hon. Member. He says we should look at the overall picture. However, I have given all kinds of reasons why the overall approach does not apply in the case of a tax on food products, which represent the most basic of basic necessities.

I would ask the Hon. Member, then, to say whether or not he is in favour of a sales tax on food.

Mr. Vincent: Mr. Speaker, I find it unfortunate that my colleague the Hon. Member for Ottawa Centre is attempting to scare people. This is not the way Parliament was meant to work.

He has presented a motion and my response is as follows, Mr. Speaker. He should wait until June 18 before getting scared. You're afraid of being scared, of being afraid. Wait until June 18—

Mr. Malépart: Senior citizens have a long memory.

Mr. Vincent: Let him wait until June 18, Mr. Speaker, and then he can bring in 25 motions if he disagrees with the White Paper. At that time, I shall be ready to support him if there are things on which I disagree. However, Mr. Speaker, his timing is wrong and he should wait.

[*English*]

Mr. Redway: Mr. Speaker, the Hon. Parliamentary Secretary will be aware, I know, that on average Canadian manufacturers pay one-third more tax than competing imports

and that, in fact, imported goods often end up costing less than goods manufactured here because of the federal sales tax as it now impacts on Canadian manufacturers and their products. He will be aware as well that the Bic company in Toronto, for instance, has laid off workers as a result of that sort of situation and that the sales tax in fact hurts our exports, encourages imports and hurts job creation. I wonder if the Hon. Parliamentary Secretary could advise the House if the White Paper on tax reform that we will be seeing very shortly will address this problem and correct it so Canadian companies and manufacturers can at least compete on an equal basis with foreign producers.

• (1620)

[*Translation*]

Mr. Vincent: Mr. Speaker, I must say without any partisanship that this surely is the best question that I have been asked so far this afternoon. And I am happy to provide my collegue with an answer.

Indeed, Mr. Speaker, and I have mentioned it earlier briefly, I would say that the federal sales tax legislation in its present form is a real "hassle", as we say back home. My colleague is absolutely right. The White Paper will deal precisely with that aspect among other aspects of the fiscal reform. And again, my answer could also be directed to the Member for Ottawa Centre, Mr. Speaker, in the sense that we must expect a package deal, that the reform will reduce the personal income tax, will deal with corporations which do not pay any tax and will also help companies which are having difficulties with the federal sales tax legislation as it is now, that is legislation that very often benefits importers as opposed to exporters.

Mr. Cassidy: It is not necessary to tax food to achieve a much needed reform of existing sales tax. The Hon. Member knows it very well. This Government, Mr. Speaker, is arrogant. It should tell us: "Don't ask for our opinions now, wait until we are willing and ready to accept comments." Mr. Speaker, Canadians already know what it means. Take for example those in Quebec who took early retirement. The Government reduced or cut their access to unemployment insurance by changing the policy and, when told, said: "If only we had known that you had problems . . . But now the decision has been made". Finally, a Bill might change the situation for some of them, only some, after more than a year and a half of continuing struggle. That is how this Government works. After only two and a half years in power, that is the way this new Government operates.

The Government backed down on the question of deindexing Old Age Security pensions, but the partial deindexing of the fiscal system was successfully achieved, because there was no way of convincing the Government to change its mind. It is my duty as an opposition Member to inform the Government—yes, it is partisan; being in opposition I have to be partisan—that Canadians do not, and will not, accept a tax on food; they are very concerned by what the Government said and they are asking to be listened to now, rather than having to wait, in fear, for what the Government will come out with. I am asking the Hon. Member: Is he willing to listen to the people, the poor, those who live below the poverty line, as well as workers who are just beyond the poverty line but do not want, and cannot afford, a tax on the necessities of life like bread and milk?

Mr. Vincent: Mr. Speaker, if ever a federal Government has consulted the Canadian people on financial matters it is ours. I can say in all sincerity and objectivity, and I think that my colleague for Montreal—Sainte-Marie will agree with me, that there have been consultations before and after each budget; consultation is an ongoing process and it will not stop on June 18. I think that at that level—

Mr. Cassidy: You did consult the early retirees!

Mr. Vincent: I have been polite and did not interrupt. Please show me the same consideration.

At the level of the Department of Finance, Mr. Speaker, I can say quite frankly that there is consultation.

In answer to my colleague for Ottawa Centre who mentioned early retirees, I can tell him that they will be happy with the fiscal reform. I ask him to be patient. June 18 is in three weeks. He will then learn about our proposals. And if he does not agree they will be pleased to listen to him and even discuss the matter with him. But please let him stop sowing fear in the minds of people way ahead of time. No one in the Conservative government said that food would be taxed. It is pure invention. I do not know how it happened but this is how fear spreads among people, Mr. Speaker, that is the only thing I ask of him.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Calgary East (Mr. Kindy)—Canadian Security Intelligence Service—Refusal of information concerning former Ambassador to Egypt; the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie)—Nuclear Energy—Lepreau II reactor project in New Brunswick—Government position; the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—Acid rain—Position of head of United States environment protection agency—Policy announced by President Reagan.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTED DAY, S. O. 82—TAX REFORM—OPPOSITION TO FOOD TAX

The House resumed consideration of the motion of Mr. Cassidy:

That this House oppose any imposition of a federal tax on food and urge the Government to reject any such tax as part of its tax reform package.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I welcome this opportunity to speak, especially after the Hon. Member for Trois-Rivières (Mr. Vincent). Frankly, the contradictions in his speech were incredible. All of a sudden, the Hon. Member made the discovery that tax exemptions were regressive and tax credits were better, and this after three Budgets, after exploiting workers and their families, after increasing the exemption on contributions to Registered Retirement Savings Plans. No wonder he wants to leave the House to hide his shame.

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

Mr. Deputy Speaker: The Hon. Member for Trois-Rivières (Mr. Vincent), on a point of order.

Mr. Vincent: Mr. Speaker, I was under the impression that there is a Member in this House, the Member for Montreal—Sainte-Marie (Mr. Malépart), of quite some years' standing—granted, he was silent for much of that time—who ought to know the Standing Orders. I would ask him to please withdraw what he just said.

Mr. Malépart: Mr. Speaker, I refuse to get involved in the Hon. Member's little games. Considering the kind of speech he made, no wonder he is ashamed and wants to make a quick exit.

Mr. Speaker, I fully realize the disastrous situation facing the Conservatives today, and I realize why the Hon. Member would prefer to disappear without a trace, because that is exactly what is going to happen to him in the next election. I understand that, and I support the motion and what was said in the debate today by the New Democratic Party.

Mr. Speaker, Canadians, including the senior citizens, mothers and workers who are watching us today, remember clearly the solemn commitment made by the Prime Minister (Mr. Mulroney), with one hand on his heart and the other on the Bible, when he promised full indexation of Old Age Security pensions. People remember the so-called consultation. It is true that this Government consults, but then it turns around and does the exact opposite. It misleads people. I have here the January 1985 Consultation Paper signed by the Minister of National Health and "Social Injustice" in Canada, who told senior citizens: Nothing will be changed. Don't worry. Remember the Mulroney Budget! What happened? Old Age Security pensions were de-indexed. He told families: Don't worry, the changes that are going to be made in support programs for families with children, including family allowance, the child tax credit and the child tax exemption, will not be used to reduce the deficit but to help people in need. Again, Canadians and this House were deceived by the Government. Six months later, the Minister of Finance (Mr. Wilson) was forced to admit that he had cut, in fact had stolen money from Canadian families to reduce his deficit and at the same time, given the rich a capital gains tax exemption of $500,000. What Alain Dubuc, in yesterday's *La Presse*, referred to as "Capital gains: an obscene giveaway", is indeed an obscene giveaway, useless except for making the rich richer. It does not create a single job for anyone, and today, the Hon. Member for Trois-Rivières and his fellow Members of the Conservative Party are saying: How come, you are making people scared? But the Conservative Members misled Canadians. You misled them on four occasions, yet now you expect them to believe you. They will never believe you from now on. When it comes to the tax reform Canadians insist that Conservative Members who have enough courage and this Prime Minister who misled them four times tell them that food, which is essential to survive, will not be taxed.

Still the Conservative Members are asking themselves: How come people have lost faith in us? How come people do not listen to us? Why is it that people no longer trust us? Simple: This same Government came out with a Budget to remove indexation on Old Age Security pensions and family allowances, and then decided to slap a 10 per cent tax on prescription drugs, taxing the health of people yet. Never before in the history of Canada did a Government, no matter its political stripe, stoop to the point of taxing health, taxing sick people to erase its deficit.

It was only after people rallied, particularly the elderly, and forced this Government to back down and restore the full indexation of old age security pensions.

Sadly enough, we were unable to get this shameless Government to change its policy concerning family allowances, but at least we did manage to force . . . Think only about the syringes which people who suffer from diabetes have to use every day, this Conservative Government, this Minister of Finance—we should say the Minister of High Finance—this Minister deliberately chose to tax these people, Mr. Speaker. Except for the Official Opposition along with spokesmen for these groups, people who buy drugs for cardiovascular conditions or equipment to relieve respiratory ailments, not a single Conservative Member of this same Government rose to say: Enough is enough, Mr. Prime Minister, stop this attack against poor people. No, Sir, not one! At the same time those people . . . Referring to the capital gains tax exemption, Alain Dubuc said: If there were an Oscar Award, the capital gains tax exemption would get it.

And we remember that at the same time, on the same occasion—and Canadians in all provinces and all ridings remember that and have lost faith in this Government with respect to the tax reform—we all remember that when the Government raised personal income taxes at the same time it

introduced legislation to repay the wealthy depositors of the two banks which went under, people who had $60,000 or more in their accounts. This Government has given billions of dollars to the rich, for instance the Reisman brothers in the case of the Gulf deal which resulted in the closing of the Gulf refinery in East Montreal. There have been so many scandals. Yet now, the Conservatives would like the people of New Brunswick, of Halifax in Nova Scotia, of Quebec, Ontario, Manitoba, Alberta and Vancouver in British Columbia to believe them after all the scandals, the bribes, the manipulations, the unfairness to the public. They would like them to believe the Prime Minister and the Minister of Finance when they say that there will be a comprehensive tax reform and that even though food might be taxed, there will be a small credit for the poorest, those with a $15,000 income. Come on! Will the grocer give credit without interest to each poor family and say: You are paying the food tax, but you will give me the difference at the end of the year because Mr. Mulroney will send you a little cheque as you are under the $15,000 level. However, if you have the misfortune to make $500 more in overtime during that year, with an income of $15,500, you will not receive any cheque. This is ridiculous and unacceptable.

• (1630)

We in the Official Opposition say that we need a tax reform. However, we need both a tax reform and a reform of our social programs. We need a tax reform to ensure that there is some justice and that every high income Canadian will pay his rightful share of taxes since he will benefit from the programs and services provided by the Canadian people and the federal Government. The tax reform must be fair instead of allowing the rich to use all the tax shelters available to avoid paying one cent of taxes while middle income taxpayers bear most of the burden. These people are fed up with paying always more taxes.

If we follow the path on which the Government is leading us with its tax reform, who will foot the bill? It will be the middle income taxpayers, fathers, mothers, young couples, working Canadians who contribute to the economy, and in return, the Conservative Government will take away nearly half of their paycheque with its hidden taxes. If you call a plumber tomorrow you will pay a 10 per cent tax to have him fix your tap; if you go to the butcher's tomorrow you will pay a 10 per cent tax on the meat you buy; if you go to the bakery you will pay 10 per cent; consult a lawyer, a notary, another 10 per cent; your accountant fills in your tax return, again 10 per cent. Is that equity and justice? The tax reform of this Government is sheer financial hypocrisy.

Mr. Speaker, the Official Opposition, the Liberal Party fought to protect elderly Canadians from the deindexation of Old Age Security pensions; we fought in the case of taxes on drugs; we fought in the case of family allowances; and again recently we have been keeping up the fight against the injustice done to older workers by the Government which saw fit to deprive them of their unemployment insurance benefits. After a year and a half these people are forced to go from one office to the next and call upon their Members of Parliament to force this Government to pass legislation, whereas the big wheels of financial circles simply called the Prime Minister's Office, and PMO officials crawled on their knees to rush legislation through without our ever finding out just who would be getting these billions of dollars.

The Official Opposition did not roll over and play dead when faced with your budgetary onslaught. My friends, I suggest you get ready, you have not seen anything yet. There are thousands of Canadian women like Mrs. Denis who will confront your leader, Charlie Brown. There are men and women who have had it up to here. You have seen this in each of your ridings, no? The Conservative Party ranks third and would fall to fourth place if there were a fourth party.

But the question you must ask yourselves has to do with all the mistakes and blunders you made, authorized and allowed to go on.

You are the accomplices of the Minister of Finance. By remaining silent, you are condoning what he has done. If we look at the exemption for contributions to a Registered Retirement Savings plan, we have to realize that by the year 2000, over 12 per cent of the population will be 65. People are opting for early retirement. What did the Government do? It refused to index private pension plans but agreed to spend billions of dollars to let someone with an income of $150,000 contribute $15,000 tax-free to an RRSP. People with an annual income of $10,000, $20,000 or $25,000 are being ignored by this Government. Three million women in Canada are not eligible to contribute to a public plan, either the Quebec or the Canada Pension Plan. Three million women, through the fault of this Conservative Government, realize that by the time they are 65, they will be living in poverty and will have to apply for the Guaranteed Income Supplement. This Government, this Minister, this Prime Minister and all these Conservative Members know what they are doing and are doing so deliberately.

We have the Hon. Member for Trois-Rivières (Mr. Vincent) boasting that he had a committee in his riding to advise him on tax reform. Did you notice who was on the committee? A tax lawyer, a chartered accountant, a notary, another lawyer, another accountant, and a bank manager. What about the average person, the taxpayers, the people who pay to support his advisers? He didn't see them. He didn't care what they thought. He just wanted to know what his friends thought about tax reform.

So the guy says: I have a small office as a tax lawyer. Get me all the exemptions you can. And then the expert who works for an insurance company says: Get me a bigger exemption because I sell insurance. But he does not care, and he does not even know, what the people in Trois-Rivières, what the taxpayers and the unemployed textile workers think. He does not know and he does not care, with all his boasting.

Multiply this example by 210 or 211, if you include the one who crossed the floor to the NDP. They are all the same. It is a disgrace. It is worse than anything else this Government and this Party has done, worse than all the other scandals, flagrant and not so flagrant. Of course we need tax reform. We have to get rid of the tax shelters. We have to share the exemptions.

He wanted suggestions about the Registered Retirement Savings plans. For instance, instead of giving a tax exemption to someone who has a higher income and costs the Canadian taxpayer more in tax shelters, we might say that anyone who puts $1,000 into an RRSP will be entitled to a $100 tax credit. Whether this person earns $10,000 or $100,000 a year, the tax credit will be $100. This would be fair. However, I am now convinced that the Government after improving the RRSP system, will not touch it in its tax reform in view of its hypocrisy: nor will it alter the tax breaks given to the rich, such as the capital gains tax exemption and the tax exemption for RRSPs which benefits the rich.

The only things the Government wants to touch are the tax exemptions for senior citizens, dependent children and spouses and the personal tax exemption. The Government will change these exemptions and implement the purchasing tax credit. If, instead of an income of $15,000, you have an income of $17,000, the Government will take 10 per cent of this money and say that it will be given to low-income Canadians. The balance will be used to compensate the loss of revenue from the capital gains tax exemption and the RRSP exemption which benefits the rich. Who will be penalized? Who will have to pay the 10 per cent, 11 per cent or 12 per cent tax when he needs the plumber, the electrician, the accountant, the lawyer or the notary to make out a will, the baker, the grocer and the milkman? Middle income earners. They are not the pals of the Conservatives.

The Hon. Member for Trois-Rivières has already explained in which tax bracket the pals of the Conservatives are. They are the ones who will benefit from exemptions because they have already had all kinds of goodies. But this will not be allowed. It will not be allowed, not only by the Official Opposition which knows this Government and knows how it misleads the public and how to make it back down, but it will not be accepted by the public either. The public will protest vigorously, perhaps with the same results as for the reform of unemployment insurance.

Mr. Speaker, this Government which has once again deceived the Canadian public is committed to amending the Unemployment Insurance Program. All political Parties and the Canadian population generally agree that it should be amended. Following four reports, including those submitted by the Macdonald Commission which was prepared at a cost of millions of dollars, the Forget Commission which cost $6 million, those of an internal committee of officials and the House of Commons Committee, four reports, on which the Government wasted almost $8 million of our taxpayers' money, the learned Minister of Employment and Immigration (Mr. Bouchard) rose on a Friday morning on the orders of the Prime Minister and stated solemnly that on the basis of all these reports and after spending all that money, that he felt he had different opinions from various groups. He was satisfied with sitting on his bum and doing nothing.

Such are the political will and guts of this Government.

But who pays for all of that? Who pays for all this foolishness on top of the $7 million or $8 million of the taxpayers' money which was wasted? It is the men and women working part-time who will continue to be penalized by not being paid full unemployment insurance benefits, those who are on maternity leave or on sick leave. Should a labour conflict arise, either through a strike or a lock-out, these people will be penalized and will lose their benefits because they will be deemed striking employees, even though the House Committee, including its Tory Members, unanimously agreed that there had to be changes.

Mr. Speaker, I do hope today, and I conclude on this, that there will be at least one Progressive Conservative Member who will open his eyes and read the article published in *La Presse* under the signature of Alain Dubuc, a guy highly regarded for his honesty and expertise and who clearly describes the implications of capital gains tax exemption, who foresees what is going to happen in the so-called tax reform, but the people here, no matter their political stripe, should stand up and tell the Prime Minister, as the population as a whole did: Do not touch our senior citizens and do not levy a food tax.

In closing, Mr. Speaker, it is essential that the voters in every constituency go to their Member of Parliament, whatever his Party, and have him sign a paper promising to vote against any measure which would impose a tax on food products as this is a basic necessity.

Mr. Speaker, I warn the Prime Minister that there will be a national campaign with leaders in every riding and that every Member of this House will be contacted. The public will remember those who refuse to sign and to promise that they will object to a tax on food products and who agree with such a tax. The public will remember them at election time.

• (1640)

[*English*]

Mr. Redway: Mr. Speaker, when one comes from a Party that does not have a policy, like the Hon. Member's Party, or when one comes from a Party which has a number of policies that conflict with one another, like the Hon. Member's Party, what does one do?

The Hon. Member, as have many of his colleagues, has chosen to spread fear and confusion in the minds of the average Canadian about the issue of tax reform and the question of a tax on food. The Hon. Member is obviously spreading fear and confusion on the basis of not one single, solitary shred of evidence.

It seems to me that the Hon. Member has a lot of nerve. He was a member of a government that gave us and the Canadian people the Scientific Research Tax Credit that ripped off Canadian taxpayers and poor people of this country to the tune of over $1 billion. It was his former Liberal Government that gave us tax shelters for investment on such things as yachts and recreational vehicles. He has a lot of nerve.

It was his Government that gave us income splitting, that allowed the use of interest-free loans in order to minimize taxes. His Government did not impose a minimum tax on high income individuals in this country, as the present Government has done.

It was his Government that gave us the carve-out transactions which allowed other people to save taxes and rip off the Canadian public. His Government allowed for the use of trusts to market security issues in such a way that income and capital were distributed tax free. It was his Government that allowed the use in tax law of partnerships in corporate take-overs to increase tax deductions and rip off the Canadian taxpayer.

It was also his Government that gave provisions in the Income Tax Act that allowed for salary tax deferral arrangements to rip off the Canadian taxpayer. His Government set up the general Investment Tax Credit which is being phased out by the present Government. It was his Government that set up the inventory deduction that is being phased out by the current Government.

All of these are examples of what the Hon. Member and his Government put in place to rip off Canadian taxpayers. Now he is telling us that we should have some competence and faith in him. How, in heaven's name, can he expect Canadians to have any faith, confidence or trust in anything that he or his Party has to say?

[*Translation*]

Mr. Malépart: Mr. Speaker, maybe the Hon. Member is from Mars, but he does not read the polls or live in the real world. He wonders whether the public is confident. If he looks at the polls, he will find that 70 per cent or 77 per cent of the public no longer trusts the Prime Minister. Wake up, my dear sir. Get back on earth. You are in Canada, in Ottawa, in the House of Commons. Read and you will see what I mean. Thousands of Canadians are saying that they no longer trust the Government. Why? Because the Hon. Member who has just spoken and his Prime Minister tried to rob the elderly by deindexing old age security pensions when the Hon. Member himself and his Prime Minister had promised that they would not. The Hon. Member who has just spoken was with me when the committee considered the estimates. The Hon. Member was an accomplice when he let the family allowance deindexation go through, pure and simple theft of the indexation money, the 3 per cent reduction in the deindexation of family allowances which was to be used to reduce the deficit. People no longer have confidence in this Member because he was on the committee which voted with the Government and which made a written commitment—as the Hon. Member will recall—that the money saved would not be used to lower the deficit, yet the Minister did the contrary. Why have people lost confidence? Because this Government did not keep its promise and, contrary to what it had said, went ahead and put a tax on drugs. The same Government which chose to tax candies, snack foods for kids, soft drinks. After all this Government has done, leading an attack against all Canadians with the complicity and support of this Member, he stands up in the House and brags about being proud to have voted in favour of reimbursing depositors who had $60,000 or more in the bank. The same Member takes the floor because he has friends and pals who benefit from that capital gains tax exemption. And he wonders how come people no longer trust them. The Hon. Member seems to think that all is well and could not be better. And of course he is right, provided he only considers what his Conservative colleagues are saying and what they are saying on Bay Street. All is well for those people. All is right with the world. And making money like it was going out of style. But the people in the Hon. Member's riding are not that sure all is well. The people in his riding think the Hon. Member did the exact opposite of what he told them. And people who are found lacking in intellectual honesty do not last very long in politics.

If the Liberals made some poor decisions in the past, well, we were beaten in the last election. And that is what is going to happen to you if you keep this up. We want to pick up the pieces and do better, and that is why we are number one in the polls.

Mr. Speaker, I think I have answered the Hon. Member's question satisfactorily, and if he doesn't remember, I happen to have the January, 1985, Blue paper right here. Jake Epp, that is your Minister of National Health and Welfare, but to me, he is Canada's Minister of Social Injustice. It says here in print that the funds, and I am not making this up, this is the truth. Now that is the difference between a Liberal and a Conservative. We can document what we say. We don't make it up as we go along. It says here that the money saved will not be used to reduce the deficit. It will be transferred to help those most in need. But that is not what happened. One billion six hundred million dollars were stolen out of the pockets of every family with children here in Canada. One billion six hundred million dollars were stolen by that Government with the complicity mostly of that Member, for he sat on that committee. The only thing you did which deserves my appreciation was in respect of missing children, when you applied a little common sense to prevent your Government from acting with disgrace in the case of those people too. But on the matter of family allowances, you frankly, honestly, earnestly helped to deceive the people of Canada, and if you need further evidence, I will give you the Blue paper in case you have lost it. It states black on white that your Government deceived the people of Canada.

• (1650)

[*English*]

Mr. Schellenberg: Mr. Speaker, as the Hon. Member began his speech, he mentioned that the people who were going to be affected most adversely by tax reform, in his words, were those watching this broadcast, the seniors, the middle-income earner, the school children. I was moved almost to tears. I was very upset thinking about that. Then I remembered that those are the same people who are actually going to benefit from much of this tax reform.

Then, of course, it came to me that this same Hon. Member was a Member of the previous Liberal Government and, if my history serves me right, I recall that in 1968 when the Right Hon. Pierre Trudeau, who has just come out of hibernation, became the Prime Minister we had a $600 million surplus in this country. Over a period of years we started to get into a deficit under the now Leader of the Liberal Party, the Hon. Member for Vancouver Quadra (Mr. Turner), who was then Minister of Finance. We got into a position where our deficit became $12 billion, $20 billion, $32 billion. When we came into office it was at $37 billion. It is now going down.

When the Hon. Member sat as a member of the previous Government, did he speak up as passionately as he does now in favour of those seniors, school children and middle-income earners? Or is he part of the Liberal legacy with which we are living in this country?

[*Translation*]

Mr. Malépart: Mr. Speaker, I do not know if the Hon. Member sat in this House before 1979. I do not know if he read the newspapers or if he was just busy like others making money. However, I would like to tell him that when the Liberal Government ran into deficits, it did so to help people. Whereas under the Conservative philosophy, you want to have deficits in order to help the rich, I remember that in those difficult times, we were in favour of the programs under Section 38. The Hon. Member has probably never heard of Section 38, because it is not meant to help the rich, but to help regular middle income workers. I am convinced that he does not know what it is. When a business was experiencing difficulties, rather than laying off young workers, it was agreed, based on the program under Section 38, that those workers would work under a time-sharing formula. They would work three days, spend two days on unemployment insurance, so that they would not all have to be layed off.

I know that the Hon. Member is not aware of that program, because it is meant to help ordinary people. But we did not have the capital gains exemption to help the rich. I know that he is aware of the profits involved. If you sell your gold ingots, you have saved your money and you can buy a condominium in Florida. That is his problem.

Yet, Mr. Speaker, I would also like to tell the Hon. Member what action I took with respect to other programs. With respect to elderly people, we should be thankful to Mrs. Bégin, we should be thankful to the Hon. Member for the NDP who sits here in the House of Commons, for what they did when we were in power.

Senior citizens living alone received increases of $50, $35, to make sure they would no longer live below the poverty line. Liberals introduced the child tax credit, all the current social programs, free health insurance—I know you are against that, because it is humiliating for the rich to be next to a social welfare recipient when he or she goes to hospital. Who is responsible for all these programs? Even if helping people in need resulted in a deficit, the Liberal Party did something good, something honorable, and we can walk tall. But a Conservative will never be able to take pride in having reduced the deficit on the back of poor families.

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to enter into debate on the motion presented by my Party. The motion calls upon the Government not to impose a federal tax on food. This motion is presented at a time when we are about ready to enter into a regime of tax reform. Certainly, the Minister of Finance (Mr. Wilson) has given every indication that there will be some form of federal sales tax, whether it will be called a business-transfer tax or a value-added tax, the type of tax which most European countries now have, or whether it will be a federal sales tax, and that is a tax in conjunction with the provinces. Regardless of the form this sales tax will take, there is very good reason to believe that food will be taxed by the federal Government.

My colleagues and I in the New Democratic Party basically oppose this measure. Let me say that there is no doubt that we need reform of our tax system. We also need reform of our federal sales and excise tax system. The system as it exists today is in many ways confusing and arbitrary. While the Government has set rates, we also know that the Department of Revenue enters into numerous contracts with various firms and establishes other rates. I think it is just a question of time before some of those agreements are taken to court because some industries have these agreements and other industries have other agreements. Certainly some people claim that these agreements are arbitrary.

I have received correspondence from business people who feel the federal sales tax which was imposed on their product was unfair. In fact, I am dealing with a particular case right now where federal sales tax was imposed and then two or three years later the Government admitted it had made a mistake and refunded all the money which had been collected by this particular manufacturer. It did not do the manufacturer much good because over a period of years he had to charge the sales tax and he succeeded in pricing his goods out of the market because his competitors did not have to pay that sales tax. This individual lost a fair amount of business. In fact, the particular business he was involved in has since gone bankrupt.

I do not have to be convinced that the sales tax regime which now exists is in need of reform. It is, as I mentioned, very arbitrary and confusing. I remember meeting a while ago

with manufacturers of sailboats in Victoria. They told me that various items on their boats were taxed at different levels and different rates. It was very confusing for them. Certainly, our present sales tax regime imposes taxes on our exporters and gives some benefit to importers. Canada is one of the few countries in the world that actually gives benefit to those who import. We tax those who export. This is because of our particular system, which just does not make sense.

• (1700)

It has been known for quite some time that our sales tax system is a total mess. In the many years that the Liberals were in power they really did not do very much to clean it up. In fact, if anything, they added to it.

I understand that if we are to have a sales tax of some sort, it is desirable that it be as simple as possible. Some European countries have value-added taxes that really impose a high level of bureaucracy upon the businesses that have to collect it. I think it is in the interests of everyone that if we must have a sales tax in Canada, it be as simple as possible.

I certainly do not disagree with the attempt of the Government to reform our tax system, in particular the sales tax system, to end up with a simple system, one that is easy to administer and understand. There is no doubt that if we are to have a simple system then tax must be placed on everything. The moment one starts to introduce exemptions then one starts to create more paperwork. I understand that.

I understand the notion that if one is to have simplicity, then quite often it has to be at the expense of equity. If one is to have equity then one has to introduce some form of complexity into the tax system. This is true whether we are talking about sales tax or income tax. There is a trade-off that Governments have to make between simplicity and fairness. Of course, a wise government attempts to have as simple a system as possible while having a primarily fair system.

Thus I come to the following point. I have admitted that we need reform of our tax system, in particular the sales tax system. I have admitted that the more exemptions one introduces into a federal sales tax system the more complexity there is created. However, I have to rise here in my place today to oppose the imposition of a federal sales tax on food. I rise today to denounce any attempt to tax food. I do this for the following reasons.

All those who advocate a federal sales tax recognize that it is regressive. The Minister of Finance has stated both in the House and in committee, as well as in other public fora, that, yes, a sales tax is a regressive measure. It is regressive because everyone pays the same per centage of tax on an item regardless of one's ability to pay. Thus a person who buys a steak, a pound of hamburger, or a can of sardines pays the same tax, whatever the rate might be. Of course, a poor person who has to dispose of most of his income on the basic necessities of life, that is, food, shelter and clothing, ends up paying a proportionately higher per centage of his income as a tax than a person with more income. Therefore it is regressive. I think that with this basic principle there is surely no disagreement.

Everyone will recognize that a federal sales tax, or a provincial sales tax, is a regressive form of taxation. It is not tied to one's ability to pay. However, the Minister of Finance stated that he would correct this. He said, "We are going to introduce a federal sales tax credit". He pointed to the fact that the 1985 Budget created a federal sales tax credit so that those people who are at the low end of the income scale will receive a credit back. In other words, the money they have spent on the essentials for goods and services which they need and upon which they have paid federal sales tax will be partially reimbursed through this sales tax credit.

The credit amounts to some $50 for a person and then $25 for every dependant under the age of 18. The maximum income that a family of four could earn in order to qualify is around $15,000 per year. As soon as that family earns more than $15,000 per year then the tax credit will be reduced accordingly. If the family earns up to $18,000 per year then they will not get anything back. They will not get any credit at all.

It has to be recognized that the sales tax credit the Minister of Finance and the Government have given does not compensate what a family of four at the low end of the income scale would be paying the Government in federal sales tax and excise tax. First, the $50 does not cover it. Okay, I will accept the fact that that is sort of a first step. I would have greater difficulty rising in my place today to oppose a sales tax on food had the Minister of Finance in his Budget of February of this year indicated that the Government would maintain the sales tax credit at some equal level. I would have more difficulty if he had said that as the amount individuals pay and as the sales tax goes up he would increase the credit for poorer families. He failed to do that. He failed to index the level at which people would become eligible for the sales tax credit; and he did not index the sales tax credit itself. In fact, he increased the sales tax in his Budget. He increased the amount that he was taking in from Canadian consumers. He increased the tax on gasoline. He added more items to the list of those which will be taxed by the federal sales tax. Therefore, he is taking more money out of the pockets of Canadian consumers. However, he did not compensate or increase the compensation to the poor by increasing the sales tax credit.

In my books the Minister committed three sins. First, he did not index the level at which people would become eligible for the sales tax credit. Second, he did not index the sales tax credit. Third, he did not increase the sales tax credit when he increased the sales tax.

If the Government is to introduce a wide sales tax on all goods and services, and if it wants to convince the Canadian public that the very poor will be compensated for this increase in taxation, then the Minister should have sent out a signal to the people that whatever benefits they will get back will not be eroded. He did not do that. The whole matter comes down to a

question of trust. I for one do not have trust in the Government, nor does the Canadian public, particularly the poor, have any trust or confidence in it. We are concerned that the Minister of Finance will impose a sales tax, especially on the basic needs; food, clothing and shelter. Will he at the same time redress the imbalance, the unfairness and the inequity of the federal sales tax by giving a tax credit to the poor? We cannot believe that a tax credit would be fully indexed, so it would in time just erode, erode and erode. Certainly the Minister of Finance can introduce a Budget, impose a federal sales tax and then compensate the very poor with a tax credit. But then a year later with inflation and an increase in the federal sales tax, what will happen? The people who would be eligible to receive the sales tax credit would become fewer in number. In a few years time the benefit would hardly be meaningful.

• (1710)

If Canadians are to accept that the inequity of a federal sales tax will be redressed by a federal tax credit, then Canadians will have to be able to trust the Government that the tax credit will remain constant with the cost of living. Canadians will have to trust the Government that there will be full indexing. We do not have the confidence in this Government to do that.

We have seen this Government more often than not break its sacred trust. We saw that with the attempt to deindex the benefits to pensioners. Were it not for the opposition of senior citizens across the country and the Opposition in this House, the Government would have succeeded in deindexing benefits to our old people. The Government did succeed in deindexing the benefits that parents receive. The Government succeeded in deindexing income tax. The Government succeeded in deindexing the family allowance and the family child tax credit so that fewer and fewer people are now qualified to receive those benefits. It is an eroding base.

I hear an Hon. Member say, "We will give it all away". That makes me afraid of a Tory Government and any sales tax credits the Conservatives might introduce, because the thinking is that somehow or other these poor people do not deserve them, that they are getting enough anyway. Therefore, we will cut short indexing provisions.

It is a question of trust, Mr. Speaker. We cannot trust this Government. We cannot trust that any sales tax credit to compensate the very poor will remain an effective tax credit, because the Government will allow it to erode away through inflation.

There is need for tax reform. In 1983 over $13 billion in profits did not produce one cent tax. When the Hon. Member says, "We will give it all away", that has been happening both under Liberal and Tory Governments. We have been giving it away, but we have not been giving it to the poor. We have been taxing, taxing and taxing the poor. Today a person who earns $10 in taxable income pays tax. Yet, $13 billion in profits can be made without producing one cent of tax. Isn't that shameful, Mr. Speaker? Is that fair? Is that equal? We say no. That is why I rise today and denounce any attempts to increase the tax load on middle and poor people. What the Government has done to middle and low income Canadians is outrageous. We will resist with every bit of our strength the imposition of a sales tax on the basic necessity of life—food.

Mr. Minaker: Mr. Speaker, I have a few questions and comments. The first is with regard to the question of trust. Both the Hon. Member for Regina East (Mr. de Jong) and the Hon. Member for Winnipeg North Centre (Mr. Keeper) mentioned the question of trust and fairness. Hypothetically should his Party ever form the federal Government of Canada—Heaven forbid—could we trust an NDP Government? Let me give you an idea of what the Manitoba New Democratic Government did and how much the people of Manitoba trust that Government.

Concerning the taxing of food, a question which the Hon. Member raised, the Manitoba NDP Government's Budget this year raised taxes through provincial sales tax on take-out orders. The Manitoba New Democratic Government has taxed food. The NDP Government in Manitoba has gone further. It now taxes water. The headlines in the paper read, "What next? A tax on the air that we breath?" Now in Manitoba the provincial NDP Government taxes municipalities for the use of water from the rivers, the rivers that were formed from rain that drains off the land which the people own. This is what we can expect from an NDP Government.

The Hon. Member talks about the fairness of sales tax. In Manitoba, the New Democratic Party Government raised the sales tax by 1 per cent and took away the sales tax credit that the federal Government gave the seniors through the federal sales tax exemption credit. The Manitoba NDP Government took that away.

Who do we trust, Mr. Speaker? Do we trust the Hon. Member for Regina East? The Member talks about not indexing certain things. In Manitoba you pay 2 per cent tax on your net income. Do you know what that means, Mr. Speaker? Does the Hon. Member from Regina East know what that means to senior citizens and to families? When you tax net income, you do not take into account basic personal deductions, family size, age or charitable donations. But that NDP Government does not even take into account the disability or the pension deduction. This is what the NDP Manitoba Government did. Who can we trust when you get something like that happening?

Can we trust the Hon. Member for Winnipeg North Centre when he said, "Don't cut spending, tax higher". That is exactly what the NDP Government did in Manitoba. This year that Government will raise 8.2 per cent more in taxes but it is going to spend 9.7 per cent more than last year. That is the policy of the NDP Government. Raise the taxes and spend more.

Is the Hon. Member for Regina East talking out of both sides of his mouth? Does he support what has been done in

Manitoba? Or is the Hon. Member not telling the truth in this House, because that is exactly what the New Democrats would do if the NDP formed the federal Government?

Mr. de Jong: Mr. Speaker, I think the Hon. Member raises some good points. One also has to add that the taxes which the NDP Government has raised in Manitoba are very similar to taxes that Conservative Governments have raised in other provinces. When the Member talks about the 2 per cent tax on income before deductions, it was the Conservative Government of Saskatchewan which introduced that innovation. I think it is also true that provincial Governments have less tax manoeuvrability than does the federal Government. The federal Government's ability to raise taxes is certainly much better than provincial Governments. Provincial Governments have been in a tight squeeze all across the board, partly because of the actions of the federal Government.

• (1720)

Mr. Cassidy: Manitoba doesn't tax bread and milk.

Mr. de Jong: With the cut-backs occurring at the federal level, very often the provinces have to pick up the pieces. The over-all economic performance of Manitoba has been quite good in terms of job creation. When the Hon. Member criticizes that Government for having increased expenditures by 9 per cent, he should realize that much of it goes toward creating jobs and job opportunities in Manitoba.

Philosophically I find that sales tax is regressive and wish that perhaps some day we could do without a sales tax *per se*. However, I know there is also a need for revenues at the provincial and federal levels. Therefore, I cannot advocate that we do away with sales taxes.

One must draw a line. The Manitoba Government, as my colleague just mentioned, is not taxing bread and milk. Yes, it is taxing restaurant meals, which is what the Tories and Liberals in Ontario also did. However, the basics of life which everyone picks up at the grocery store or the essentials which everyone needs are not being taxed. Our motion is asking the Government not to tax the basic foods which every human being needs.

Mr. Minaker: Mr. Speaker, we have a unique tax in Manitoba called the payroll tax. It was increased by 50 per cent, from 1.5 per cent to 2.25 per cent. If one decides to open a business and create 30 jobs in Manitoba, one must pay 2.25 per cent of employees' salaries in taxes to the provincial Government. Does the Hon. Member for Regina East support that principle?

We want to broaden the base in our tax reform so that lower individual income taxes will be paid by both persons and corporations. We are hoping for and encouraging investment in our country to create jobs, which is the reverse effect of the direction taken by the Manitoba Government that has increased by 50 per cent the amount of tax people who are opening businesses will have to pay from their employees' incomes.

Does the Hon. Member support that type of taxation? Would he institute it if his Party were the Government of Canada?

Mr. de Jong: Mr. Speaker, in some ways we already have an employment tax. Certainly CPP and UI contributions are in one form or another a payroll tax *per se*. Governments must raise revenues. It does not matter what Party forms the Government, whether it be NDP, Conservative, or Liberal. The question is one of fairness—what is fair and what produces the best economic results. Certainly we could say that a certain measure is an undesirable tax and that it would be better if we did not have it. Certainly the cost of doing business in Canada would be much less if there was no necessity for CPP and unemployment insurance contributions.

If Manitoba did not have its payroll tax, the money would have to be raised from other sources of revenue. However, it is within the ability of the federal Government to set up a tax regime. Surely that is where the action must lie. If the federal Government shows leadership in introducing a fair tax regime, many provinces would also see their tax revenues increase.

I should like to pose a question to the Hon. Member. Does he think it is fair that, for example, in 1983 the Royal Bank of Canada, with over $360 million in profits, did not pay one cent of tax? In fact, the Royal Bank of Canada received a tax credit of some $25 million. Is that fair? No, it is not. No wonder we are running into deficits. No wonder there is a squeeze on many provincial Governments to make up the difference through regressive tax measures.

If the taxation system in the country were fair, provincial revenues would likely increase as well and the need for regressive taxes would become less. Had we had a fair tax regime in the country, there would not have been the need for the Government to increase sales taxes, as it has in the last number of years. We would have come close to balanced budgets, had those with the ability to pay actually been paying their fair share of tax. When the largest corporations in Canada can make over $13 billion in profits in one year and not pay one cent of tax, something is very wrong, very sick, very unfair.

We will support the Government in its attempt to correct that measure, but adding a tax on food will not do it. It is not the type of tax reform we will support. In the area of genuine tax reform, by golly, we are right behind the Government and applaud it, but we cannot support regressive tax reform.

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed, without amendment, Bill C-37, an Act respecting the imposition of a charge on the export of certain softwood lumber products, and Bill C-57, an Act to amend the Export and Import Permits Act.

* * *

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

28 May 1987

Sir,

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 28th day of May, 1987, at 5.45, for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Anthony P. Smyth
Deputy Secretary, Policy and Program

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—TAX REFORM—OPPOSITION TO FOOD TAX

The House resumed consideration of the motion of Mr. Cassidy:

That this House oppose any imposition of a federal tax on food and urge the Government to reject any such tax as part of its tax reform package.

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, I am very pleased to take part in the debate on tax reform this afternoon. I am not a tax lawyer. I am not exactly a financial wizard. My wife will tell you, Mr. Speaker, that I even have trouble balancing our own family cheque-book. However, I am an individual who has been paying income tax in Canada for a couple of decades at least, and it is to my fellow taxpayers that I wish to direct my remarks this afternoon.

First, let us look at the motion. It asks the House to oppose any attempt by the Government in its White Paper on tax reform to impose a federal tax on food.

I hate to disagree with one of my own colleagues, but the Deputy Government House Leader this morning said when the motion was brought forward that it was "an appropriate motion for debate". I do not think it is. It is an interesting point that the Opposition has made, but it is not an appropriate motion for debate and it should not take up House time.

As I pointed out earlier in questioning of the Hon. Member for Ottawa Centre (Mr. Cassidy), we might as well debate what the weather will be like this weekend, because the Minister of Finance (Mr. Wilson), the Prime Minister (Mr. Mulroney), and the Government of Canada have not said that there will be a tax on food. The NDP and the Liberals set up these strawmen and then knock them down. They spent a whole day of House time knocking down strawmen, and I think it is an absolute waste of time. However, as I say, it is a valid—

Mr. Darling: Where are the NDP?

Mr. Schellenberg: That is a good question.

An Hon. Member: They are not interested in this issue, I guess.

Mr. Gustafson: It is not an issue, that is why.

Mr. Schellenberg: I should like to thank my colleagues for their comments, but I will resume debate.

Following June 18 when the White Paper is presented, we will have more meat to chew on, so to speak, and we should be able to have ample opportunity to debate the question. However, a White Paper is just that; it is a discussion paper, an opportunity for the Government to put forward its ideas. At that time we can certainly deal with the question of taxes on whatever items.

As I rose to join in the debate today, my eye caught the sculpture on the west wall of the House of Commons which reads: "Impôt-Tax", and below it is depicted a Canadian family. There is a father, a mother, and a child on the lap. I am sure that when this Chamber was built, that was put there for good reason. Those are the commoners of Canada, the people who make what we do possible through their taxation dollars. Indeed, the figure appears on one of the major arches of the House of Commons, quite appropriately. If it was not there, the ceiling would fall down. Those people are important to Canada. They are the ones who make what we do possible and it is to them that I wish to address my remarks today.

• (1730)

Let me begin by making an obvious but important assumption. Where the tax system is concerned, fairness is uppermost in the minds of most Canadians. Fairness is the basic standard by which Canadians assess the tax system and how it affects them and others around them.

Over the past decade, the perception has grown that the tax system falls short of the level of fairness Canadians have a right to expect. This growing perception is expressed in questions any Canadian might ask: why is the tax burden so high, why do some people in the same circumstances pay less

tax, how is it that some profitable corporations pay little or no tax?

The latter question was raised in debate by my hon. colleague from Regina East. He asked if it was right that the Royal Bank of Canada with all its profits pay no tax. It is not right and that is the purpose of tax reform. Tax reform will ensure that corporations like that pay their fair share. I cannot understand why members of the NDP and the Liberal Party would oppose tax reform.

The Government shares the concerns of most Canadians about the tax system. We intend, in the weeks and months to come, to make the Canadian taxation system fairer. We believe that the tax system should not only be fair but that it should generally be perceived to be fair. We believe it is a primary responsibility to ensure that the elderly and those in greatest need receive fair treatment. We believe that high-income earners and profitable corporations should pay their fair share of tax. We believe that individuals with similar abilities to pay taxes should pay similar amounts of tax. Finally, we believe that fair sharing of the tax burden should apply broadly across sectors of the economy and across goods and services.

Ironically, one of my constituents came up with what he thought was the perfect solution to all of our tax dilemmas. He suggested, in all due respect, that we should consider taxing sex. He said that indeed, if a tax was paid whenever the act was performed, eventually Canadians would brag about how much they were paying in taxes and indeed we would solve all of our deficit problems. It would be a little hard to administer, but like most of my constituents' suggestions, one worth considering.

For the third time in 20 years Canadians will soon attempt a major overhaul of the tax system. It is generally agreed that the first two attempts by other Governments ended in failure. In each case, the blueprint for tax reform designed by economists and tax specialists was shredded by the arguments and opposition of special-interest groups who sought to maintain the tax preferences that benefited them most.

The greatest challenge facing proponents of comprehensive tax reform today, proponents like members of the Government, is the same as it was in the past. It is to reform the tax system to make it internationally competitive, fair and efficient in a way that avoids the swamp of special-interest pleading. Avoiding the swamp will require not only a sound blueprint for reform, which we will soon release, but also a Government that is prepared to consult on ways to improve that reform and will provide the leadership necessary to see that the national interest is put ahead of special interests. The Government we have in Canada today is that kind of Government.

Last summer, the U.S. Congress made history when it passed its comprehensive tax reform Bill. So many things in Canada are dependent upon what happens south of the 49th. That is the world in which we live. By eliminating hundreds of deductions and incentives, the Americans were able to substantially reduce personal and corporate income tax rates for the first time in decades. The Canadian Government has now served notice that it too is planning an overhaul of its entire tax system.

We in Canada have lived with taxation for over 300 years. The first recorded tax in Canada was levied in 1650. It was an export tax on beaver and moose pelts. The annual revenue yield is estimated to have been no more than $200. If the Liberals had been in power then, they might have received $200 and spent $300, but that is another matter.

In 1867, the British North America Act institutionalized taxation by granting the federal Government wide powers to raise revenues while restricting the provinces to direct taxation within their own jurisdictional boundaries. Direct taxation includes such taxes as personal and corporate income tax, property tax, sales tax, succession duties, et cetera. Customs and excise taxes are the best examples of indirect taxation.

In 1916, the business profits war tax Act was passed to help finance the Canadian war effort followed by the income war tax Act in 1917. That was, of course, the first national personal income tax and it was, we were told then, a temporary measure. For the next 20 years, the bulk of government revenues continued to be derived from customs and excise taxes on products such as tobacco and alcohol. By the time World War II started, however, the burden of taxation had shifted to personal and corporate income taxes.

Governments have continually tinkered with the Income Tax Act for the past 40 years. Changes have been made under the guise of stimulating economic growth, creating employment and increasing international competitiveness as well as more equitably redistributing income. Forty years of changes during which the Conservatives have only been in power for five or six years means that the Liberals must take credit for 35 of those 40 years. Those changes have made the Act one of the most unwieldy, complex pieces of legislation today.

The Canadian Income Tax Act is about as thick as three volumes of *Hansard* and some say it makes just about as much sense. There is also a generally accepted feeling that the current system no longer meets the stated objectives. The question of fairness figures prominently in people's perception of our current tax system. Public opinion indicates that there is a growing attitudinal gap between those in the upper and lower ends of the socio-economic scale. Those on the lower end have the sense that while the economy may be steadily improving, they are not benefiting from it. Much of that feeling can be traced back to concerns about the tax system and the belief that corporations are not paying their fair share due to the numerous deductions and exemptions available.

These exemptions and deductions for corporations, of course, do serve a valuable purpose. Corporations do hire people. William Watson of McGill University, in the March 26 edition of the *Financial Post*, said:

> The corporation is nothing more than a convenient legal fiction. Corporations don't pay taxes. People pay corporate taxes. The taxes are paid either by the corporation's customers (in higher prices), by its workers (in lower wages), by

its suppliers (in lower materials prices), or by its shareholders (in reduced earnings).

Unfortunately, 50 years of economic analysis hasn't made clear in just what proportion these four groups pay . . . more and more corporations are now owned by pension plans, so that, increasingly, even when "capital" pays, labor pays. If the NDP wants to raise a tax that may well be paid in large part by the "working class," that's fine by me, though someone should tell the working class what its friends are up to.

Indeed, when we talk about the value of corporations and small business to the Canadian economy, we should remember where our recent economic growth has come from. The Canadian Federation of Independent Business points out the following:

Solid growth has been achieved with an 11 per cent increase in business formations over 1984, a net gain of 65,000 new businesses. The marked improvement in national job generation has resulted in a significant lowering of unemployment.

That is something for which my colleagues and I will take some credit. The federation continues:

Over 70 per cent of the jobs created during this Government's mandate, in excess of 394,000, are the result of small business entrepreneurial activity.

Of course, that is also the result of good Government. The federation goes on to say:

Canadians in all regions are benefiting from the hard work of the nation's risk takers who have been encouraged by measures in the last two budgets.

Those measures will be improved by the measures contained in the White Paper on tax reform which is to be released on June 18.

With all that in mind, we cannot deny that by treating different sources of investment and savings in different ways, financial decisions by corporations and individuals are often made purely on the basis of tax treatment.

A good example of tax abuse, as we have heard several times in the Chamber today, is the scientific research tax credit introduced in 1983 to encourage research. It ended up costing the federal Treasury $3 billion or $4 billion without a proportionate amount of scientific research being done. The result is that the Government and taxpayers have been subsidizing companies without enjoying the full benefits of job creation, regional development or indeed scientific breakthroughs.

The Minister of Finance first addressed the issue of tax reform in his economic statement of 1984. This is culminating in the White Paper of June 18. Indeed, a background paper prepared for the Standing Committee on Finance and Economic Affairs by the C. D. Howe Institute issued a warning to which my opposition colleagues should pay heed. The institute said:

Much of the debate undoubtedly will be couched in terms of the reform's fairness. In this regard, we believe that it is essential to focus on the impact of the over-all package rather than on individual elements. Failure to judge the reform in this way may mean that special interests will dominate, to the detriment of the national interest.

• (1740)

We must have a release of that White Paper, and deal with the measures it contains then, not 20 days in advance, as we are doing today.

How will our Government make Canada's taxation system fair? Let us look first at lower rates. Lower marginal rates coupled with the elimination of preferences, and strengthened provisions to counter tax avoidance, would reverse our growing dependence on personal income taxes. Canadians would get to keep more of each additional dollar they earn to spend, save or invest as they choose. They would also be assured that others are bearing their fair share of the burden. I repeat, fair taxation will make tax reform work.

What has our Government done so far to improve our taxation system? As has been mentioned several times today, we put an end to the SRTC which was considerably abused. We restricted tax losses and credits for investors and limited partnerships. We put a stop to the so-called carve-out transactions in the oil and gas sector. We introduced rules to prevent trading in tax losses and credits among corporations. We also brought in the minimum income tax, the sales tax credit, and increases in the child tax credit.

A major part of our continuing tax reform will be to build in several specific measures to ensure that low-income Canadians, including pensioners, are treated equitably. I trust the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) is listening because many pensioners will go off the tax rolls because of the tax reform we are bringing in.

As part of our tax reform we are going to convert personal exemptions and some deductions to tax credits. Exemptions favour those in higher income brackets. Indeed, the identical exemption confers considerably more benefit on the high-income earner as it is now, than on the lower income earner. On the other hand, a tax credit provides the same dollar benefit to taxpayers regardless of their income level. With a system of tax credits, lower income taxpayers will receive greater benefit than they do now, while those at the higher income levels would receive less.

A system of tax credits would make the system more progressive. In other words, for every $1,000 of tax exemption the individual at the 34 per cent rate is allowed a $340 tax exemption. The lower income earner at the bottom of the scale, 6 per cent, only makes $60 on that exemption. That is what we are changing through the tax credit system. With the change from exemptions to credits, many low-income people, including pensioners, will be dropped from the rolls. These people will no longer be required to pay income tax.

Let there be no doubt at all about the Government's revenue intentions for tax reform. We have said all along that in pursuing a fairer balance our intention is to ensure a sounder, more predictable revenue base, not greater total revenue. Tax reform will not be a tax grab. That is worth repeating. Tax reform under a Progressive Conservative Government will not be a tax grab.

To sum up, the Government's plan for comprehensive tax reform is to bring greater equity to the federal taxation system. We want Canadians to feel that their tax system treats all members of the Canadian community fairly. When you analyse all the features of the tax reform, all the improvements we want to make are designed to ultimately improve the fairness of the system. We realize that a fair tax system, fair in the fullest sense of the word, is one that helps the economy to operate to its full potential at maximum efficiency, so that it generates the growth and produces the jobs which will benefit all Canadians. A tax system that does that is a system of which all Canadians can be proud. This is our goal in tax reform and we intend to accomplish it.

The public debate on tax reform is just beginning to build momentum. The search for an equitable tax system acceptable to all Canadians, including the provinces, the business community and social groups, will be one of the most difficult tasks this Government will face. However, failure to do so will only perpetuate a problem which has simply become too expensive to ignore. We will act. We will reform the tax system. Canadian taxpayers expect it, want it, and they are going to get tax reform under a Progressive Conservative Government.

Mr. Deputy Speaker: Questions and comments.

Mr. Cassidy: Mr. Speaker, this has been an interesting and perhaps a bit disturbing kind of debate, given the submissions made by government Members. I say disturbing because through the entire day those Members talked about tax reform in general terms. They suggested we should have a debate on tax reform in general. They have avoided the specific question put before the House, which is that the House declare itself in opposition to the imposition of a federal tax on food and urges the Government to reject such a tax as part of its tax reform package.

The Hon. Member for Nanaimo—Alberni (Mr. Schellenberg) has joined the chorus of those who say how wonderful tax reform is while avoiding the question of whether or not it is appropriate to levy a tax on people's grocery bills. This is particularly important to those working Canadians who are somewhere not too far above what we see now as the poverty line in major cities and are still struggling to make end's meet. They may occasionally take their kids to McDonald's or do something special for them rather than just grimly hanging on. They will be really hit by a $400 or $500 a year tax on their grocery bill. That is what the business-transfer tax proposal would amount to. If the precedent established with respect to the sales tax were followed they would get no remission of that tax at all.

Perhaps I can ask the Hon. Member to answer the question directly. Does he favour a tax on food or is he prepared to join with us and express his reservations over imposing a tax on the most basic essential of life.

Mr. Schellenberg: Mr. Speaker, I presume the Hon. Member for Ottawa Centre enjoys dealing with hypothetical situations. I do not. He was not here at the beginning of my speech when I said I have yet to see—

Mr. Redway: He was not here except for the last few seconds.

Mr. Schellenberg: He was not here for the majority of my speech. In any event, neither the Minister of Finance, the Prime Minister, nor anyone else in the Government of Canada has said we are bringing in a tax on food. If he wants to tilt at hypothetical windmills or erect strawmen and knock them down he is more than entitled to do it as a Member of Parliament. However, this Government does not deal with hypothetical situations. If the Hon. Member would be kind enough to call me on the afternoon of June 18 I will inform him just what this Government will be doing with tax reform.

Mr. Cassidy: Mr. Speaker, that sums up the problem. The Minister of Finance (Mr. Wilson) and others have on many occasions averred to a major new tax area which I believe most Canadians would find objectionable. It is clear that such a tax would be extremely regressive even if a modest amount of tax credit were given to low-income Canadians.

A month ago I was briefed by the Department of Finance at length on the business-transfer tax which, as I understand it, is still the most likely option to be implemented. It was referred to by the Minister of Finance in his statement in this House on May 6. I will just refer to a departmental analysis in order to inform the Hon. Member and explain why I am expressing my Party's concerns now rather than waiting tamely and passively until the afternoon of June 18. Even then we will still be in the dark because the proposals are being put forward at eight p.m. in the evening.

This is from an analysis the Department of Finance made just a month ago. They said *ad hoc* changes would be complex and limited in scope. A shift to the wholesale level would be rejected by business. A shift to the retail level is not feasible in the presence of provincial retail sales taxes. The business-transfer tax is feasible "only if applied at a single rate and on all goods and services". That is what the Government is considering. The BTT is a comprehensive tax with few exemptions. It is not viable with exemptions at multiple rates. Exemptions lead to double taxation and complicate compliance and administration, and the impact on lower income families is best redressed through a tax credit.

• (1750)

We have a proposal for a tax on food with no exemption and a credit for low-income families. The Government has defined low-income families as those earning less than $15,000 a year. There is a gap of about $5,000 a year below the urban poverty line for a family of four in which people would be paying the tax on food. This is not hypothetical. This is a very real proposal which is currently being considered by the Ministry

and is being actively lobbied for by the tax experts and officials in the Department of Finance.

Is the Member prepared to stand with me and other Members of Parliament in telling the Government that that is not an acceptable form of tax and that it should rule that out and look for other options for reform of the sales tax? Is the Hon. Member prepared to say that or not?

Mr. Schellenberg: Here we go again, Mr. Speaker. The Hon. Member for Ottawa—Centre has gone to a briefing where items were thrown out which may or may not be acted upon. He is taking up a day's time on a situation which I continue to call a strawman, a hypothetical windmill at which he wants to tilt. I have discussed a number of the measures which may or may not come forward in tax reform. Knowing the Minister of Finance as I do, I am sure he will take the wisdom and the excellent advice of the Member for Nanaimo—Alberni to heart and we will all see that on June 18.

Mr. Redway: Mr. Speaker, the Hon. Member has quite rightly been trying to enlighten the House, notwithstanding the fact that many Members of the House have indicated that they will probably still be in the dark after the White Paper has been issued. I know the Hon. Member is concerned about the complexity and the arbitrary nature of the current federal sales tax provisions. I know that he is as concerned as I am about the fact, for example, that fluoridated toothpaste may qualify as a tax-exempt health product because it claims to be fighting cavities, or it may be taxable as a cosmetic. That is an example of the problems which the current federal sales tax imposes on our system.

In his statement the Minister of Finance indicated that there are a number of options for dealing with this particular issue. He indicated that one of the options which would be put forward is a business transfer tax. He also indicated that we could still have a federal sales tax. In addition, he talked about the possibility of a combined federal and provincial sales tax which appears to be a good option.

Would the Hon. Member comment on the three options, and particularly on what the chances are that we may have a combined provincial and federal sales tax, bearing in mind that the Province of Alberta currently has no provincial sales tax? I have been told by some people in the eastern part of British Columbia, the Hon. Member's home province, that at one time there was a movement afoot to secede to Alberta because there is no sales tax paid there while there is in the Hon. Member's province.

Mr. Schellenberg: I would like to thank my hon. colleague for his question. It seems that very often westerners are talking about seceding from one body or another. That often happens when they get disgruntled. That is the way we are.

The Hon. Member is correct when he talks about how the federal sales tax kills jobs. We are told that Canada's federal sales tax is the only commodity tax in the world which favours imports over domestic goods. I understand that on average Canadian manufacturers pay one-third more tax than competing importers. In fact, some pay as much as 60 or 70 per cent more under the federal sales tax system which now exists than do their important competitors. This happens because the tax is levied on a domestic manufacturers' final price which usually includes expenses for advertising, warehousing, warranty programs and other marketing operations.

My colleague spoke about the different options being considered, such as the business-transfer tax, the federal sales tax, and perhaps a joint federal-provincial sales tax. That shows the kind of consultation which has taken place and the work the Finance Minister, his Department, and my colleagues have done to study all the avenues open. They have consulted and received as much input as possible to ensure that when the announcement is made on June 18 at eight o'clock Ottawa time, 5 p.m. in B.C., it will be the best possible document that we can provide.

Mr. Redway: Mr. Speaker, in the statement of the Hon. Minister of Finance (Mr. Wilson) regarding the tax reform package, he indicated that it was very likely that there would be much more reliance on tax credits than there has been in the past. He indicated as well that the tax credit was a fairer process than deductions, that deductions might very well save high-income persons more taxes than the same deductions would save a low-income person. He indicated that the tax credit system would be more beneficial. Perhaps the Hon. Member can tell us whether he favours a system with tax credits as opposed to deductions.

Mr. Schellenberg: Mr. Speaker, I will be brief. The Hon. Member is correct when he talks about the unfairness of the exemption versus tax credit system. In reality the present tax exemption system is Robin Hood in reverse, it is taxing the poor and giving to the rich. An individual in the 34 per cent bracket who is claiming a tax deduction of $1,000 is getting $340. The individual in the 6 per cent bracket is only getting $60. The Government proposes to remove the tax exemptions and replace them with tax credits in many areas. I think that is a worthy goal.

THE ROYAL ASSENT

[*English*]

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

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker, with the House went up to the Senate chamber.

• (1800)

[*Translation*]

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-37, an Act respecting the imposition of a charge on the export of certain softwood lumber products—Chapter No. 15, 1987.

Bill C-57, an Act to amend the Export and Import Permits Act—Chapter No. 16, 1987.

• (1805)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—TAX REFORM—OPPOSITION TO FOOD TAX

The House resumed consideration of the motion of Mr. Cassidy:

That this House oppose any imposition of a federal tax on food and urge the Government to reject any such tax as part of its tax reform package.

Mr. Deputy Speaker: With the conclusion of the debate, proceedings on the motion before the House have expired, pursuant to Section 12 of Standing Order 82.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN SECURITY INTELLIGENCE SERVICE—REFUSAL OF INFORMATION CONCERNING FORMER AMBASSADOR TO EGYPT

Mr. Alex Kindy (Calgary East): Mr. Speaker, I asked a question of the Right Hon. Secretary of State for External Affairs (Mr. Clark) concerning one of the former employees of his Department, Herbert Norman, who was Ambassador to Egypt and who committed suicide in 1956. At that time he was suspected not only by the RCMP, but by the American services, of having worked for the KGB. He was a member of the Communist Party and apparently belonged to a cell here in Ottawa.

I asked some very specific questions of the Solicitor General of Canada (Mr. Kelleher) but the answer I received was: "I cannot confirm or deny your question". We have to look at this matter in an objective way. Over 30 years have passed since this gentleman died. Some persons who were close to him were the Right Hon. Lester B. Pearson and the Secretary to the then Cabinet, Mr. Robert Bryce.

At one point the Secretary to the then Cabinet was aware that Mr. Norman was investigated, but did not come forward to say he knew that Mr. Herbert Norman belonged to a Communist cell and that he wanted the Secretary to the then Cabinet to be part of a Communist cell in Cambridge in the 1930s.

Our Party was elected in 1984 to have an open Government, a Government which would open its books and show the people what lay behind a lot of problems. One of those problems is intelligence carried on by foreign countries in Canada.

I submitted a second question to the Secretary of State for External Affairs (Mr. Clark). His answer was that there are no skeletons left in that closet. I dare to challenge that statement. If there are no skeletons left in that closet, then why does the Government not open the books and come clean?

• (1810)

Today I addressed another question to the Government. I asked it of the Minister of State for Immigration (Mr. Weiner). It concerned a terrorist, Francesco Piperno, who was sentenced on May 15, 1987, to 10 years in jail. This fellow has been in Canada for six years. Italy wanted to extradite him for the murder of a former Italian Prime Minister, Mr. Aldo Moro, and he was not extradited. This fellow was teaching up until two weeks ago at the University of Alberta. He is known as a Red Brigade terrorist. At the same time we have difficulty getting legal immigrants into Canada.

The answer the Minister of State for Immigration gave me was that this case is before the Immigration Appeal Board. It is a known fact that Section 39 of the Immigration Act of 1976 is very specific where the safety of Canada is concerned. The Minister, in conjunction with the Solicitor General of Canada (Mr. Kelleher), can deport a person.

I would not say that we have a cover-up in the case of Mr. Piperno. But why are we trying to hide situations which involve infiltration by the communist bloc? We did not hesitate to deport a representative of Taiwan under the provisions of Section 39 of the Immigration Act who was attending an anti-communist conference in Toronto which dealt with the Red regime in Red China. I say that we have to open the case of Mr. Herbert Norman. We have to come clean. We have to answer the questions that have been asked. In the case of Mr. Piperno, we must deport him as soon as possible.

Mr. Gordon Towers (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, in answer to the Hon. Member for Calgary East (Mr. Kindy), I would remind the House that the case referred to involves a man who has been dead, as the Hon. Member stated, for more than 30 years, and deals with allegations about activities going back for more than 50 years. I would also point out that over the last 40 years security matters, including questions related to Soviet penetration of the Government of Canada, have been very comprehensively investigated by three royal commissions which had unrestricted access to all relevant documents. The findings of these royal commissions have been made available

to Parliament and to the people of Canada. Successive governments have stood to account for implementing the recommendations of these commissions.

Furthermore, all of the information that may be released pursuant to the Access to Information Act has been made available to those requesting it, including the various authors and scholars conducting investigations in this area.

• (1815)

I am informed that the amount of material released pursuant to the Act is in the order of 355 pages by External Affairs and 550 pages by CSIS. I would like to take this opportunity to emphasize that the Government fully supports the policy underlying the Act and expects all government institutions to apply its provisions, which may best be summarized by the principle that government information should be available to the public but that necessary exceptions to the right of access should be limited and specific. Another aspect of the Hon. Member's question was the statement that:

> The Information Commissioner is taking CSIS to court because the Government does not want to reveal information in the spirit of freedom of information.

That requires comment. I believe he may have misunderstood or been misinformed concerning the litigation. Without wishing to comment in any way on the particulars of a case before the courts, which would be quite improper, I think it fair to say that the aspect of the Access to Information Act which the Information Commissioner is asking the court to clarify relates to whether the Act requires that the institution releasing documents identify the exemptions made under the Act on the face of the documents.

NUCLEAR ENERGY—LEPREAU II REACTOR PROJECT IN NEW BRUNSWICK. (B) GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would like to pursue a question that I asked of the Minister of Energy, Mines and Resources (Mr. Masse) on April 14 concerning the Government's policy toward the proposed construction of a second nuclear reactor at Point Lepreau in New Brunswick, often known as the Lepreau II proposal.

At that time I asked the Minister to assure the House that the Government would not consider participating in this project, or give its consent or any financial aid to it, until such time as either it had lived up to the Conservative Party's promise in 1979 and in 1984 to hold a full inquiry into the nuclear fuel cycle in Canada or, as I elaborated to the Minister in a letter on April 15, until such time as the whole question of nuclear power was considered within the context of the process which the Minister launched entitled "Energy Options: A Canadian Dialogue".

I find it strange that at the same time as the Minister is launching this particular process, in which he is encouraging Canadians to think about what the various energy options are, he is refusing to give this House the assurance that the Government will not make a major decision with respect to one particular option, the nuclear energy option, in the meantime.

That is my first quarrel with the Minister's answer. My second is that the Minister says:

> Unlike the New Democratic Party, Mr. Speaker, this Government is not bent on overly centralizing Canada, and we acknowledge the existence of the provinces and their responsibility in the field of energy. It is up to the Government of New Brunswick to decide whether or not its territory and its citizens are seeking an increase in the electricity sector. It is up to them to decide how these needs are going to be met—The New Brunswick Government has not yet made this choice.

This is typical of the attitude the Government displays toward major economic, and in this case energy, decisions. We see the Government taking a hands-off approach to the purchase of Dome by Amoco and saying "It is not really our business. It is up to the shareholders of Dome and others in the private sector. It is not really anything the Government should have anything to do with. We are not responsible. We are only the federal Government. We are only responsible for the nation's future. If a sizeable portion of our energy sector happens to be bought up by an American multinational, it is none of our business."

That is the same attitude we see manifesting itself here with respect to nuclear energy. If a second reactor is built at Point Lepreau, it will probably be done with about two-thirds of the funding coming from the federal Government.

• (1820)

The federal Government will be making the decision on whether or not to proceed with building the first nuclear reactor to be commissioned, I believe in North America, since the Three Mile Island accident in 1979. Yet, the Minister of Energy, Mines and Resources wants us to believe that it is something which is up to New Brunswick, that it is kind of a local energy decision in which he does not have any involvement because he is not a centralist.

The fact of the matter is that when it comes to issues like nuclear reactors, there is no such thing as a local decision, either in respect of geography and the environment or in respect of the realities of federal policy and the fact that it will have to be a federal decision which makes the reactor possible through federal funding.

We could ask the people of northern Sweden, the Samiid, whether or not the decision to build the reactor in Chernobyl in Ukraine was a local decision or a global decision. Its consequences were much more than local, particularly for the Samiid people in northern Sweden who saw their livelihood wiped out by the after-effects of a nuclear accident at a reactor many thousands of miles away from them.

I reject completely the notion suggested by the Minister of Energy that this is some kind of provincial or local decision which he, in his unwillingness to interfere, is simply allowing to happen munificently.

I reject that politically, environmentally, and in terms of established policy, unless it was established lies, Mr. Speaker,

of the Progressive Conservative Party to have an inquiry into the nuclear fuel cycle in Canada, promised in 1979 and 1984, or even in the context of commitments made by the Government in respect of discussing energy options.

I repeat my urgings to the Government that it not go ahead with the project. There is absolutely no need for it. It does not have to do with supplying the legitimate electricity needs of the people of New Brunswick. They have a surplus in that province now. It has more to do with AECL's need to build a prototype reactor for export purposes, or with New Brunswick's felt need to export more electricity to the United States, or with Premier Hatfield's felt need to have a major project to announce some time before the next provincial election.

Whatever the case may be, it has nothing to do with the legitimate electricity needs of the people of New Brunswick. The spectre of a shortage of power now being supplied to New Brunswick by Quebec is, in my judgment, a false fear on the part of people whose real agenda is to create the political context in which Lepreau II can go ahead when it should not.

Mr. Roger Clinch (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, Canada's energy policy is a matter of continuing interest to all Canadians. In recognition of this, the Minister of Energy, Mines and Resources (Mr. Masse) recently announced a conference process entitled "Energy Options-A Canadian Dialogue". This process is designed to review and assess Canada's energy prospects and options over the longer term. Considerable public input into the process is expected. However, it is not the intention of the Government to defer decisions on major energy projects while this dialogue continues.

With regard to the construction of the Lepreau II unit, I must stress that decisions on new generating capacity are made by the provinces. The federal Government is sure that the provincial Government of New Brunswick would not proceed with a project that it did not think was in the province's best interest.

The economics of a second reactor at Point Lepreau are a major consideration in any decision to proceed with this reactor. The federal Government would support Lepreau II only as a commercial project which will bring significant net benefits to New Brunswick and Canada.

The rate of growth of electricity demand in New Brunswick indicates that additional electrical generating capacity will be required in the 1990s. The principal sources of energy available to supply this future demand will be either nuclear or coal.

I note that the Hon. Member is also a proponent of a public inquiry into the nuclear industry. In an address to the House on May 15, 1986, the former Minister of Energy, Mines and Resources stated that an inquiry into the nuclear industry should wait until the Atomic Energy Control Board has reported to the Government on the implications of the Chernobyl accident. That report has now been issued.

• (1825)

The AECB has concluded that the Chernobyl accident has not revealed any significant new information that would affect the current safety requirements for Candu reactors. It was determined that all important aspects of the accident and its causes have been considered by the AECB and the licensing process for the currently operating reactors.

In light of this report, the Government sees no urgency for an inquiry into the nuclear industry at this time. Two previous intensive inquiries in Ontario by the Porter Commission and the Parliamentary Select Committee on Hydro Affairs both concluded that Candu reactors are adequately safe. The AECB report finds nothing in the Chernobyl accident to cause a reassessment of the opinions of these two inquiries.

ENVIRONMENTAL AFFAIRS—ACID RAIN—POSITION OF HEAD OF UNITED STATES ENVIRONMENT PROTECTION AGENCY—POLICY ANNOUNCED BY PRESIDENT REAGAN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, on April 6, President Reagan said in this Chamber that he had agreed to consider the Prime Minister's proposal for a bilateral accord on acid rain. Two weeks later, Lee Thomas, the head of the American Environmental Protection Agency, told a U.S. Senate committee that he saw no need for the U.S. Congress to pass legislation to reduce acid rain.

Knowing the resistance within the United States administration to acid rain control, we in Canada anticipated that the Canadian demands regarding cuts, targets and timetable would be very firm. We can bargain from a position of strength considering what we have done and are doing. So it was with some concern that many of us read in the newspapers of May 23 that Canada may be flexible about an acid rain pact with the U.S. and will not demand that a Canadian timetable for cutting acid gas emissions be followed by the Americans. I am referring to an article by Canadian Press which appeared in *The Globe and Mail*.

As you know, Mr. Speaker, the Government's record in bargaining and negotiating is not one to write home about. First the Prime Minister (Mr. Mulroney) allowed himself to be talked into wasting one year with the acid rain envoys' process at the first 1985 summit. Then the Prime Minister accepted a proposal for five years of research and demonstration at the 1986 summit meeting. Then the Prime Minister applauded when President Reagan, after stonewalling for one year, promised five more years of research just weeks before the 1987 summit meeting here in Ottawa.

Instead of starting with a tough, firm stand on acid gas pollution, we now see the Government vacillating and apparently willing to make concessions even before the real bargaining starts. Several questions need to be asked. What was accomplished at last week's meeting in Washington at which the Canadians and Americans met? Second, if the Government is really flexible on timetables, what else is it willing to be flexible about? Will it be flexible on targets or on the size of the cuts?

Would we not be dealing from a position of greater strength than we are now if New Brunswick and Nova Scotia were finally to sign their parts of the agreement on the acid rain emission control program with a target of 50 per cent reduction by 1994? This kind of foot-dragging by New Brunswick and Nova Scotia is not very helpful and is particularly noticeable and quite in contrast with Ontario now that the Government of Ontario has put a lid on Ontario Hydro and its banking proposition.

• (1830)

In conclusion, I have to ask the Parliamentary Secretary, and I am glad to see him ready to get up on his feet, what did the meeting between officials in Washington last week achieve on the acid rain question? Was it substance? Was it just appearances? Was it just another exercise in cosmetics?

Mr. Roger Clinch (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, few things have tested the long and impressive record of environmental co-operation between Canada and the United States as much as the issue of acid rain. Successive Governments have grappled with the dilemma of how to move a stubborn U.S. bureaucracy, entrenched industrial and regional interests, and wary U.S. politicians to take action on a problem that affects both our countries. In fact, from June, 1982, until March, 1985, there was an impasse on how to deal with the problem. This stalemate was broken only when the Prime Minister (Mr. Mulroney) and the President, despite the opposition of many within the U.S. administration, agreed at the Quebec Summit to appoint high level special envoys to examine the issue.

At their meeting in Washington in March, 1986, the Prime Minister and the President fully endorsed the special envoys' recommendations. Throughout the subsequent year, administration officials tried to portray ongoing programs as meeting the purpose of the envoys' recommendations. The Government's concern about the shortcomings of this approach lead to the visit of Vice-President Bush to Ottawa this past January and, subsequently, to President Reagan's announcement that he would be seeking funds to fulfil his commitment. Those funds have now been officially requested.

Many in the U.S. administration counselled that this was enough; that Canada should be satisfied. They ignored the clearly stated position of this Government that what Canada needs is a reduction in the amount of sulphur dioxide that crosses the border into eastern Canada.

Once again, in spite of this kind of advice, and at the urging of the Prime Minister, President Reagan announced during his visit to Ottawa in April that he had agreed to consider the Prime Minister's proposal for a bilateral accord on acid rain. There are many in the U.S. administration who would have done nothing about the problem during the past two years. The President has clearly decided, on a number of occasions, that more needed to be done.

Opposition to progress on the problem exists and will continue to exist. For our part, we will continue to seek a reduction in the transboundary flow of air pollution from the United States. We will continue to pursue an acid rain accord. Officials from both countries are engaged in preliminary discussions already. We still have much to do but we think we will continue to make progress. Certainly we on this side will not be deterred or diverted from our purpose by the recalcitrance of American officials. Members opposite should show the same steadfastness.

Mr. Deputy Speaker: It being 6.35 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.33 p.m.

HOUSE OF COMMONS

Friday, May 29, 1987

The House met at 11 a.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

EMPLOYMENT

SHORTAGE OF QUALIFIED DAIRY HERDSMEN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, at a time when my region is suffering very serious unemployment one sector of the local economy is suffering because it is unable to find qualified workers. Indeed, the agricultural sector, particularly the dairy industry in eastern Ontario, is in a serious bind and unable to find dairy herd workers.

The Farm Labour Pool office in Vankleek Hill, Ontario, in my riding presently has 28 unfilled vacancies on dairy farms. The salary range for these jobs is between $250 and $350 per week. In some cases accommodation is included. This shortage of qualified people is critical.

I call upon the Minister of Employment and Immigration (Mr. Bouchard) to place the position of dairy herdsman on a priorized shortage list under the Skills Shortage Program and allocate the necessary funding to train dairy herdsmen. Meanwhile, Canadians looking for a good, hard-working, healthy outdoor job should phone the Farm Labour Pool in Vankleek Hill, Ontario, at area code (613) 678-2134, or contact my own constituency office. We desperately need the help.

* * *

• (1105)

THE MONARCHY

OMISSION OF QUEEN'S PORTRAIT FROM POSTAGE STAMPS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, is Canada Post going republican? When the new 36-cent stamps were issued in April many were disappointed to discover that there was none bearing the Queen's portrait. This stamp was promised twice for dates in May but still has not appeared. Many Toronto customers have been told by post office workers there that it might never be issued.

If this were an isolated incident it might be accepted as only an inconvenience. However, it impresses many from experience that it is part of a pattern. It is a serious grievance to all Canadians who esteem the Queen as Canada's head of state.

We have just begun today's sitting, as we do every day, with a prayer for Her Majesty. The Government has made clear that respect for the monarchy is a priority. A Gallup poll has shown that a majority of Canadians believe the monarchy is of value to this country. When will Canada Post catch up with Canada?

* * *

VIA RAIL

CONSTRUCTION OF MAINTENANCE SHOPS IN WINNIPEG

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, a controversy broke out a week or so ago about the announcement which the Minister of Transport made in the House that VIA Rail would now be free to go ahead with constructing the maintenance shops in Winnipeg, Vancouver, and Halifax which were postponed when the Conservatives came to office. The controversy was with regard to whether the plans for Winnipeg would be downgraded and the major western maintenance facility would be at Vancouver.

If VIA is considering downgrading the maintenance facility in Winnipeg, I want to tell the House, VIA, the Minister of Transport (Mr. Crosbie), and anyone else concerned with this issue, from an operational point of view, that I advise it not to make the same mistakes as railways have made on occasion in the past, that is, try to run trains from Toronto in the east and Vancouver in the west to Winnipeg, turn them around there, and run them back without having the major maintenance facility in Winnipeg.

It is a fact of Canadian life, due to the climate, that equipment most often breaks down in Winnipeg, particularly in the winter. It would be sheer madness for VIA to differ from the plan of having Winnipeg as a major maintenance facility, both on the motive power side and on the coach side.

S. O. 21

NARCOTICS

NATIONAL DRUG STRATEGY—SUPPORT FOR GOVERNMENT PROGRAM

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, last fall the Prime Minister (Mr. Mulroney) announced plans to deal with Canada's drug epidemic. This is a problem which affects in some way virtually every family in Canada, a problem which not only costs the nation millions in lost productivity, but also threatens the minds and lives of many Canadians. In combatting drug abuse the state clearly has a place in the classrooms, workrooms and boardrooms of the nation.

This week the Minister of National Health and Welfare (Mr. Epp) put forward a $210 million five-year plan which will involve public education, drug and alcohol treatment and rehabilitation, law enforcement and control, and research efforts.

I congratulate the Prime Minister and the Minister of National Health and Welfare, first for recognizing that there is a drug crisis in Canada, second, for undertaking to educate all Canadians about the dangers of drug abuse and, third, for responding in a number of concrete ways; internationally through our consulates abroad, and domestically in co-operation with the provinces and community groups.

* * *

THE CONSTITUTION

MEECH LAKE ACCORD

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the aboriginal leaders of Canada and the people whom they represent feel betrayed by the Meech Lake Accord. They, too, have sought to have their distinct place in Canada recognized in our Constitution. Repeatedly, however, they have been rebuffed by fearful, hesitant Premiers who seek more power for themselves but are unwilling to share even a modest amount with others.

The second round of constitutional talks referred to in the Accord mentions fisheries, but aboriginal rights are left out. This is an omission of enormous proportions. The fishery and aboriginal rights are intimately related. I, therefore, urge the inclusion of aboriginal peoples and their rights on the second round agenda.

In the Yukon and Northwest Territories court action is under way against the Meech Lake Accord. To give every Premier a veto over the creation of new provinces is highly offensive to the Governments of the North and the northerners whom they represent.

• (1110)

Therefore I urge the deletion of this veto power over the creation of new provinces.

[*Translation*]

EXTERNAL AFFAIRS

NATIONAL UNITY—IMPACT OF VISIT BY PRESIDENT OF FRANCE—GOVERNMENT'S PERFORMANCE

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, earlier this week, I commented on President Mitterand's visit to Canada, and today, a few hours before he leaves this country, I would like to draw the attention of the House to the positive impact of this brief visit.

I want to point out the general approval surrounding the cordial welcome the President received. The unanimity of Canadians in this respect reflects the unity of this country.

As a Canadian, I am particularly happy to feel this unity, since all Canadians want to live in a united Canada. This country has not always been as united, but since we came to power in 1984, our Prime Minister has managed to create this climate of national unity, a fact of which Canadians are very proud.

In concluding, I would like to repeat what I said Tuesday, namely, that the positive impact of President Mitterand's visit will continue to make itself felt and that the prospects for a united Canada under Prime Minister Mulroney are very good indeed.

* * *

[*English*]

STATUS OF WOMEN

INCREASED ENTRY TO PROFESSIONS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, Statistics Canada has just published some very encouraging material showing the important entry of women into the professions. There has been a great change in representation, especially in the professions of law and pharmacy. We welcome that change.

In the case of engineering the increase is in the order of 300 per cent. However, since the figure has only risen from 1 per cent to 3 per cent it is not very encouraging. We need to see more storming of these all-male bastions, these boys clubs in the engineering schools.

Canada can only be a great country if its people are well trained. We need the talents of all our people. Thus we welcome this important development of women moving into the professions.

We have to support concrete measures to see that this movement continues. I hope that it will be matched by the movement of native peoples, handicapped persons, and people of visible minorities so that we will have really fair representation and that, as a country, we will be able to employ the talents of all our people.

AGRICULTURE

BRITISH COLUMBIA DAIRY INDUSTRY—IMPORTATION OF DUTY-FREE PRODUCTS FROM UNITED STATES

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, the dairy industry of British Columbia is deeply worried about the volume of milk and dairy products that is being brought into British Columbia from the U.S. without duty charged.

Customs officials at the five Lower Mainland crossings have calculated that on a daily average there are 12,200 cars crossing at these borders and that 65 per cent to 80 per cent of individuals returning home to B.C. through four of these crossings have purchased dairy products. At the Point Roberts crossing the estimate is that 100 per cent bring home these goods. This crossing, which is U.S. territory, is accessible only through Canada and has been called the "milk and gas run".

If we consider that each car has an average of 2.5 people in it and that each person represents $10 Canadian of dairy products, this could add up to a staggering $72 million per year lost to the B.C. dairy industry. Small grocery stores have opened along the Washington border to sell milk, eggs and bread to Canadian customers who just "pop across the border".

The 17 per cent duty that the law requires is not needed on "small value" grocery items. I believe that Customs must enforce this levy in order to ensure that Canadian dairy producers will receive the full protection of our excise law.

* * *

[*Translation*]

PUBLIC WORKS

OLD PORT OF MONTREAL

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the people of Montreal have been waiting a long time for the Old Port of Montreal, to be developed. Once it has been developed, the Old Port will have much to contribute to the city, in terms of beauty, recreation and tourism. However, as in the case of the space agency, the Conservative Government has been dragging its feet. Montreal has been waiting nearly three years for financial assistance to develop the Old Port. The city of Toronto made a similar request, and it did receive funding. Will the Old Port of Montreal have the same fate as the space agency?

Yesterday, a telegram was sent to the Minister of Public Works (Mr. McInnes), and to the President of the Treasury Board (Mr. de Cotret), signed by Mrs. Manon Vennat and Mr. Marcel Daoust of the Montreal Chamber of Commerce. In it the federal Government is asked to provide funding for the development of the Port of Montreal.

I therefore want to add my voice to that of my colleagues and I ask the Government to act quickly.

• (1115)

[*English*]

PHARMACEUTICAL PRODUCTS

SUCCESS OF ALBERTA'S TRIPLICATE PRESCRIPTION PROGRAM

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, in Alberta the College of Physicians and Surgeons introduced the triplicate prescription program one year ago. Chemical addiction is a principal disease of our time and prescription drug abuse plays a major role.

For the 10 most commonly abused drugs, narcotics and others, the physician uses a special prescription pad with an original and two copies, keeping the original for himself. The patient then takes two copies to the pharmacist who sends one to the college.

Using computers, the college can identify a physician who is providing unusual amounts of these drugs and patients who may be going from doctor to doctor for prescriptions. If several doctors are involved, they are notified and then are in a position to treat their patients more effectively if addiction is indicated. It is a true success story.

In commending the Alberta College of Physicians and Surgeons along with the Alberta Government, and the Alberta Pharmaceutical Association which support this initiative, I urge the federal Government to make this a national program.

* * *

THE CONSTITUTION

MEECH LAKE ACCORD

Mr. Jim Fulton (Skeena): Mr. Speaker, the Governments of Yukon and the Northwest Territories have launched a suit in the Supreme Court regarding the Meech Lake Accord. Canadians north of 60 have aspirations to provincehood just as did our forefathers in each of the 10 provinces.

Prior to the 1982 Constitution Act, provinces were created bilaterally between the federal Government and the region wishing status. In these intervening five years, the requirement has been the general amending formula of seven provinces with 50 per cent of the population, along with Parliament.

The Meech Lake Accord touches on the creation of new provinces and provincial boundaries in a most fundamental sense by requiring the unanimity of provinces. I have reviewed the public record and find no evidence of provinces, federal Parties, or public groups arguing for the application of unanimity for the creation of new provinces. This raises a fundamental constitutional and political question that must be addressed by the Prime Minister (Mr. Mulroney).

Since there has been no debate upon applying such a measure, Canadians must ask why and on what grounds are the aspirations of northerners to be made so much more

difficult to achieve. Yukon will become a province as will Denendeh and Nunavut. Eleven men have no right at law or in history to make Clause 42 comparable to an ascent of Everest for our northern brothers and sisters.

* * *

POLITICAL PARTIES

LIBERAL PARTY—POSITION ON CONSTITUTION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, pity the poor Liberals for they know not what they do. Split and divided on just about every issue from free trade to Cruise missiles, they have now been shafted on the Constitution by their erstwhile Leader, Pierre Elliott Trudeau.

They cannot even decide who is in charge over there. Is the Right Hon. Member for Vancouver Quadra (Mr. Turner) calling the shots, not that anyone really listens to him, or are they still taking orders from the magus from Mount Royal? It is sad, Sir, but not too sad, to see the demise of a once proud national Party as it sinks into the oblivion that it so richly deserves.

* * *

ENVIRONMENTAL AFFAIRS

INCREASE IN ONTARIO GOVERNMENT'S ENVIRONMENT BUDGET

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, congratulations are due to the Government of Ontario for its recent Budget as it affects the environment. What a contrast between the Government of Ontario and the Government of Canada.

On the one hand, the Government of Ontario is increasing its environment budget by 16 per cent to $410 million to deal with water pollution, waste management, sewer systems and acid rain. On the other hand, the Tory Government here in Ottawa has this year reduced by 103 persons the number of scientists, technicians and support staff in the Department of the Environment at a time when Canadians want more government action on the environment. On top of that, between September, 1984, and now, the federal Department of the Environment has lost $64.5 million because of inflation. What a sham!

* * *

POLITICAL PARTIES

NEW DEMOCRATIC PARTY—NATURAL GAS POLICY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to correct for the record some statements that were made by my friend, the Right Hon. Secretary of State for External Affairs (Mr. Clark). The Minister quoted from an NDP resolution book on natural gas exports. He should know that that book was published for the convenience of delegates and does not in fact reflect the present policy with respect to natural gas of the New Democratic Party of Canada.

• (1120)

Mr. Clark (Yellowhead): It's still current today.

Mr. Waddell: He should know that that resolution was passed at the time of an energy crisis in 1979—

Some Hon. Members: Oh, oh!

Mr. Waddell: —so we could make sure that when Canadians did not have oil, they would have Canadian gas.

The Minister should look at my statements in the House of Commons and my submission to the National Energy Board this month where NDP policy is that there should be reasonable gas exports, not at fire sale prices, and there should be guaranteed reserves for Canadians in the future. That is a rational and reasonable policy and should not be distorted.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

NECESSITY FOR GOVERNMENT TO KNOW ELDERLY WORKERS' NEEDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Official Opposition is once again asking this Government to start second reading of Bill C-50 as soon as possible, so that elderly workers can get their refunds by the first week of July. We also want to ask this Conservative Government whether in a democracy, older workers can be heard and allowed to express their philosophy and their needs to the Government. Mr. Speaker, the Conservative Government twice made a horrendous mistake in dealing with senior citizens in Canada. And both times it was forced to reverse its decision. This Government should act on the Official Opposition's request and hear witnesses first, before it makes another monumental mistake, in its dealings with senior citizens.

ORAL QUESTION PERIOD

[*English*]

ENERGY

NATURAL GAS—EFFECT OF U.S. FEDERAL ENERGY REGULATORY COMMISSION DECISION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. In early May the Prime Minister in his recent visit to

western Canada had western Canadians generally believing he was interested in trying to find a solution to the very damaging decision of the Federal Energy Regulatory Commission in the United States. But now we find that the Prime Minister and the Government are just posturing.

Has the Prime Minister called President Reagan since Question Period yesterday or are the Prime Minister and the Government quite content to wait until the Venice Summit to raise this very important issue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister will be meeting President Reagan within eight or nine days in Venice to discuss the FERC question. I will be meeting with Secretary of State Shultz and in addition I would imagine my colleague, the Minister for Finance, will be meeting with the Secretary of the Treasury of the United States. Those will be the personal meetings. We have already made known our very great regret at the decision taken by the quasi-judicial tribunal with respect to the FERC decision, and we have indicated to those Canadian companies which are affected and which are proceeding, as they have the right to do, through the courts, that they do that with our encouragement and support.

REQUEST THAT PRIME MINISTER TELEPHONE UNITED STATES PRESIDENT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, with all due respect to the Secretary of State for External Affairs, we are not talking about someone losing their paper route. We are talking a loss of possibly $400 million to the Canadian economy. We are talking about a situation where the Federal Energy Regulatory Commission in the United States acted outside its jurisdiction because it is responsible only for distribution. The import and export of natural gas are the sole jurisdiction of the Department of Energy in the United States. Why has the Prime Minister not telephoned President Reagan by now—why won't he do it immediately—to express the outrage of Canadians?

Ms. Copps: Absolutely.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member speaks of the loss to Canadians. I know the loss to Canadians—most of those who are affected are in my province—just as I know the loss to Canadians in that province of the disastrous National Energy Program which that Hon. Member, and the Government of which he was part, brought in and imposed upon the people of Alberta in an utter act of carelessness for the interests of western Canada.

Ms. Copps: Next?

Mr. Clark (Yellowhead): The Hon. Member for Hamilton East, speaking again from her seat, asks what next the Liberal Party will do to destroy western Canada. Well, it won't get the chance, Mr. Speaker.

EFFECT ON CANADA

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Prime Minister himself has said that this decision of the Federal Energy Regulatory Commission is an extension of U.S. regulations into Canada.

• (1125)

The Government is allowing the United States pretty well to run the country. Why are the Secretary of State for External Affairs and the Prime Minister—the whole Government—allowing the United States to make laws in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the people of western Canada, the people of Alberta, take this issue very seriously. We do not regard it as simply another instance for people who are instinctually, viscerally anti-American to express those anti-American instincts again.

There is a real problem here. It is a problem deeper than simple visceral anti-Americanism. It is a threat to the economic interests of Alberta and of western Canada. We have raised it. We have failed in the first instance. We intend to continue to raise it, using every option available to us, including the options through the courts and including the options of direct and personal representations by the Prime Minister, by myself, and by the Minister of Finance.

Those kinds of representations have worked before in cases where the Liberals failed as, for example, with regard to the recognition of Canada's rights in the Arctic. We intend to continue to follow that kind of path to protect and advance Canadian interests.

PRIME MINISTER'S STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, in the Prime Minister's statement of May 6, issued in Red Deer, Alberta, in speaking of the natural gas ruling he said:

> If confirmed and applied, this ruling will extend U.S. regulation into Canada and jeopardize from $140 to $400 million in Canadian export revenue.

If the matter is as serious as the Prime Minister admits, I want to ask the Secretary of State for External Affairs why the Prime Minister is willing to wait even eight days or nine days to raise this matter personally with President Reagan.

If the Prime Minister and the Government are serious about this infringement of Canadian sovereignty and this damage to western Canada, and therefore to all Canada, surely the Prime Minister will get on the phone this afternoon to President Reagan. Why is he afraid to do that?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no question, as the Hon. House Leader of the Official Opposition should know, about the seriousness of this matter not only for producers in western Canada but also the serious implications of the extraterritorial application of U.S. law in a way which affects Canada.

We take it with the utmost seriousness. That is why, rather than limiting ourselves to a phone call, the Prime Minister has made representations. I have had conversations as recently as two weeks ago. Those conversations did not have the result we sought.

The administration co-operated with us. The Secretary of State of the United States sought a delay before a quasi-judicial tribunal. He could not order it; he sought it. The quasi-judicial tribunal in the United States decided not to adhere to the request which was made, in effect on our behalf, by the United States State Department.

We will carry it forward now to personal meetings with all those officers. We have indicated that we are prepared to support the Canadian companies which are proceeding through the courts. We have indicated to the United States, immediately after the decision came down, our deep unhappiness about that decision.

Those are real actions which may bring about a change. They are not empty gestures, shaking one's fist at the wind.

Mr. Gray (Windsor West): It is obvious that what the Prime Minister did so far has been nothing but an empty gesture. This is why we are calling upon the Government to do something of substance.

REQUEST FOR CANADA-UNITED STATES DISCUSSIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the Secretary of State for External Affairs why the Prime Minister persists in waiting until the meeting in Venice where the whole agenda is on matters quite apart from this one and when President Reagan's attention will be on that broader agenda.

Why will he not take the opportunity now to speak personally to President Reagan to try to get some meaningful action? Furthermore, if the executive branch of the United States has some authority in this regard, why won't the Government send the Minister of Energy, Mines and Resources to meet personally with the U.S. Secretary for Energy? It is clear that this is not simply something for a regulatory tribunal. The Secretary of Energy has some direct authority.

Why won't the Government work directly with the Secretary of Energy to have him use that authority, as well as have the Prime Minister speak personally now with President Reagan? Why the delay? Why the willingness to let slide Canadian sovereignty and Canadian jobs?

• (1130)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the irony here is that this Government is receiving advice on dealings with the United States from a Government that failed to make any progress on acid rain whereas we have made progress, that failed to make any progress with regard to Arctic sovereignty whereas we have made progress, that failed to make progress on a range of other economic fronts where we have made progress.

The facts are very clear. There has been a decision taken by a quasi-judicial body in the United States, a decision very harmful to Canada, perhaps in a multitude of ways. We have made known immediately after that decision was rendered our great unhappiness with that decision. In addition to that, the Prime Minister has sought, and there will be a special meeting on the margins of the Venice meeting—

Mr. Gray (Windsor West): On the margins?

Mr. Clark (Yellowhead): Yes, on the margins. In other words, in Venice in the same place where the President is—

Mr. Gray (Windsor West): I presume in a gondola.

Mr. Clark (Yellowhead): —in a direct face to face meeting between the Prime Minister and the President in which this issue will be raised again. Those are the ways that if progress is to be made, it is achieved. It is not achieved by the kind of sporadic inconsistent interest in Canadian sovereignty—

An Hon. Member: Hear the baby crying up there?

Mr. Clark (Yellowhead): I guess the Member for Vancouver Quadra is in the House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Oshawa.

Mr. Broadbent: I won't say it, Mr. Speaker.

Some Hon. Members: Oh, oh!

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ENERGY

PURCHASE OF DOME PETROLEUM—POSSIBLE INVOLVEMENT OF PETRO-CANADA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance. The public was informed yesterday during a Senate hearing on the Dome take-over that at one time before the immediate crisis, Petro-Canada was involved in discussions about participating in a resolution of the Dome problem. I was given additional information this morning.

Would the Minister of Finance confirm that, prior to the immediate crisis, the Government had before it a proposal that would have resulted in a total Canadian solution to the Dome problem, that would have included Petro-Canada and with which the major Canadian banks involved would have been happy, and that this proposal, in fact, has been turned down by the Government?

Hon. Michael Wilson (Minister of Finance): No, Mr. Speaker, I cannot confirm that. I can confirm that in a Senate committee hearing today the president of Amoco Canada did say that the company proposed to issue shares in Amoco Canada to the Canadian public to an amount that will not be less than the degree of Canadian ownership that is there in the case of Dome today. I think we are making some very real progress in achieving some of the objectives that both the Hon. Member and myself would support.

Mr. Broadbent: Mr. Speaker, the Government of Canada may be bought off by a certain whitewashing operation, but I can tell you that people on this side of the House won't be taken in by that little manoeuvre.

POSITION OF PRIME MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to be more specific and go to the Deputy Prime Minister. Will he confirm that the former Minister of Energy took a proposal directly to the Prime Minister that included participation by Petro-Canada and Dome, that would have kept the banks involved happy, that would have left it totally Canadian owned, and that it was the Prime Minister directly himself, after considering the details of this proposal, who said no to it?

Hon. Michael Wilson (Minister of Finance): The answer is still the same, Mr. Speaker. There was no proposal put forward that meets the criteria which the Hon. Member has set out. There were a number of things that were being discussed but there was no proposal.

ALLEGED PROPOSAL PLACED BEFORE PRIME MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am sure the Minister of Finance is choosing his words with care. Is he saying to the House that the Prime Minister did not have put before him a proposal endorsed by the former Minister of Energy that included—

Mr. Wilson (Etobicoke Centre): The former Minister?

Mr. Broadbent: Pat Carney, former Minister of Energy—that included Petro-Canada, that would have been supported by the banks and the net result would have been total Canadian ownership of what is now Dome? Is the Minister saying that the Prime Minister did not consider such a proposal and that he did not turn it down?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, for the third time, there was no proposal.

Mr. Broadbent: Okay.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF FOREIGN AFFAIRS OF NORWAY

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of Mr. Thorvald Stoltenberg, the Norwegian Minister of Foreign Affairs.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF NORTHWEST TERRITORIES AND BRITISH COLUMBIA LEGISLATIVE ASSEMBLIES' SPEAKERS

Mr. Speaker: I wish also to bring to the attention of Members the presence in the gallery of the Hon. Donald Stewart, MLA, Speaker of the Legislative Assembly of the Northwest Territories, and the Hon. John Reynolds, MLA, Speaker of the Legislative Assembly of British Columbia.

Some Hon. Members: Hear, hear!

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[*Translation*]

SOCIAL SECURITY

TAX REFORM—THE ELDERLY—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance. The House will recall that on two occasions, this Government blatantly misled senior citizens. We remember the de-indexation of Old Age Security pensions and the cuts in unemployment insurance benefits for older workers.

Today, we heard that the Minister intends to cut tax exemptions for senior citizens. This time, could the Minister make a commitment, and I mean a formal commitment, not like the previous ones, that none of the exemptions enjoyed today by senior citizens will be cut after the tax reform?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it important for the Hon. Member to exercise some patience. Three weeks from yesterday the tax reform White Paper will be tabled. I can assure the Member that we are very conscious of the position of senior citizens in tax reform, and a very major effort has been made to ensure that they are beneficiaries of tax reform on a bottom line basis.

[*Translation*]

INCOME TAX—THE ELDERLY—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, as a result of this Government's two budgets, senior citizens who were not paying a cent of income tax will now have to pay federal income tax. Could the Minister give these people the assurance that their $2,600 exemption, plus the $1,000 deduction on pension income, will not be cut, because

otherwise people who are already paying income tax will have to pay more? Could the Minister give senior citizens the assurance that they will not be penalized this time?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me be a little more precise. I have said that a number of low-income Canadians will be off the tax rolls, will no longer be paying tax and a large number of those will be senior citizens.

Second, I have said clearly that we will be moving from a position of a system of exemptions to a system of credits, and the beneficiaries will be those with low and middle incomes, not people with high incomes. Again the major beneficiaries will be senior citizens.

* * *

ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have a question for the Minister of Finance, again on this Dome-Amoco matter. Yesterday the Bank of Montreal in a written brief told the committee: "Under Dome's insistence that the company shares be purchased, no Canadian can effectively compete with Amoco". We learned that Public Affairs International has been retained and is lobbying for Amoco, that senior executives—I will not mention some names—from Amoco have been involved with the Government, and the Energy Minister has been talking with the Government—

Some Hon. Members: Order.

Mr. Waddell: Why is it hands off the other Canadian bidders, including the proposal that my Leader mentioned a few minutes ago, and it is hands on dealing with the Americans and with Amoco? Why the double standard?

Hon. Michael Wilson (Minister of Finance): First, Mr. Speaker, it is clear the reason that we are dealing with Amoco is that Dome has chosen to deal with Amoco. That is the only deal in place.

Mr. Broadbent: Because you turned down an earlier one.

Mr. Wilson (Etobicoke Centre): I would ask the Hon. Member to prove that.

Mr. Clark (Yellowhead): Prove it, Ed.

Mr. Wilson (Etobicoke Centre): Then the Hon. Member said why is it hands off the Canadian issue or the Canadian purchaser. I think the Hon. Member would not want us to get into the middle of a legal dispute between two private sector organizations because obviously problems could be generated by that.

• (1140)

Let me draw the Hon. Member's attention to what Amoco said in an appearance before a committee of the other place. It is going to bring substantial benefits through substantial investment in the oil and gas industry, an increase over what has been the case for the past five years. Continued employment opportunities for Canadians. Increased activity for suppliers of goods and services to the Canadian oil and gas industry. Those are the small companies in the foothills of Alberta. Continuation and expansion of research and development.

Those are the benefits we are going to be looking very carefully at through Investment Canada to ensure the deal will be a good deal for Canadians.

AMOCO'S PROPOSED SALE OF SHARES TO CANADIANS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, Amoco has operated in the oil patch for numerous years. It is 100 per cent American-owned. Last year it sent $686 million in dividends to the U.S. and reinvested $107 million. Has the Minister ever seen such a conversion since Saul on the road to Damascus? This company has suddenly become Canadian.

Would the Minister not agree with me that selling shares to Canadians is simply window-dressing unless you sell the majority of shares? The control of Canada's energy future will rest in Chicago.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know whether the Hon. Member is aware of it, but today Dome is owned by Americans to a far greater extent than Canadians. Opinions as to the precise figure vary, but it is somewhere between 25 per cent and 35 per cent Canadian-owned today. The statement the Hon. Member made is not correct.

I would also point out that Amoco's reinvestment level, before the NEP, was as good as any in the industry. It demonstrated over a period of 35 to 40 years, prior to the NEP, that it was prepared to invest significant amounts of money.

Mr. Waddell: They held us to ransom over the NEP.

Mr. Wilson (Etobicoke Centre): If the Hon. Member would listen I think he will be pleased with the answer.

Those are the commitments we are going to be looking at through Investment Canada prior—prior—to approval of any deal.

Ms. Copps: Mr. Speaker, the Government is owned by the Americans, lock, stock, and energy barrel.

TAX REFORM

EFFECT ON SENIOR CITIZENS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Finance and deals with the hypocrisy of the Government concerning senior citizens. We have heard about a potential tax on food and now we see a cut-back of senior citizens' tax benefits. The Minister asked us to be patient. Tom Winning, a former steelworker who has been on a disability pension for 14 years, is now paying income tax for the first time as a result of the Government's tax policies. Should he be patient and wait for another cut-back in his benefits from the Government?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member could be patient I think she will have her answer on June 18.

SITUATION OF FORMER STEELWORKER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I specifically asked the Minister about Tom Winning, a constituent of mine, a former steelworker who has been on disability pension for 14 years. He is a senior and is now paying taxes for the first time. Why should he wait for another double whammy, another hit in the face from a Government which has already been fraudulent as it relates to senior citizens?

Some Hon. Members: Sit down!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member is now on good terms with the Premier of the Province of Ontario. She should go to him and ask him why he has not passed on the increase in the disability pension this Government brought in.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Answer that!

Mr. McDermid: Don't shake your head, Sheila. You know it is true.

Mr. Wilson (Etobicoke Centre): If the Hon. Member is looking for someone who is hitting her constituent in the face she should go and speak to David Peterson.

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ADMINISTRATION OF JUSTICE

NATIONAL DRUG STRATEGY—PROFITS OF CRIMINAL ENTERPRISES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Minister of Justice. Legislation that would permit the freezing, seizure and forfeiture of the profits of crime would have little effect unless mechanisms are in place whereby those profits can be traced. Does the Minister agree with a former Deputy Solicitor General who said any anti-laundering legislation that does not include a reporting requirement by financial institutions is bound to be ineffective?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, it is rather strange that the Hon. Member would raise a question about legislation which I hope to introduce at 12 noon. If the Hon. Member holds his question for about half an hour I will answer it for him then.

REPORTING OF PROFITS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it is claimed that $9 billion in profits is generated by criminal enterprise. Leaving aside the tax losses, does the Minister not agree he is using a gun filled with blanks in this so-called fight against drugs if the Government is not willing to impose the same requirements upon its friends as it is on other sectors of society in this so-called anti-drug strategy?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I gather that the NDP, who have been against the drug strategy from the very beginning and are apparently not at all interested in this very serious problem, are now trying to get on board and pretend they are very much interested. We are bringing in the most progressive and hard-hitting legislation concerning the proceeds of crime in the history of this country. It is a very good piece of legislation and I hope he changes his mind and supports it.

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[*Translation*]

HEALTH

MAMMARY IMPLANTS—GOVERNMENT POSITION

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I would like to know what the Minister has decided to do about breast implants since out of thirty laboratory-tested prosthesis implants, seven are defective and a health hazard for women, at considerable cost to provincial health insurance plans.

What kind of action does the Minister of National Health and Welfare intend to take to correct this situation?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, this is a very serious matter and I am indebted to the Hon. Member for bringing it to the attention of myself and my Department over the last two years. With respect to prosthesis implants the Department has now re-examined this question. Over the summer we are going to be looking at new protocols. We are putting it on the Deputy Minister's agenda. It is proposed that steps be taken not only to examine the

evidence brought to our attention by the Hon. Member and the medical community, but also put in place procedures whereby we can avoid the negative effects of these medical devices, especially for women.

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IMMIGRATION

FRAUDULENT IMMIGRATION SCHEMES—REQUEST THAT CHARGES BE LAID

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Immigration. Last summer, referring to the increasing number of unscrupulous immigration consultants, he said: "My Department will stop these counsellors and we are going to lay charges and we are going to make them stick."

A year has gone by and fraudulent immigration scams have mushroomed unchallenged here and abroad. Today yet another paper, *The Toronto Sun*, revealed another immigration ring which has left numerous families deserted and penniless after charging them over $6,000 for visas, jobs, and other documents.

Does the Minister not think the Government has dragged its feet long enough and it is time to stop this cancerous activity from spreading? To use his own words, when will these shady operators be stopped and charges laid?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I have informed the Hon. Member several times in this House that the Department of Employment and Immigration has taken steps to have the people to whom he is referring investigated. I also said that reports on a matter as sensitive as this one, namely, investigations carried out by the RCMP, have been made to the Department of Justice. Again, I think that in the circumstances, we must be very careful, considering charges that may be laid. That is why we are not going to assess these cases on our own and start judging these people. I think that is the role of the Department of Justice. It is the Department's responsibility to bring such cases to court if necessary, depending on the charges to be laid at that time.

• (1150)

[*English*]

REPORT SUBMITTED BY ROYAL CANADIAN MOUNTED POLICE

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is directed to the Minister of Justice. There are growing fears within the RCMP that their cases against these shady operators are crumbling because of inaction by the Minister's Department and witnesses are no longer coming forward because they have been frustrated over a period of 12 to 14 months.

Since the RCMP completed one report and submitted at least one report to the Minister's Department last June, why, over the course of 12 months, has not one single charge been laid as recommended by the RCMP? Why the procrastination? Will he assure this House that the Minister will order his Department to follow up immediately on the recommendations of the RCMP to lay charges under the Immigration Act so that this illegal and growing industry can be brought to an immediate halt?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, first, I do not accept for a moment the premise of the Hon. Member's question. Second, it is a tradition in the responsibilities of the Minister of Justice not to comment on specific cases because such comments will in fact prejudice the administration of justice. I am sure the Hon. Member did not raise this question for the purpose of impeding the proper course of justice. I hope he will show some restraint in this regard.

Mr. Marchi: You're doing that well enough.

Mr. Hnatyshyn: This type of allegation is totally irresponsible. I hope his Leader will have a talk with him and explain to him some of the basic principles of justice. The Department of Justice is working on these matters.

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EXTERNAL AFFAIRS

EL SALVADOR—DISCOVERY OF HEADLESS BODY OF AGRICULTURAL WORKERS' REPRESENTATIVE

Mr. Dan Heap (Spadina): Mr. Speaker, I have a question for the Secretary of State for External Affairs. On May 2 in El Salvador the headless body of Antonio Hernandez, an officer of the National Association of Agricultural Workers of El Salvador, was found in the city dressed in guerrilla clothes. I was told two days later by the Human Rights Commission that he had been kidnapped on April 16 by armed forces, in front of witnesses, on his way to arrange for a loan for a peasant co-op.

Will the Minister lodge a strong protest with the President of El Salvador, Napoleon Duarte, against the military kidnapping and murder of Hernandez and many other labour leaders and co-op leaders this year, even after the state of siege ended in January along with its special police powers?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not familiar with the details of the case which has been raised by the Hon. Member, but I am familiar with his record of interest in affairs in that region. I appreciate the intensity and seriousness of that interest.

I will look into those facts and if they are as he has described them I will certainly take appropriate action. In any event, I will keep him informed of what I learn and what we

believe it is possible for the Government of Canada to do in the circumstances.

CANADIAN AID TO EL SALVADOR

Mr. Dan Heap (Spadina): Mr. Speaker, I thank the Minister very much for his undertaking. As the Minister knows, Canada provides $8 million of bilateral aid to the Government of El Salvador which, after certain transactions, is distributed to certain projects after they have received the approval of President Duarte's Government.

Will the Minister indicate to the President that Canada's decision to extend that aid was based on an expectation that the President would be willing and able to control human rights violations of this sort and that the continuation of the aid is conditional on progress in that matter?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not want my response on this to be misunderstood. I will look into the facts and see what actions they justify.

The question of Canada's development assistance, not only to El Salvador but to other countries in Central America where there is conflict which causes controversy here, is a matter of some delicacy. I do not want to make any general comment that might make that delicate situation more difficult. However, I will certainly look into the information which the Member has provided and will take whatever action is appropriate.

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HUMAN RIGHTS

ETHIOPIA—PLIGHT OF POLITICAL PRISONERS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is also for the Secretary of State for External Affairs and is also on the theme of human rights and official development aid, the subject on which the Standing Committee on External Affairs and International Trade has recently reported.

Canada provides development assistance to Ethiopia, a country with one of the worst human rights records in the world. In keeping with the report of our standing committee, what action can the Minister take to renew government efforts to gain justice for Ethiopia's thousands of political prisoners, many of whom have been held for years with neither a charge nor a trial?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member has visited Ethiopia and kept himself very current with the situation in that country. He has raised questions of this kind with a consistency which I appreciate. We have raised human rights questions in Ethiopia and will continue to do that.

With regard to the committee report, it was tabled only yesterday. We have not yet had an opportunity to study it and its very important recommendations with regard to human rights. As is the practice of the Government, we will respond fully to that report by a committee of the House.

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AIR TRANSPORT

TAKEOVER OF CANADIAN PACIFIC AIR—LOSS OF JOBS

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is with regard to the takeover of Canadian Pacific Air by Pacific Western Airlines. It is now obvious that the Government did not know what it was doing when it approved the takeover. The Government was either innocently naive or grossly incompetent when it deemed that particular takeover to be in the best interests of Canada.

On March 25 the Government estimated that 3,000 jobs would be lost as a result of the takeover. On April 2 it said that few if any jobs would be lost. Today we learned from the president of the new airline that up to 1,900 jobs will be lost as a result of the takeover.

I will direct my question to the Minister responsible. Why did the Government approve the takeover when it knew, or ought to have known, that so many jobs would be lost? Is this what airline deregulation is all about?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as usual my friend opposite is entirely incorrect. The effect of deregulation, which was started by his Party, has, on an over-all basis, been an increase in the number of Canadians working in the airline industry. That will continue because there are now commuter services serving smaller centres.

It is true that in this particular merger there will perhaps be a loss of up to 1,900 jobs. However, most of those losses will be handled through attrition, the golden handshake, and reorganization. However, we should always remember that on an over-all basis there will be more people working in the airline industry as a result of deregulation than there were when the Liberals had everything tightly regulated.

GOVERNMENT POSITION

Mr. John Nunziata (York South—Weston): Mr. Speaker, when I raised this issue in the House on April 14 I was told by the usually pompous Minister of Transport that there would be few if any jobs lost. Today, for the first time, the Government is admitting that up to 1,900 jobs will be lost as a result of this proposed takeover. It is obvious that the Government did not know what it was doing when it approved the takeover.

I will direct my supplementary question to the Deputy Prime Minister. Will he explain why on one occasion the Government said 3,000 jobs would be lost, on another occasion

it said that few if any jobs would be lost, and today we are told that 1,900 jobs will be lost? Explain the discrepancy. Explain the gross incompetence.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, perhaps it would be more appropriate for the Hon. Member to explain to the House and to the people of Canada his irresponsibility in the way he has raised this issue. He, not the Government, said that 3,000 jobs would be lost. That was roundly condemned and criticized by the officials of the company.

Mr. Nunziata: It's a government memo.

Mr. Mazankowski: Perhaps he may want to reconsider his questions in that context. Again, the Hon. Member is not only factually incorrect, he is acting irresponsibly, as is normal for him.

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• (1200)

REGIONAL DEVELOPMENT

NORTHERN ONTARIO—ECONOMIC RECOVERY PLAN—TIMING OF ANNOUNCEMENT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the economic recovery plan for northern Ontario. The Deputy Prime Minister knows that it has been eight months since the Solicitor General made the announcement and that on four separate occasions in this House the Deputy Prime Minister has promised this economic recovery plan. Since it is now three weeks since the last time the Deputy Prime Minister said the plan would be announced very soon, I would like him to give to this House and this country a commitment when that plan will be introduced?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, not only will an economic recovery program be announced for northern Ontario, but one will be announced for the Atlantic region and the western region in a very short period of time.

Mr. Parry: Mr. Speaker, for the fifth time of asking the question, that is a pretty poor answer from a man who brags his second name is "Frank".

POSSIBLE CONTENT OF PLAN

Mr. John Parry (Kenora—Rainy River): The Deputy Prime Minister knows that the unemployment insurance benefits are running out for the laid-off Griffith Mines workers at Ear Falls this very week. What can the people of northern Ontario expect by way of this plan when it is announced?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, they can expect and will get the kind of treatment that is unique to that region, and a recognition by a federal Government at long last that northern Ontario has problems, challenges, and opportunities which are unique to the region. If the Hon. Member is just a little more patient, I will be frank with him when the announcement is made.

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ENVIRONMENTAL AFFAIRS

UNITED STATES TRANS-BOUNDARY ACID RAIN EMISSIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who, I am sure, will answer it in his usual non-partisan manner. It has to do with the fact that in January of this year the Minister of the Environment called upon the United States to reduce trans-boundary acid rain emissions by half by 1994. Last week, after Canadian and U.S. officials met in Washington, they indicated that the Government of Canada has become flexible, that it is not going to demand what the Minister of the Environment called for in January.

Why does the Government appear to give up its bargaining position at the very first meeting in Washington?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I try to provide non-partisan answers to non-partisan questions. Let me see if I can find a non-partisan element in that question. Perhaps the best way would be to indicate that at the most recent meeting, which was designed in part to try to make some progress towards formalizing the reference the President of the United States made here on the floor of the House of Commons to some kind of formal agreement, we think that some progress was made. We have learned not to celebrate that progress until it has been achieved. However, I think the House will recognize, in fairness, that there has been some modest movement forward on the part of the United States administration on this very serious question of acid rain. Certainly we believe it is important to continue that process rather than to walk away in frustration from the talks.

Mr. Caccia: I am so glad that the Secretary of State for External Affairs refrained from rounding off his final sentence and I appreciate the thoughtfulness of his answer.

CANADIAN POSITION

Hon. Chas. L. Caccia (Davenport): Will the Secretary of State for External Affairs assure this House now that the Government of Canada will not waver in its position as expounded by the Minister of the Environment last November, namely, that it will not abandon the position of demanding from the U.S. a cut by half in trans-boundary acid rain emissions by 1994?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, our position has been known. The firmness with which we pursued it has yielded more progress than that found by earlier Governments. We intend to continue to seek a reduction in trans-boundary emissions. We require not only constancy on the part of the Government, which will continue to be there, but support and constancy on the part of parliamentarians who have taken an active interest in this issue.

I have been informed by my colleague, the Hon. Member for Parry Sound—Muskoka, that the Parliamentary Committee on Acid Rain will be in Washington later in June. I think the Hon. Member will be part of that group. I certainly hope they can contribute in a constructive way in trying to achieve a reduction in trans-boundary emissions, which is the goal of this Government.

Mr. Speaker: The Hon. Member for Skeena on a short question, please.

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AIR TRANSPORT

CANCELLATION OF AIRLINE LICENCE—TREATMENT OF FRED TURNER

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Deputy Prime Minister. Since the Minister of Transport has stated publicly that Fred Turner was treated unfairly, and since Cabinet has overruled the CTC and returned his airline licence, and since Cabinet is determined in principle to compensate with an out of court *ex gratia* payment, why has the Government chosen to finish Fred Turner off in the Federal Court when it has already stated publicly that he has been unfairly treated?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that issue has been handled by the Minister of Transport here in the House. Questions have been responded to and I have nothing further to add.

LAUNCHING OF LEGAL ACTION

Mr. Jim Fulton (Skeena): Mr. Speaker, nothing short of back alley justice is now being meted out to Fred Turner. Following a meeting Fred Turner and I had with the Prime Minister on May 15, the Parliamentary Secretary to the Minister of Transport, who is here, met with Mr. Turner and suggested the figure of $40,000. When Fred did not agree, the Government chose to prosecute him in the Federal Court at a cost of hundreds of thousands of dollars. I wonder if that is the kind of justice which will be the trade mark of this Government where, if someone does not agree to a settlement, it simply prosecutes them at a far higher cost in the Federal Court?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is true that I met with Mr. Turner, but it was in the same light as all sorts of Members meeting Mr. Turner, to go through the issues, and try to see the question of liabilities—

Mr. Fulton: You suggested forty thousand bucks.

Mr. Thacker: But other figures were suggested as well. He suggested $2 million. Under our democratic system, if one is unable to come up with a "without prejudice" offer which both sides can accept in order to save the problems of a law suit, one resolves those problems in a law suit. Mr. Turner has revived the law suit and it will have to go its normal course.

Mr. Speaker: The Hon. Member for York Centre, one question, please.

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NORTH ATLANTIC TREATY ORGANIZATION

ROLE OF CANADA IN RELATION TO NORWAY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of National Defence. It has to do with Canada's military role in NATO in Norway.

I want to ask the Minister, in the interests of the Norwegian Government and the representations which have been made, to reassure the House that the Government will not be recommending any reduction of our NATO role in relation to Norway, and that it will not be one of the options in the White Paper he will be presenting.

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, as my hon. friend should know, the White Paper will be produced a week today, and he will have to wait for it. One thing I can say, though, is that I am very much aware of the Liberal Party's policy, which was to pull half of our troops out of Europe. This Government, instead of reducing our commitments to Europe, has stepped up Canadian presence in Europe.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 181 petitions; Nos. 332-1983, 332-2199 to 332-2282 inclusive, 332-2284 to 332-2310 inclusive, 332-2318 to 332-2381 inclusive, 332-2422, 332-2423, 332-2431, 332-2435 and 332-2454.

Committee Reports

ENERGY, MINES AND RESOURCES

SEVENTH REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present the Seventh Report of the Standing Committee on Energy, Mines and Resources, in both official languages.

[*Editors Note: See today's Votes and Proceedings.*]

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PETITIONS

RIGHT TO LIFE OF THE UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have a petition from citizens living in three communities in my constituency of Cochrane—Superior, namely, the communities of Longlac, Moonbeam and Kapuskasing. The petition is pursuant to Standing Order 106. The petitioners ask that Parliament support Motion No. M-37, which will allow the unborn to be protected by the Canadian Charter of Rights.

CANADA POST—OPPOSITION TO CORPORATE PLAN

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I have the honour to present a petition concerning postal service which has been signed by most of the residents of Muenster, Saskatchewan, in my riding. The petitioners call upon the Parliament of Canada to work towards instructing the Government as it highest priority to improve service for Canada Post Corporation and to abandon the policy of closing rural post offices and cancelling rural routes.

• (1210)

They are aware that the existing policy is almost exactly like the previous policy in that these rural post offices are still under threat of being closed when the postmaster retires.

TRANSPORTATION—ECONOMIC REGULATORY REFORM

Mr. Les Benjamin (Regina West): Mr. Speaker, I have two petitions. The first is signed by Canadians from a number of places such as St. Hubert, Lachine, Beaconsfield and Montreal in Quebec, as well as citizens of Vancouver, Richmond and Coquitlam in British Columbia. They petition the House to ask the Government to withdraw Bill C-18 and to retain public convenience and necessity as a fundamental factor in the development of public transportation policy and to retain licensing in order to restrict market-place activity to a positive level functioning in the best interests of the public as a whole.

REQUEST FOR APPOINTMENT OF ARBITRATOR—SETTLEMENT WITH FRED TURNER

Mr. Les Benjamin (Regina West): Mr. Speaker, I have another petition signed by citizens of Ottawa, Nepean, Montreal, Laval and Val d'Or in which the petitioners show that Mr. Fred Turner, whose licence was cancelled which led to his bankruptcy, operated an airline in Yellowknife, Northwest Territories. The petitioners pray and call upon the House to seek the assignment of an independent arbitrator to this matter to investigate the details of the case and to review and to negotiate the offer from the federal Government with Fred Turner in order to reach an equitable settlement which better reflects the true nature of his loss.

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[*Translation*]

POINT OF ORDER

UNPARLIAMENTARY LANGUAGE

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, on a point of order. Beauchesne lists a number of terms and expressions that cannot be used in the House, that are unparliamentary, Now yesterday, I noticed that in *Hansard*—

Mr. Speaker: I am sorry, but I think it would be more appropriate if the Hon. Member were to raise his point of order after Routine Proceedings have been called.

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[*English*]

CRIMINAL CODE, FOOD AND DRUGS AND NARCOTIC CONTROL ACTS

MEASURE TO AMEND

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-61, an Act to amend the Criminal Code, the Food and Drugs Act and the Narcotic Control Act.

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

Some Hon. Members: Agreed.

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

* * *

MAIN ESTIMATES

EXTENSION OF PERIOD FOR CONSIDERATION OF CERTAIN ESTIMATES

On the Order: Motions:

May 27, 1987—The Leader of the Opposition:

That, pursuant to Standing Order 82(15)(a), consideration of Employment and Immigration Votes 1, 5, 10, 15, 20, 25 and 30 of the Main Estimates for

the year ending March 31, 1988, by the Standing Committee on Labour, Employment and Immigration, be extended beyond May 31, 1987.

Mr. Speaker: The motion in the name of the Right Hon. Leader of the Opposition (Mr. Turner) pursuant to Standing Order 82(15)(a) is deemed to have been adopted.

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MOTION TO ADJOURN UNDER S. O. 29(1)

SOVEREIGNTY—U.S. REGULATION—CANADIAN NATURAL GAS TRANSMISSION COSTS

Mr. Speaker: I advise the House that I have received from the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) an application under Standing Order 29(1) to adjourn the House. I call upon the Hon. Member to make his representations to the Chair.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, pursuant to Standing Order 29, I ask leave to propose a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the confirmation of the ruling of the United States Federal Energy Regulatory Commission concerning transmission costs of Canadian gas exported to the United States, a ruling that infringes upon Canadian sovereignty by extending U.S. regulation into Canada and that jeopardizes from $140 million to $400 million in Canadian export revenue.

Mr. Speaker: The Hon. Member has applied under Standing Order 29 for what is in effect an emergency debate on a matter which it is agreed on both sides of the House is serious. It is a matter which has not only taken up some time in the House, but may well do so again.

However, under the circumstances the Chair feels that it is not appropriate to move an emergency debate, at least at this time. It may be that the Hon. Member might want to bring this matter to the attention of the Chair and the House on another occasion.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all the questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS AND DEPOSIT INSURANCE SYSTEM AMENDMENT ACT

MEASURE TO ENACT

The House resumed from Monday, May 4, consideration of the motion of Mr. Hockin that Bill C-42, an Act respecting financial institutions and the deposit insurance system, be read the second time and, by unanimous consent, referred to the Standing Committee on Finance and Economic Affairs.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to make a few comments on Bill C-42 in order to review the policy direction that the Government is proposing with respect to this Bill and to show how we arrived at this point. Since this is second reading debate such comments, I understand, are appropriate.

The proposal that we are dealing with here today comes in part out of the Estey report which came about because of the failure of two of our financial institutions, namely, the Northland Bank and the Canadian Commercial Bank. During the same period of time, we saw a number of federal and provincial trust and loan institutions and some casualty insurance companies collapse. When the totals were added up, I believe that something like two banks collapsed in 1985; since 1980, nine trust and loan companies collapsed, and again since 1980, five property and casualty insurance companies collapsed.

• (1220)

All of this raised serious doubts about the ability of the regulatory package that had been in place since the collapse in 1923 of the Home Bank to handle the four pillars of our financial institutions. That collapse, along with the depression of the 1930s, resulted in a series of regulatory proposals that had the effect of establishing traditional areas of function for banks, trust companies, insurance companies and the securities industry. Each was complete in itself, and separate, and there was very little integration of the four pillars. Some people believe that a fifth pillar has been established by way of the co-operative credit institutions which have become a force in the financial services area.

The intention of the legislative and regulatory program was to establish, as a result of what occurred in the 1930s, such departments for regulation and supervision as the Department of Insurance, which looked after insurance companies, the Inspector General of Banks, responsible for regulating and monitoring the banks and the Canadian Deposit Insurance Corporation, which provides guarantees to depositors of $60,000 per depositor. Out of that same set of changes came the Bank of Canada, to provide last-minute funding to keep banking institutions as viable as possible.

Over the years these regulatory commissions appear to have been doing their jobs. We had no problems until the 1980s,

and then we were faced with this sudden and unexpected collapse of the two banks which precipitated the Estey Inquiry. At the same time, something like nine trust and loan companies and five casualty and property insurance companies collapsed. The question of whether or not our financial institutions were being properly monitored and regulated came into public view.

Internationally, there was a philosophical move toward complete deregulation of these kinds of institutions. We saw this happening in Great Britain under the Conservative Government of Margaret Thatcher, and we saw considerable deregulation under the similar-minded administration of President Reagan in the United States.

Perhaps as a result of this, there was beginning to be a tendency for those clear functions of the four or five pillars to blur together. Insurance programs were being introduced by some banking institutions, and mortgage and trust company functions were being carried out by all of the pillars. Some Canadians feared that the blurring and intermarriage of these companies was responsible in part for the difficulty the Inspector General of Banks and the Inspector of Insurance had in carrying out their regulatory and supervisory functions.

While the international philosophical move was away from regulation, this Bill, after the Estey report, appears to be trying to make a compromise between continued regulation or reregulation and lip service toward deregulation as well. The report submitted by Justice Estey in October of 1986 provided the basis for the White Paper which was produced on financial institution reform. I would like to very quickly go through some of the Government's proposals embodied in its twin aims of deregulation and reregulation. I will try to keep it brief as I know that our time is limited to 20 minutes.

The Government is proposing to allow the diversification and integration of financial services within the total industry so that consumers will be able to deposit and withdraw funds, buy stocks and bonds, arrange loans and mortgages and obtain investment advice and portfolio management, all within the walls of one branch of a financial institution. For instance, banks will be able to underwrite securities while trust and loan and insurance companies will enjoy full consumer and commercial lending privileges. To a certain extent, these kinds of services are beginning to be offered by some companies already, even though the regulations have not changed.

Having been a Member of Parliament only since 1980, I have observed that this seems to be the pattern with very large financial institutions. I recall that when the Bank Act came up for revision in 1980, we rescinded the Usury Act which would have limited interest rates lending institutions could charge. As a new Member, I was somewhat appalled and surprised that the actual rate of interest charged by most of the financial institutions had for some months exceeded the limit in the Usury Act and no charges had been laid and nothing was done. Instead, the Government chose to simply rescind the Act and change the law so that the practice would become legal.

To a certain extent, that kind of thing is now occurring as the clear distinctions between the functions of the four pillars has eroded. I fear that to some extent this Bill may be a reaction to the existing erosion. I only raise this fear because I think Members of Parliament, in their blind and simple way of looking at things, would hope that practices in Canada would conform to the law as long as the law is in effect. While I know society changes and politicians often respond after the changes have occurred, we should always be conscious of compliance with the law and we should provide ways to make certain that compliance.

I believe that was one of the difficulties that emerged with the two banks that collapsed. As I recall, it appeared that the Inspector General of Banks did not have sufficient resources and personnel to do the job of inspection and to provide the proper kinds of information required by the Minister of Finance (Mr. Wilson) or the Minister responsible for these institutions, depending on how the Government decided to set things up.

• (1230)

Some of these shortcomings may in fact continue with this proposal, since a new office will be set up, that of the Superintendent of Financial Institutions. I understand that it would combine, more or less, the Inspector General of Banks and the functions of the Superintendent of Insurance. This combined office would be given a new title, that of Superintendent of Financial Institutions.

The information we have at this point would indicate that the resources available to that office would not be much greater than the combined resources of the existing institutions. In fact, I am wondering whether the interests of consumers will be well served and whether the institution will be well monitored.

Given the now blurred functions of the various institutions, I suspect that it will be more difficult to track down the various combinations of responsibility, ownership, and commitment among various like-minded institutions which, at one time, were clearly separate and apart and therefore more easily monitored and regulated.

The principle of deposit insurance has been under some attack as a result of the bail-out of the Northland Bank and the Canadian Commercial Bank which went under in 1985. Several proposals have been put forward which would basically fall into two categories. The first proposition put forward is that uninsured depositors should be responsible for carrying the burden of a failure of an institution. The other extreme, I suppose, was to make certain that all deposits were fully insured and that over a certain level—and I assume it would be the $60,000 which was proposed as the maximum level of complete insurance—depositors would pay a higher share of deposit insurance so that almost full coverage of deposits would be possible if a bank or financial institution in fact failed. These kinds of propositions are floating around.

Bill C-42 seems to be fairly unambitious in its treatment of the problem. The Bill gives Canada Deposit Insurance Corporation a closer relationship with other regulatory officials and a procedure by which it can terminate deposit insurance coverage for recalcitrant institutions. In the case of this happening, a registered letter delivered to the institution's chief executive would be sent out detailing CDIC complaints. The institution's board must then convene and send a report to CDIC on its deliberations within a given time period.

If CDIC remains dissatisfied it can, with the approval of the Minister of Finance, terminate insurance coverage within 30 days of notice. The procedure will take some time, but there is enough time involved that it is very difficult to intervene quickly enough if there are some shenanigans ongoing within the corporation.

Bill C-42 also attempts to deal with the present debt of CDIC, which I understand is somewhere around $1.5 billion, by increasing the fees for deposit insurance. They will be set at $5,000 per institution, plus one-sixth of one percent of each deposit held by the institution. Most financial institutions have responded to the Government's proposal, including the top five chartered banks, by strongly objecting to this solution and citing the issue of uninsured deposit coverage. Apparently they are still attempting to negotiate the particular issue.

Since the time for my remarks is almost over, I should like to point out that it has been the position of the New Democratic Party that the problem of financial institutional solvency can be resolved only through a combination of clear and effective regulatory and supervisory controls for financial institutions in Canada, with strict domestic ownership limits which ensure that institutions will be widely held. This is one issue which has been debated at some length in financial and policy areas.

Upon entering this new era, some institutions will hold as much as 35 per cent of another institution, which normally would have been one of the other competing pillars of the financial institution under the old analysis.

A great many of us think that it should be limited to about 10 per cent per investor, so that there will be in effect a discouragement in respect of the controlling of some companies, even though only 35 per cent of the shares are held.

We would prefer that the 35 per cent be reduced to 10 per cent by law in order to make certain that financial, insurance, and trust company institutions in Canada are as widely held as possible, to avoid the kind of control and manipulation which appears to have occurred in some of the provincial scandals involving trust and loan companies with fast flips and that sort of thing. We would hope that these kinds of amendments could be made to the process, if not in this particular Bill, in companion Bills which deal more specifically with that particular aspect.

I conclude by saying that we will be watching the legislation closely and will be attempting to make appropriate amendments to bring about the kind of regulatory reform which we in the New Democratic Party believe would be in the best interests of Canadian users of financial insurance institutions.

Mr. Dan Heap (Spadina): Mr. Speaker, Bill C-42 is an Act respecting financial institutions and the deposit insurance system. Because of the general importance of the subject, both to many Canadians as individual investors and to all Canadians who must be concerned about the possible dangers to our economy if mismanagement of large sums of money, it is quite important that something should be said on the matter, and I am glad of the opportunity to contribute to the debate.

The legislation before us appears to be fairly good, as far as it goes, but it appears that it does not go far enough. Of course the concern is with the conflict between the Government's interest in deregulating financial institutions and what even it recognizes as the failure, to date, of some of the regulatory activities, and perhaps some of the regulatory legislation. Therefore, the Government appears to be trying to steer a middle course and taking too cautious a line.

We had the very unfortunate collapse of two western banks a couple of years ago, apparently caused by unwise lending practices, unwise in the sense that they made bad loans because they thought they would get high interest, and their investors invested because of high interest. Then, when the banks collapsed, the investors demanded—and the Government agreed—that they be reimbursed even beyond what legislation at that time required in the form of loan insurance. That has given the Government a very difficult situation to deal with, and it does not seem to be able to think its way clearly to the end of the problem.

• (1240)

We had quite a spate of failures in the early 1980s in the loan and insurance company section of the business. There were two national bank failures in the mid 1980s. The Government has had to give attention to the matter of preventing further failures like those, since clearly people were in danger of losing their confidence in the banking system.

Canada has been lucky for over half a century in not having any serious troubles of that sort. The present legislation was mainly developed about 60 years ago after the collapse of the Home Bank in 1923, and further during the Great Depression. However, part of the principle adopted at that time is what is now being changed by the Government.

At that time there was an attempt to make sure that there was a spreading out of financial responsibility and power, a spreading out between lending institutions, deposit institutions, stocks and bonds institutions and insurance institutions. For the average person, some of those distinctions are hard to follow and to keep track of, especially as detailed regulations change. The principle was not to concentrate too much power in too few hands, which was what most people remembered as the results of the crash of 1929. Therefore, we have a system of controls, notably the Bank of Canada, the office of the Inspector General of Banks, the Department of Insurance, and

the Canadian Deposit Insurance Corporation with which many people are familiar because the CDIC has been called upon to act during several of these failures of banks or credit enterprises.

The situation has been complicated more recently by international development, particularly of conglomerates that combine these functions in ways that perhaps were not foreseen by earlier laws and sometimes are difficult to control because of their bases outside of Canada.

Britain and the United States are moving in the direction of deregulation of their financial enterprises. From time to time we see reports, particularly from the United States, about how paper money is growing mightily without very much counterpart in actual production of goods and services which ordinary people produce and need. In other words, takeovers, buy-outs, refinancings and so on can increase the paper value of an enterprise immensely without actually any more cars, food or any other goods or services being produced for the people who ultimately must carry the cost if the financial system collapses. There is a great deal of anxiety in the United States and Britain about what could happen when things get whirling at a faster and faster pace in the financial world without corresponding development in actual production.

The bank failures of 1985 might have prompted this Government to take more firm action than it seems minded to take in connection with controlling the banks. In 1986 because of the troubles in 1985, some of the smaller banks fell to the pressure of the distrust of the public, the distrust of the investors who are not in a position to know the intimate details of banks, even to the extent that the Inspector of Banks or the Bank of Canada are, and who may have been uneasy about their deposits in certain middle-sized banks, perhaps without good reason. They just did not know.

In 1986 the Mercantile Bank was forced to merge with the National Bank. The Morguard Bank, which I know was engaged in the 1970s in financing low-income housing built by the City of Toronto, and I think was serving a useful function, was taken over by the Security Pacific Bank. There was a Continental Bank that merged with Lloyds Bank of London through its Canadian subsidiary. There was recently the Bank of British Columbia which had to go somewhere. A local powerful financially strong credit union bid to buy that bank, but this Government and the crypto Tory Government of British Columbia desperately headed that off and, with the commitment of $200 million of taxpayers' money managed to ensure that a Canadian based democratically structured credit union did not gain control of the Bank of British Columbia; a foreign bank, the Hongkong Bank got it.

There have been a good many acquisitions of this sort which have considerably altered the general profile of the financial structures of our country placing much more power in much fewer hands. People are uneasy still about the solvency and the safety of an enterprise which is so remote from the control of the investors and perhaps remote from the control of the Government which would have a responsibility and has the legislative power to take control.

When the western banks collapsed there was much discussion as to whether the controlling institutions, the Inspector of Banks and the Bank of Canada, had carried out their duties adequately or whether they were able to carry out their duties adequately. As these financial structures become more complicated, it becomes difficult to police them, as it were. When the managers make errors through excessive risk taking, through failing to match their assets and liabilities, through perhaps what is or may appear to be a conflict of interest, through self dealing, it is very difficult for the regulator agencies to keep up with, to keep watching all of them, or to keep doing enough inspections to keep track of these evolving institutions.

What happens then is that the officials who attempt to act decisively on behalf of the depositors, the policy holders, the creditors and other victims of the insolvency are hindered. They cannot act fast and surely enough to prevent the trouble such as we witnessed in the bank collapses.

What we really need is a new framework—The Government has admitted this in its paper at the end of 1986—for corporate Governments to guide this institutional behaviour. Particularly, there have to be firm rules for self dealing and conflict of interest situations. It appears that that is where this Bill is very weak. We understand it is part of a package, but we are asked to take it on faith without being told clearly what the rest of that package will be. As I said, as far as it goes, it appears perhaps adequate.

There will be some development of the supervision powers of the Inspector General of Banks, the Department of Insurance, the Canada Insurance Corporation and the Bank of Canada. They will be given certain legal rights of control which go beyond what they have now. They will include the right of temporary seizing of assets of a troubled institution so as to give officials time to look into things and to respond to the complaints that have been made specifically about an institution's operations. Officials will be able to study the situation and, if they remain unconvinced that the institution really is solvent and will continue to be solvent, they can hold hearings with the Minister of Finance and the institution can afterwards be restricted. In effect, it can be supervised by the superintendent and if the institution fails to respond satisfactorily, the superintendent can wind up the business of the company.

• (1250)

The problem, as I say, is that apparently there is not enough muscle or enough money for staff to carry out this kind of investigation. The pressure on this regulatory institution to either leave them alone or act quickly will be such that the regulators will probably err on the side of leaving them alone, perhaps for too long as they did in the case of the western banks.

On the question of deposit insurance, which was a matter of hot public and parliamentary debate in connection with the western banks, it should be said that this protection of the public's investments is a very important element of a democratic banking sector. If small investors cannot be protected they will naturally hesitate to invest. The investment pool will then shrink and be occupied almost exclusively by the very large investors whose interests are not the same as small investors. Therefore it is understood to be in the interest of the country to have an insurance system which spreads the risk, within limits, and protects the ability of the small investor along with others to share in the direction of the investment industry.

Unfortunately, confidence in the insurance system was weakened when the Government decided to reimburse uninsured investors in the western banks. They were being reimbursed up to $60,000 according to the law, but the Government decided to reimburse them beyond that. In other words, it rewarded those who had acted foolishly and out of greed, whether it be the officers of the banks in question who made loans they should not have made because they hoped for unusually high returns, or whether it be the investors in those banks who made their investments for the same reason, being lured by high interest rates without examining sufficiently the basis on which the bank was operating.

In fact, Canadian taxpayers are still $1.5 billion in the hole for that bail-out. The Government is penny-pinching on unemployment insurance, pensions, children's allowances, funding of post-secondary education, social housing, even when it admits that half a million units are needed, yet it threw $1.5 billion to the richest people, not to the poorest people. They were protected by the law. It was the richest of the investors who got that $1.5 billion.

The provisions for controlling or revising the deposit insurance system seem a little uncertain or timid or tentative. It is not clear that there will be any firm prevention of the same kind of bad decisions. The banks that operate, not only within the law but within good investment practices and did not have to be bailed out, are now having to pay an extra levy in order to cover the Government's bail-out of the foolish banks. I understand that many banks are objecting to that practice.

What is lacking is a serious attempt to address the question of, as it were, cross-ownership in which a bank, insurance company or trust company may own a significant part of an enterprise to which it is also lending money. The NDP has for years advocated doing two things to provide reasonable insurance so that these financial enterprises can operate in reasonable safety. First, there has to be a combination of clear and effective regulations and supervision of the financial system. There is some movement in that direction in this Bill. Second, there has to be a restriction on this kind of cross-ownership, crossing over the lines of different sections of commercial and financial enterprises. There has to be restriction on ownership well below the present 35 per cent. We have advocated the figure of 10 per cent. Without some restriction on that ownership and without a considerable increase in the funding of the regulatory institutions, which the Government has not offered and does not offer in this Bill, there is no serious and convincing control over the kind of crashes we have already seen and fear. Therefore I believe this Bill is not really fit to receive approval in principle.

The Acting Speaker (Mr. Paproski): Questions and comments.

Mr. Cassidy: Mr. Speaker, I want to congratulate the Hon. Member on his contribution to the debate on C-42. I would expect such contribution, in view of the fact that many of his constituents work in the financial industry on Bay Street in downtown Toronto and live very close thereto in the riding of Spadina.

I want to briefly raise a point which is perhaps not in line with what he was saying, but I think still worth noting. Does he believe this legislation adequately addresses the need for the Government of Canada to have some regard for how consumers are treated by their financial institutions? Do his constituents feel content with the services they receive from the banking industry? If they have problems, do they feel they have adequate powers of redress? Does the individual consumer, the small merchant, have a means by which he or she can get reasonable treatment in dealing with these multibillion dollar institutions? If not, would he welcome changes to ensure that the legislation does not just address financial stability but also the needs of the consumer?

Mr. Heap: Mr. Speaker, I thank the Hon. Member for the question. In fact, Spadina has a great variety of enterprises, large and small. The most frequent problem I have heard from the people who guide those enterprises is their difficulty in getting funding from the banks. Sometimes federal institutions have helped them but very often they simply have not been able to get the help they need from the banks. I have known of a number who were closed through lack of that support from the banking system. It appears that even when their credit is acceptable they are told there just is no money, it has gone to someone else. I think there should be a change in the system in the way the Hon. Member has described.

The Acting Speaker (Mr. Paproski): The Hon. Member will have eight minutes left in questions and comments when we return at two o'clock.

It being 1 p.m. I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock there were eight minutes remaining in the question and comment period following the speech of the Hon. Member for Spadina (Mr. Heap).

Mr. Cassidy: Mr. Speaker, my friend from Spadina mentioned that small enterprises in his constituency have had a number of difficulties. I know of a restaurant in his riding, the proprietor of which was in constant battle with the bank branch in the area. The bank branch in turn could not get authority to make reasonable arrangements with the restaurant proprietor. They required an extraordinary amount of security including a mortgage on the home of the owner. Basically everything he owned was committed to maintaining this enterprise which was probably creating 10 or 15 jobs for people in the constituency of Spadina. This kind of story is repeated again and again.

How can this House of Commons make legislation which ensures that banks are stable for the Conrad Blacks, the Reichmanns and the Bronfmans of this world, are able to make substantial loans, some of which have turned out to be bad, to enterprises or governments, as a result of which enormous losses will be incurred and subsidized by the Canadian taxpayer, while ordinary citizens, farmers, consumers and small business people get pushed against the wall? What is fair about that? Why do we in the House of Commons, in studying the health and effectiveness of the banking system, which in some ways is very effective, not have as much concern for the needs of the little people, the consumers and farmers and so on, as we have for the stability of free enterprise? What use is there in having stable enterprises if they do not also provide effective service to the mass of Canadian citizens?

Mr. Heap: Mr. Speaker, I thank my hon. colleague for his question. The list of complaints which I have heard over the years from the people of Spadina against banks is long. We all remember the summer of 1981 when interest rates on mortgages went as high as 24 per cent. That could happen again. We do not know whether it will but the homeowners in Spadina who were not wiped out by those interest rates when they had to refinance their mortgages have no way of protecting themselves against that kind of behaviour by the banks. There is deep bitterness and distrust felt by many people, regardless of their formal Party affiliation.

As I mentioned before, I have heard of a number of businesses which failed; and enterprises which were trying to develop but were not seriously considered in terms of assistance simply because they were small. Since there is almost as much paperwork to be done to make a small loan as there is to make a large loan, banks would prefer to make large loans. Small business people, would-be entrepreneurs, young people with education and ideas about modern technology, people skilled in computer work and so on, would like to try out their ideas and start their enterprises, but find a great lack of sympathy at the huge central bank offices at the bottom of Spadina. They find an equal lack of sympathy at the branches on every corner.

There must be a greater sense of public accountability by the banks. It is good for the banks to be regulated so that they are not likely to fail and cause collapse. I would point out that when the Government subsidized; that is, bailed out the western banks with taxpayer's money, most of that money came from people who had not invested in those banks and probably did not have enough money to invest in those banks. In other words, the poor were subsidizing the rich. That sort of behaviour ought to be stopped.

• (1410)

The Government is directly responsible for part of that problem and could restrict it if it chose to do so by simply barring itself from that kind of bail-out of foolish and essentially wealthier than average investors. Both in their contribution as taxpayers and in their difficulty in getting the loans they need, many people of Spadina, of all political persuasions, are deeply distrustful of the banking institutions as they stand now.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): Carried on division.

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

* * *

FINANCIAL INSTITUTIONS

MEASURE TO AMEND CERTAIN ACTS

Hon. Tom Hockin (Minister of State (Finance)) moved that Bill C-56, an Act to amend certain Acts relating to

financial institutions, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

Mr. Fennell: Mr. Speaker, I would like to explain that there has been an agreement between all Parties that there will be one speaker from each Party on this Bill, and at the conclusion it will be put to a vote on second reading. Immediately following the referral to committee of Bill C-56, the House will proceed to consideration of Private Members' Business scheduled for today for debate during Private Members' Hour.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

Mr. Hockin: Mr. Speaker, I am pleased today to move the second reading of Bill C-56, a measure which will bring important and necessary changes to federal legislation governing financial institutions. This Bill is, as we know, the second of three elements designed to strengthen the system of regulation of financial institutions and to implement the policy proposals which were announced on December 18.

The first element was introduced as Bill C-42, which was just referred to committee, and this Bill is the second.

[*Translation*]

The Bill regroups and amends two Bills that were tabled on October 6, 1986, and contains an important new provision that will allow federally regulated institutions to own brokerage firms.

[*English*]

All the measures introduced in the earlier Bills are included in this Bill. These include the power to review transfers and ownership of financial institutions, the power to issue cease and desist orders to institutions engaging in unsound or unsafe business practices, the very important power to revalue real estate assets and authority to strengthen the financial standards of insurance companies.

These measures, important as they are, have been in the public domain for several months. Bill C-9 was released in the form of draft legislation and comments which were received were reflected in the final Bill. The consultations indicated that there is wide-spread support for these measure. Bill C-8 also received wide-spread support from the insurance industry.

Major provisions in the Bill are as follows. First, with respect to transfers in ownership, the Bill would require that approval be obtained from the Minister of Finance when a company or individual wishes to acquire, directly or indirectly, an ownership position in a federally regulated trust, loan or insurance company that exceeds 10 per cent. That is a very important provision. The Bill provides for a process which must be followed by the Minister and the applicant when a transfer in ownership is contemplated and gives the Governor in Council the authority to prescribe the type of information which the prospective purchaser must file with the regulator in seeking approval.

By setting out a formal approval process for transfers in ownership, the Bill provides the basis for the implementation of the policy presented in the December 18 statement and, as you know, Mr. Speaker, the policy, in particular, was to arrest the formation of, or the increase in financial-commercial links. The latter would include any increases in ownership of financial institutions already held by commercially linked institutions or holding companies. Legislation to implement the remainder of the ownership rules, including the requirement that 35 per cent of the shares of commercially linked companies or large financial institutions be widely held and publicly traded, is expected this summer.

The second part of the Bill is very important, and that is in regard to cease and desist orders. The Bill would give the federal regulator the power to issue cease and desist orders to institutions engaging or planning to engage in any activity that is considered to be an unsafe or unsound business practice. In our discussion with respect to Bill C-42, expressions of concern, invoked by memories of the collapse of the two banks a few years ago, gives rise once again to the importance of having this power.

In the past, regulators have indicated that even when they were aware that unsafe or unsound business practices were being followed they frequently lacked the legislative authority to order the institution to cease the questionable practices. It was of great concern. They were watching this go on but there was no legislative authority to bring about the cessation of it. The cease and desist powers in this Bill are broad ranging and will respond to the need for both timely and effective intervention by the regulator.

The third part of the Bill is with respect to real estate valuation power. All of us who have seen how real estate values have changed during the 1980s will know this is important. No one who looks at the reform of financial institutions should overlook how they are often intricately related to real estate because it is such an important part of the assets of financial institutions.

The Bill would give the superintendent the power to prescribe values for real estate or assets secured by real estate held by federally incorporated trust, loan and insurance companies. Past experience has indicated that these companies can encounter serious problems from unrealistic real estate asset valuations. The valuation power will be an important measure in maintaining the public's confidence in our financial institutions.

The next major part of this legislation is to strengthen financial standards for insurance companies.

[*Translation*]

The Bill will substantially increase the financial standards that insurance companies must meet and will introduce further measures to strengthen the industry.

[*English*]

For life insurance companies, the Bill would authorize the setting of minimum continuing capital and surplus margins by regulation or by written ministerial directive. The proposed provision follows the precedent in the Bank Act in this regard. The provision would, for the first time, make life insurers subject to statutory minimum capital and surplus margins on an ongoing basis. Other financial institutions are already subject to legislative provisions in this area. I think the House knows that minimum capital requirements are crucial for trust companies and banks since that is the number on which all this leverage is based. Since we are allowing insurance companies to move into these new areas of power we had to put this capital provision in place, something which is at the very heart of a financial institution.

• (1420)

For property and casualty insurers the Bill provides for an increase in the minimum continuing capital, or solvency, requirements. Our major influence as the federal Government in the field of property and casualty insurance is really in the area of solvency. That is the reason people look to us, to make judgments on solvency.

Also, property and casualty insurance companies would be required to submit actuarial reports with their annual statements. These reports must contain a professional opinion with regard to the adequacy of reserves established to provide for future claims under policies in force and to cover the costs of claims that have occurred but are not yet paid. This provision would adopt a practice long used with considerable success in connection with life insurers. The new requirement will assist the superintendent in judging the true financial position of each company.

In addition to these specific proposals, the Bill would establish new rules to govern the use of reinsurance by federally-regulated insurance companies. The proposed rules, to be set by regulation, would require companies to retain a minimum portion of the business that they write. This will ensure that companies have an incentive to write good business and are not merely in existence to make money on reinsurance commissions.

Limits would also be set on the extent to which companies may reinsure business with companies that are not federally regulated, given that in the past difficulties have arisen from the inability or unwillingness of reinsurers to pay claims. Reinsurance effected with associated companies would be permitted only with the prior approval of the Superintendent. These are new and important provisions about reinsurance in this Bill. The approval of the superintendent is crucial throughout the process.

[*Translation*]

Other provisions in Bill C-56 which are concerned more specifically with the insurance sector include the authority to demand that an insurance company provide preliminary financial statements, setting margins of assets over liabilities for small companies, provisions relating to wind-up charges and to the priority of policy holder claims when an insurance company goes bankrupt.

[*English*]

The next section with which I wish to deal involves securities subsidiaries which has been at the heart of the business pages and which has generated the interest of financial markets over the past two years. An important new provision in this Bill relative to its precursors is the provision to permit domestically owned, federally-regulated financial institutions to own securities dealer subsidiaries. Schedule B banks and other non-resident controlled federally-regulated financial institutions would also, with prior approval, be permitted to own a securities dealer.

In providing approval for the purchase by a non-resident of an existing dealer I remind the House that the Minister would impose the condition noted in the December 18 policy statement, that not more than 50 per cent of a securities dealer could be bought prior to June 30, 1988. In the case where a new subsidiary is started the Minister would impose the condition that the subsidiary be limited to engaging in activities which its parent is permitted to do in-house. Also, where a non-resident owned institution has a Schedule B bank in Canada and wishes to purchase or establish a securities dealer, it will be required to do so through its Schedule B bank, and not independently.

In view of the conflict of interest problems which could arise with the prospect of financial institutions owning securities dealers an amendment will be proposed to Bill C-42 to ensure adequate authority for the new Superintendent of Financial Institutions to regulate the in-house securities activities of banks. This will be in addition to the measures which will be put forward in the third element of the legislative package and which were covered in the December 18 policy statement, including the creation of what are commonly known in the financial sector as "Chinese walls", greater disclosure to the consumer, and enhanced internal scrutiny through creation of a monitoring group within each institution.

The power for federal institutions to own securities dealers, as well as the constraints on the initial participation by non-resident owned institutions, are being introduced this afternoon to ensure a strong and viable Canadian presence in the strategic securities industry as it is increasingly opened to international competition. We recognize that they must be part of the international market, but we want to give them an important head start.

The final provision in the Bill about which I want to speak deals with mutual insurance companies.

[*Translation*]

Finally, another new measure is contained in a provision aimed at clarifying the residency status of mutual insurance companies. The Bill will consider as Canadian companies those mutual insurance companies whose head office and chief place

of business are located in Canada, provided three-quarters or more of the board of directors and its committees are Canadian citizens ordinarily residing in Canada.

[*English*]

In conclusion, I think it is clear to the House that this legislation is an important aspect of a broad, ongoing effort to bring about reform of the supervisory and regulatory framework for financial institutions in Canada. Most of the provisions have been in the public domain for several months, play a key role in strengthening supervisory powers and, if I may reiterate, were very well received by the public. By providing for more effective regulation this Bill will maintain confidence in financial institutions, an essential ingredient in maintaining a healthy financial system. As well, the Bill will allow securities markets to benefit from the provisions for ownership of securities dealers by federally-regulated institutions.

Therefore I am pleased that the House will give this matter its attention this afternoon as well as possible speedy passage into committee.

Some Hon. Members: Hear, hear!

Miss Aideen Nicholson (Trinity): Mr. Speaker, I am pleased to see Bill C-56 finally appear before the House. As with Bill C-42, on which I spoke earlier this month, I welcome its appearance in the House as evidence that the Government is finally beginning to move through its agenda for the reform of the financial services industry in Canada. Bill C-56 is the second of three Bills whose passage will complete the reform process which was begun by the previous Government and carried forward somewhat fitfully by the present one.

Bill C-56 was introduced on May 7. If the fact that we are starting second reading today looks remarkably and unusually speedy, I remind Hon. Members that parts of the Bill have been around in one form or another for over a year and a half. Other parts of the Bill are subject to a deadline of June 30 of this year, a deadline imposed by the need for uniformity with legislation brought forward by the Ontario Government last year when the federal Government's reform process seemed hopelessly bogged down.

The Bill is a mix of older and more recent proposals. It contains proposals that would allow federally-regulated financial institutions to own securities dealerships.

As Hon. Members know, the securities industry is provincially regulated. Obviously, it is this portion of the Bill that is meant to complement the earlier initiatives of the Ontario Government which set the effective date of June 30, 1987. However, a good part of the Bill pre-dates the White Paper issued by the Government last December. The Ontario Government's proposals to open up its securities industry were released in June, more or less obliging the Government of Canada to fall into step.

• (1430)

A number of the Bill's other proposals, for example the strengthening of the powers of the federal supervisory authorities and the ministerial review process for transfer of ownership, have been around for some time. On September 9, 1985, nine days after the Canadian Commercial Bank closed its doors, the then Minister of State for Finance appeared before the Finance Committee and described measures which are included in the Bill before us today. She referred to the urgent need to improve the capacity of the Government and the supervisory agencies to deal with problems in financial institutions. She described as urgent the measures she was proposing and said that they were measures on which immediate action would seem appropriate. That was in September of 1985.

Let me describe the history of those urgent measures. In November, 1985, they were released as draft legislation. In April, 1986, they were tabled as Bill C-103 respecting banks, trust and loan companies. In June, 1986, parallel measures were introduced for insurance companies in Bill C-123. These Bills were never called for debate and died on the Order Paper. In October, 1986, the measures were reintroduced as Bills C-8 and C-9. Now they have been amalgamated and lumped in with the securities proposals to form Bill C-56.

It is clear from this brief chronology that the Government is taking a bit of a liberty in including this Bill as part of its reform program. If the Government had acted with all the urgency described by the former Minister of State for Finance at the Finance Committee meeting in September of 1985, we would have had legislation in place that might have made some difference in events that later occurred in the financial services industry. At the very least, the Government might have been just a little less prone to being overtaken by events.

This Bill in fact is a collection of proposals in response to particular situations. It is in response to the bank failures, in response to the takeover of Canada Trust by a non-financial corporation, and in response to the legislative initiative of a provincial Government. This Bill did not spring from the White Paper issued in December, 1986. As I have said, it is all older than that. It is reactive rather than proactive.

This is not to say that we do not consider the Bill worthy of support. There are proposals that the Official Opposition is pleased to support since they confer what we consider necessary and desirable powers on federal regulators. This Bill would give regulators the ability to take early action against unsafe or unsound business practices by issuing cease and desist orders. Second, the Bill proposes an expansion in the regulators' powers to set and to write down the value of real estate assets held by federally-regulated financial institutions.

The power to have an independent valuation of real estate has been proven to be important because a high proportion of the assets held by financial institutions, particularly trust and loan companies, consist of real estate and mortgage loans secured by real estate. The valuation of real estate is not

always a straightforward matter and inaccurate valuations can materially affect a financial institution.

The Canadian Commercial Bank is a case in point. In the course of our hearings, the Finance Committee found that one of the factors contributing to that bank's eventual insolvency was its practice of over-valuing its loan and real estate assets. So it is appropriate for the Government to address the matter in legislation, even though we are somewhat past the point when it might have been called timely.

Another proposal in the Bill to which I alluded earlier would give the Minister the power to review and either block or give written approval to share transactions that would result in any one person or associated group acquiring more than 10 per cent of the voting shares of a financial institution. The Bill proposes that the ministerial review be based on the following criteria: first, the financial resources of the prospective purchaser; second, the purchaser's plans for the institution's future; third, the purchaser's experience and business record; and fourth, the best interests of the financial system in Canada.

It is the last criterion that concerns me. The language is unbelievably vague and imprecise. What are the best interests of the Canadian financial system? How are they to be defined and interpreted? It seems to me that the criterion of best interests as we see it in the Bill brings the matter down to a political decision in the hands of the Minister of the day. I am not satisfied to see a matter as important as the ownership of financial institutions left entirely to the discretion of any Minister.

We have heard from the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mr. Hockin) that the policy on ownership would be part of the final segment of the reform legislation. We have been told to expect a draft Bill, not a Bill, before summer. Who can say when we will have an ownership policy in place? In the meantime, we have only this Bill which says that in certain circumstances there will be a review but that the final decision will be the Minister's.

At this point I am not prepared to approve such an open-ended provision. Once this Bill is in committee, I will want to have much more information about how this provision is to be applied. In fact, my own view is that some clear criteria must be written into the legislation. I certainly would not be happy with, and I do not know of anyone else who would be, a provision that seems to say that the Minister of the day determines what constitutes the best interests of our financial system and lets the Minister have sole responsibility for deciding which large-scale transfers of control or ownership should go ahead and which should be blocked.

I turn now to the other set of proposals in Bill C-56, proposals which would permit the entry of federally-regulated financial institutions into the securities industry. As I said earlier, the Ontario Government came forward with its proposals nearly a year ago. In December, 1986, there was agreement with respect to the timetable and the effective date of June 30, 1987. However, the introduction of the legislation before us today was delayed by a protracted dispute over what securities-related activities would fall under the jurisdiction of federal and of provincial regulators respectively. It was not until the end of April that an agreement was finally reached.

The June 30 deadline is still intact. This means that again there is pressure on us to make quick work of this Bill in the House and in committee. There would not have been this pressure had the Government moved earlier and had the Government negotiated better.

• (1440)

The Bill before us today proposes to allow domestically owned financial institutions to own subsidiaries dealing in securities. Foreign banks and other foreign institutions would also be allowed to own securities dealers, subject to the approval of the Minister. Also, foreign owned institutions would be restricted to 50 per cent ownership until June 30, 1988, at which point they would be allowed 100 per cent ownership.

According to the agreement reached by the federal Government and the Ontario Government, the federal regulatory authority, that is the Office of the Superintendent of Financial Institutions, will regulate the securities related activities which are carried on directly or in-house by federally regulated financial institutions. The provincial regulator, that is the Ontario Securities Commission, will regulate all the activities of securities subsidiaries bought or established by federally regulated financial institutions.

It is clear in looking at the agreement that the parties to it were very much concerned about getting the show on the road by June 30, and that the agreement represents the very minimum of what they could find to agree upon. The accord is based very much in the here and now. It says basically that federal institutions can keep on doing in-house whatever securities activities they are doing now; anything on top of that will happen through a subsidiary which will be provincially regulated. Maybe, in the interest of short-term expediency, that is all that is needed, but surely for the long-term a more comprehensive agreement will be needed.

The agreement announced on April 27 is a bare bones affair which does not envision any change, and surely change is the one thing on which we can count as we move to a more integrated financial system in Canada.

Another concern about the agreement is that it was signed with Ontario only, with the hope that it would serve as a model for the other provinces. This is an assumption that some provinces, Alberta and Quebec in particular, are objecting to, and understandably so. After all, none of the other provinces was consulted when the Government of Canada and the Government of Ontario were negotiating. Surely the matter warrants a federal-provincial meeting and the establishment of some sort of permanent mechanism to ensure uniformity in the implementation and regulation of these new proposals which

represent significant change for the financial services industry in Canada.

We are told, according to the Bill, that foreign owned institutions wishing to enter the Canadian securities market will need the Minister's approval, but the Bill before us today does not include any criteria on which this ministerial approval would be based. Surely the Government has some criteria. However, why are they not in the Bill?

Something the federal Government should surely look for from foreign institutions wanting to enter our market is reciprocity. If foreign owned institutions are coming to compete in the Canadian market, we should be looking for equal time for our institutions on their home turf. Different countries have different financial systems, so this would have to be negotiated on a case-by-case basis. However, the principle of reciprocity should be there, and the Government should insist on it if it cares for the interests of Canadians.

I also question why the Government has chosen to allow complete foreign ownership of Canadian securities dealers when the trade negotiations with the U.S. are still ongoing. Free trade in financial services is a key part of the negotiations. Why is the Government giving up this bargaining chip now?

This was an issue that Liberal members of the Finance committee raised in our minority report in November, 1985. The committee had recommended a level playing field for domestic and foreign owned institutions in Canada; in other words, a situation of unnegotiated free trade, freely conceded. The other Liberal members on the committee and myself opposed that recommendation, saying at the time that our recommendation was to forestall changes in foreign ownership requirements until the free trade negotiating strategy had been developed and the costs and benefits of the proposals had been established. I think our recommendation is still valid today.

I should also like, before the Bill is passed, some assurance from the Government that in implementing its new system it is mindful of the possible consequences on the concentration of economic power in Canada. Concentration of assets in the financial sector is higher than in many other sectors of our economy. The Government's goal of greater integration of services can lead both to greater competitiveness and to greater concentration. It is very important to ensure that an appropriate balance is struck.

Greater integration also brings with it greater potential for abuse and conflict of interest, and thus a greater need for consistent and vigilant regulation. Bill C-56 contains a few measures in this direction, but the frustrating part is that the bulk of the new policy will be in the legislation we have yet to see.

Again I must say that I have some difficulty in assessing what is before us today when it is only a portion of the total picture. This is a criticism which I made when I spoke on Bill C-42 earlier this month. In Bill C-56 we see some proposals for transfer of ownership of financial institutions, but the over-all ownership policy is not available to us yet in specific terms. I do not see why the Government could not have got its act together and presented us with a complete package at the outset.

Bill C-42 and Bill C-56 are welcome and useful preliminaries. However, let us be frank. The main event is yet to come and all we are hearing from the Minister with these curtain raisers is a vague promise of draft legislation.

We in the Liberal Party are willing to proceed. We are interested in getting these Bills to committee where we can explore them thoroughly and where we will have some amendments to move. However, I would certainly prefer to do so in a comprehensive fashion rather than in the piecemeal approach the Government seems to favour. I look forward to an early introduction of the remainder of the Government's proposals.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I did not expect Bill C-56 to come forward today, but I am happy to speak on it. Of course we have already begun study of the Bill in the Standing Committee on Finance and Economic Affairs.

I realize that part of the problem with the legislation is that it is really complex. Everybody's eyes tend to glaze over, I suspect even the Minister occasionally would prefer to be watching the Stanley Cup final between the Flyers and the Oilers than to be worrying about this particular matter. He nods his head. When he writes his epitaph, hopefully some years from now—and I do not mean his political epitaph; I mean his personal epitaph—he will not put on his gravestone, "I crafted a reform of financial institutions legislation". It will be a footnote to a footnote in his biography.

Let me try to put some flesh and blood on what we are talking about in this particular Bill. We are not just talking about new rules in respect of ownership of securities firms by insurance companies and other institutions. We are not talking only about a new formula for regulation or for oversight. We are talking about a related series of Bills, Bill C-42, which we have seen, and Bill C-56, which is before us now.

• (1450)

The third portion—when the third shoe will drop, so to speak, which we have not yet seen and about which the Government has only given us a glimpse of its intentions—is designed to put in place a pattern or a framework of both deregulation and reregulation for Canada's financial services and banking industry. This presumably will be in force for the next 10 or 15 years. In other words, for the period from now to the turn of the century, we in this House are being asked to make decisions about major elements in the financial operations of the country.

Why is that important, Mr. Speaker? It is important because finance, the movement of money, the access to capital, the ability to gain access to the financial payments system and so on, is the lifeblood of the economy, and because in this society, as in other western capitalized democracies, the access

to political power is very closely related to access to economic power.

What we are talking about in this related series of Bills—I will talk about Bill C-56—in a somewhat broad context is the degree to which the Government of Canada will come to grips with the concentration of economic power that we have in Canada.

As I said in the debate on Bill C-42, and I repeat it now, the major weakness in what the Government is proposing is that it has not been prepared to come to grips with the excessive concentration of economic power in financial institutions and in large holding companies in Canada, and with the fact that that concentration is on the increase rather than on the decrease. The Minister of State for Finance (Mr. Hockin) frowns. He looks a bit troubled about that.

Let me read him some figures. People think that at least the major financial institutions in Canada are the chartered banks. The chartered banks of Canada are widely held. Perhaps it would surprise Hon. Members to know that the smallest of the big five financial banks—the Bank of Nova Scotia—is the eighth largest financial institution in Canada in terms of Canadian assets that it controls.

At the head of the Bank of Nova Scotia you have Power Financial Corporation, a corporation controlled by Paul Desmarais which has Canadian assets larger than those of the Bank of Nova Scotia. You have the Desjardines Group, a co-operative group, mainly centred in Quebec, based on the Caisse Populaire movement and larger than the Bank of Nova Scotia; more power to them. You have Genstar Financial Corporation, much larger than the Bank of Nova Scotia and larger than the Toronto-Dominion as well, controlled by Imasco, which if I recall correctly is in the end a British controlled conglomerate which owns 100 per cent or thereabouts of Genstar. You have Trilon Financial Corporation controlled by the Bronfmans with assets larger than either the TD Bank or the Bank of Nova Scotia. Just above them the Bank of Montreal, the Canadian Bank of Commerce and the Royal Bank of Canada.

Therefore, two of those top eight financial institutions are controlled by one or two institutions. As Diane Francis has pointed out in her excellent book on financial concentration called *Controlling Interest*, there is an enormous concentration of financial power in the hands of a very small number of groups. In fact, something like one-fifth of the assets of the companies on the Toronto Stock Exchange are in the hands of just a mere handful of tycoons.

I did not mention E-L Financial Corporation whose assets are just a bit below the Bank of Nova Scotia, controlled by a Toronto financier, Hal Jackman, someone also known as a prominent Tory, albeit an unsuccessful one when he has tried to run.

I am also trying to put some flesh and blood in this. We should look at the financial record of the past few years in order to see the ineffectiveness of the regulatory system which the Government is seeking to reinforce by means of the various Bills we have before us. Half of the chartered banks in Canada have gone bust or have had to find new proprietors in the last two or three years since the Government came to power; that is one half of the schedule A banks, which is pretty bad. A whole succession of trust and insurance companies have also had very serious difficulties.

If you look at the list—I have it here—of institutions which have had particularly severe problems, Mr. Speaker, you will find a very sad and sorry tale of institutions which are now defunct, just about defunct, or have had to go on the crippled list. The list begins with the Home Bank in 1923, and jumps to 1985 with the Canadian Commercial Bank and the Northland Bank, not to speak of the Morguard Bank, the Bank of British Columbia and the other two banks which have had to come under new ownership. Beginning in 1980 you have Astra Trust, Fidelity Trust, AMIC Mortgage Investment Corporation, Greymac and Seaway in 1983, Northguard Mortgage Corporation in 1984, Pioneer Trust, Western Capital Trust and Continental Trust all in 1985.

Since 1976 we have seen the failures of the following federally regulated insurance companies: Underwriters National, American Reserve Insurance, Pitts Insurance, Strathcona General Insurance, Cardinal Insurance, Ideal Mutual Insurance and in 1985 Northumberland General Insurance Company.

What I am trying to do before coming to grips with the details of the legislation is just to remind the House and remind those dedicated readers of *Hansard* who will look at this debate that we are talking about real companies and real institutions which have had trouble. We are talking about real failures of the regulatory system and we are talking about concentration of ownership in the financial sector and about a Government which chooses to try to pep up the regulatory system by establishing a Superintendent of Financial Institutions but is not prepared to take any effective action to do anything about ownership.

I want to give a bit of credit to the Minister of State for Finance. He was a brave man, but his loyalty to the Cabinet is stronger than his ability or his determination to do something about the concentration of ownership. On December 4, 1986, the Minister of State took his proposals about ownership of trust companies before the Economic and Regional Development Committee of Cabinet. I cannot vouch for this because obviously I was not there. I did not have the privilege of being a fly on the wall. I hope to be in Government very soon. My Party is working at it very successfully.

Some Hon. Members: Oh, oh!

Mr. Cassidy: That, of course, is an aside. One or two Hon. Members shout, but I would retort to them that if they looked at the opinion polls they would find that the Progressive Conservative Party is shortly to have the fate it predicted for the New Democratic Party for so many years. The PC Party is down to 22 per cent in popularity and sliding very fast.

Mr. McDermid: You will eat those words.

Mr. Cassidy: I think it is noteworthy that we are having a lively debate on a subject as dry as this one, but one of the reasons is precisely that Canadian people perceive that the Government in power now pays a lot more attention to the rich and the powerful individuals and interests in Canada than it does to the needs of ordinary Canadians.

Let us look at the sad fate of the Minister of State for Finance. On December 4, 1986, Diane Francis, who is very knowledgeable in this area, writing in *The Toronto Star* said—

Some Hon. Members: Oh, oh!

Mr. Cassidy: —that he took a proposal to limit the ownership of trust companies on a sliding scale, which would mean that the largest trust companies would be allowed to have no more than 10 per cent ownership in any individual hands, putting them on the same basis as the banks. Also there was a proposal to restrict cross-ownership to 30 per cent so that if there were commercial owners they would only be able to have 30 per cent of a financial institution. The Minister will get up and say it ain't so, or he might, but of course he has no choice because Cabinet solidarity binds him and he has not shown—

Mr. McDermid: He was there and Diane Francis wasn't.

Mr. Cassidy: The Minister can deny it if he will. I challenge him to rise on a point of order now to say that what I am recounting is not so. I have lots of time. I believe I have 40 minutes. Please do not seek to hurry me up like that.

The Acting Speaker (Mr. Paproski): I believe there has been agreement in the House to try to terminate this debate by at least 3.15 p.m. I feel, from the way the Hon. Member is participating, that we could be here all afternoon I just thought I would bring that to his attention. There is such a thing as relevance, and I hope the Hon. Member will speak about the Bill. The Hon. Member for Ottawa Centre (Mr. Cassidy) has the floor.

Mr. Cassidy: I appreciate your participation, Mr. Speaker. However, I note that the Hon. Minister has chosen not to intervene, as I suggested he might. I believe the first speech on second reading of a Bill can go on up to 40 minutes and I was intending to speak for 40 minutes. I am sure you will inform me when my time has come to an end. I do not intend to speak endlessly. One or two of my friends pointed out they were sure the House would like to debate this matter through July but the attendance might be even more limited than it is right now.

• (1500)

The fact is that when the Minister took this legislation before the committee he found himself garotted, guillotined, manacled, shackled and otherwise prevented from acting to ensure some protection against this concentration of economic ownership. In the end we have a mild set of restraints affecting only two of the largest trust companies compelling them to divest themselves of 35 per cent of their ownership over some period of time while they retain 65 per cent control. I suggest that is no discipline at all. They will still have control.

Not only that, the Bronfmans, the Reichmanns, the Conrad Blacks, the Hal Jackmans and Paul Desmarais have the assurance of the Government that no new financial conglomerates will be allowed to emerge. Is that not wonderful? In other words, we are going to continue this cosy relationship where "them what has" can get bigger, fatter, more prosperous, and pile up more and more assets. At the same time they will not be dogged by new contenders coming up behind them.

The Hon. Minister may recall the way in which the financial industry joined forces and circled the wagons when Bob Campeau of Ottawa, I suppose a constituent of mine, sought to gain control of a major trust company. Boy, did they ever stand tall in order to prevent that from happening. If the Government's view is that it is okay to have these large conglomerates, how can self-made people like Bob Campeau or Paul Desmarais come up in a new generation? The fact is that even Mr. Desmarais was part of the lobby that ensured the door was shut after he got inside. I suggest there is a serious problem there.

Let me move on a bit. The Government of Canada has decided to join forces with the provinces, particularly the Province of Ontario. It is a bit like building the Sky Dome in Toronto. That city somehow feels inadequate if it does not have a dome stadium as extravagant and of as little potential utility as domes in other major cities. World class to Toronto is not a state of mind; it is whether you have the necessary architecture and hardware to say "we are world class".

Mr. McDermid: What a tiny little mind you have.

Mr. Cassidy: There has been deregulation on Wall Street and that led to such things as a $250 million loss in mortgage security trading at Merrill Lynch. Because there was a big bang a year or so ago in London, Canada has to have its big bang, too, without looking at the evidence. When the former British Chancellor of the Exchequer, Denis Healey, was here last December he told Canadians not to do it, to learn from their mistakes. If you look at the kind of problems now being experienced on Wall Street with insider trading, massive losses in institutions which had a very good reputation, if you look at the degree to which some President Reagan's men and women are now finding a safe haven with million dollar salaries on Wall Street, I ask myself if that is what we as Canadians really want. Maybe the Minister and his colleagues in the Progressive Conservative Party want that, but I am sure there are some ordinary Canadians watching who ask whether we want a casino economy where this conglomeration of capital is perpetuated. Do we want the situation to continue where an ordinary Canadian who wants to borrow a few thousand dollars to establish a business, buy a house or expand a restaurant is put through an impossible situation by the banks.

Mr. McDermid: Talk to us, not the TV cameras.

Mr. Cassidy: I will talk to the citizens out there. There are only 10 Members on the other side of the House but there are millions of Canadians who may be watching this particular debate.

An Hon. Member: Not since you got up.

Mr. Cassidy: The point I am making is that at the time when we have such a concentration of commercial interests on the boards of directors of Canadian banks, the 10 per cent ownership rule is virtually useless in undermining the concentration of economic power in our country. If I as a citizen would like to have banking services in my community until six o'clock, why do I have to wait for 25 years before the banks begin to wake up? Why is it that through most of the City of Ottawa I cannot go to a bank on a Saturday? If I happen to be in a job where I work hard from nine until six day after day, I cannot, without taking time off from my job, do my banking. When I do, I have to stand in a line with 30 other people because I happen to go on pay day because that is when I need my money.

Mr. McDermid: Boy, are you out of date.

Mr. Cassidy: How come the consumer is so badly served, yet, if I am Conrad Black and I want to do a deal and I need to bring together $500 million in bank lending, I can get that through a few telephone calls. The Hon. Member from Brampton should realize that this is precisely what is happening. There are enormous inequities in our financial system between the rich and powerful and the ordinary Canadians.

I speak, among other things, as a democratic socialist. I think there is something wrong when the Government gives to a handful of financial institutions the power to create money. For every dollar in assets they can create $19 or $20 by means of the credit system, as any student of economics will know. We give that privilege, and that is what it is, to our Schedule A banks. Yet do we turn around and ask whether those banks are generally doing the appropriate job for the consumer? Do we ask whether the banking services available in the Northwest Territories or in small communities are adequate? Maybe we ask but we do not get answers. In fact they are not.

Do we use the powers of the state through the Inspector General of Banks or the Superintendent of Financial Institutions in order to ensure that a consumer who is being ill-treated by the banks has some right of redress? When the banks grant a loan to Argentina and the loan fails, farmers in western Canada feel it a month or so later when suddenly credit conditions are tightened and their loans are being called. This has occurred over the course of the last few years. I express some indignation over that because I think it is appropriate from time to time that we in the House of Commons should do so and that the banks should hear some of it.

A year or two ago we had a dinner with the presidents of about five Schedule A banks. We had a very jolly time, I and members of my caucus who had taken pains to meet with the banks. It was a very interesting session. We talked about a number of things including concerns the NDP has over the adequacy of services for farmers and small business people. It is really a scandal at times the way some of those people are dealt with. While in general there are aspects to our banking system which are more favourable and more effectively operated than in other countries, I asked why in a country where 40 per cent of the workforce are members of trade unions, you and your institutions have moved heaven and earth to keep the union out of your institutions? There was such a frost that descended on that cosy little *tête-à-tête*—I had accepted a couple of glasses of wine from the bankers in the interests of communication—you could almost see the icicles hanging down from the walls. I have real concerns about giving privileges to those large financial institutions when they turn around and give generously to the Progressive Conservatives and the Liberals.

Mr. McDermid: You would not accept it.

Mr. Cassidy: They do their bit to keep men and women working for financial institutions in a subservient way. They should be ashamed of the way they have behaved over the course of the last two or three decades. They have denied working men and women the right to speak for themselves and are basically trying to perpetuate the labour-employer relationships of the 19th century. Those are the facts. That is how those institutions have been operating.

• (1510)

I say all these things to put what we are talking about into perspective. We as parliamentarians and legislators should be very aware of the abuses which have taken place in our financial institutions. Just because banks do a few good things as corporate citizens we should not be blinded to the fact that there has been too much self-dealing and concentration of ownership. Neither the United States nor Japan allow their banks to engage in underwriting, yet we are about to do that. That is very serious.

What would happen, for example, if we had another Dome situation and the banks or their security subsidiaries are involved in underwriting equity or debt for a new Dome Petroleum? Will the banks which will be concerned about their loans to that particular institution turning bad tell their security people to sell a bit of equity because they are feeling shaky about it? What kind of Chinese wall could prevent the potential abuses in such a situation? All we will get is a Chinese wall based on soft noodles which will not prevent that kind of abuse from taking place.

In the context of the present negotiations for free trade with the United States one must ask whether the United States has offered to allow Canadian banks to own securities subsidiaries in the United States. For 30 or 40 years they have insisted on

strict segregation and they will not change just because Canada says it should be so. We are saying that as of this June any American bank can own and have effective control of a securities house here in Canada. As of June, 1988, they will be able to have 100 per cent ownership.

If I were running a $20 billion bank in the United States I would very quickly take advantage of this opportunity and buy a subsidiary here in Canada. We are likely to give American banks a back door to the securities market and then the subsidiary of the Canadian firm will do business in the United States. That is a perfectly logical thing to do.

The other day I said that the investment dealers in this country are like the chickens going to Colonel Sanders because they do not realize that we are seeing the end of an independent securities industry in Canada. As a democratic socialist I am not sure if I should leap to their defence. I noticed that the spokesman from Nesbitt Thomson was beginning to wake up to that fact the other day, but the investment dealers are too late. They have been sold out.

There are some very serious questions which still have not been adequately answered with regard to the degree to which the Government has moved into this area with the consent of Ontario but no particular agreement from the other provinces. We will have to explore in committee where that will lead, but I have some grave reservations about the way in which it has proceeded.

I want to talk now in more specific terms about the Bill and some concerns which New Democrats have about financial services in general. I have been developing some policy, as is appropriate for an opposition spokesman. I suggest to the Minister that there is an over-emphasis on the problems of stability. It is not that those problems are not real, but they are addressed too much by regulation rather than ownership. The missing element is that we are not at all taking up the needs of consumers. That is a real question in that too many banks still close at three o'clock. It is a real question if consumers have to pay an inordinate rate of interest.

An example of the abuse in a supposedly competitive area is that it took the Commons Finance Committee two months to persuade the chartered banks to lower interest rates and service fees on credit cards to a more reasonable level. It was clear that they were making excessive profits and they have now agreed to roll them back. However, a Common's committee should not be responsible for ensuring that kind of protection. It should be there at all times. There should be a means by which individual consumers, small businessmen, farmers and so on can have their grievances against banks examined and get some redress.

The drafting problems in Bill C-56 are very serious. For example, it amends sections of the Canada British Insurance Act which are being amended simultaneously through Bill C-42. I have to ask who is smoking what in the drafting section of the Ministry of Finance.

I disagree with banks having security underwriting powers, but the proprietors of the Montreal District Savings Bank point out that if the chartered banks are to have those powers, surely the Quebec Savings Bank Act should be suitably amended as well. If we are going to make a wrong decision, we should not put the City and District Savings Bank on a basis different from that of the co-operative institutions, the financial institutions, and the chartered banks.

With respect to securities regulations in general, we should be seriously looking at a form of joint agency. The present situation in which the provinces all go their own way is ludicrous in a country of 25 million. I would have liked to have seen more leadership from the Government on this. I am sorry that it has not been forthcoming. We have retained an awkward compromise with the securities commission in Ontario doing the job of a national securities commission while Quebec, Alberta and other jurisdictions are able to pass independent legislation. I realize that we will not get a federal securities commission which is under provincial jurisdiction, but there is enough overlapping jurisdiction, particularly as the pillars collapse, that I think the Government, even now, could be taking initiative to get a joint body in which both levels of Government might give up some powers to get a common pattern of securities regulation. My Party does not believe that just because there has been a big bang in London or on Wall Street we have to follow that particular route.

The Bill speaks specifically to the moratorium on ownership. I think that section is ludicrous in the absence of any adequate ownership rules. The guidelines which include the stipulation that the Minister must look at the best interests of the financial system are meaningless. I do not know what the devil they mean. If I were the Minister of Finance (Mr. Wilson) I might say that it is in the best interests of the financial system not to have further concentration of ownership and, therefore, reject any share transfer which would involve the passage of control of a widely held financial institution into narrower hands. It could be argued that that would be an abuse of a very wide paragraph. I think the whole section is rather nuts. It disguises the Government's failure to come to grips with the ownership powers.

With regard to the cease and desist powers in Bill C-56, the Government is giving the Superintendent of Financial Institutions the power to move in and exercise the powers of directors for a short period of time without giving the institution any power to retaliate or resist and then, with ministerial approval, to do it on a more permanent basis. I believe one can make a strong case that something like that might have been useful in the events we have experienced over the last few years. It is also fair to say, that had there been the will to act on behalf of the regulators, there would be no need for the legislation. It was the failure of will, both at the official level and at the ministerial level which, in large measure, accounts for the approximately $2 billion we had to pay out through the CDIC and, in other ways, over the course of the last couple of years.

• (1520)

The point I want to make is that I think there are real problems in terms of information being available to other than insiders. I cited in committee the other day an example. Let us suppose that I was a small entrepreneur, I was a good socialist developer and was about to develop a few factory units or a small shopping centre. Socialists do these things as well, Mr. Speaker. The Minister seems to be a bit upset. Suppose I arranged for insurance with a company and the insurance was the last element in making my deal fly. Suppose that three days before I signed the contract with the agent for the insurance company, the Superintendent of Financial Institutions had moved in because he had reason to believe the insurance company was about to belly-up. I took my risks, I committed my capital, without that knowledge. Then it became evident a few days later, after I had signed the contracts and committed my capital, that the insurance had unravelled. With the insurance unravelled, the deal unravelled and I found myself completely up the creek.

The question is, at what point is information to be made available publicly? That is an issue with which we will be dealing in committee. I think it is a very serious issue because if the Superintendent has grounds to move into a company, it seems to me there has to be some way by which that information can be made public.

The Ontario Securities Commission and the SCC in the United States make their actions public despite the fact that those actions will have an effect on the quoted market value of shares actually being traded at that time. We have to look at that and perhaps get used to it.

The point was made about the appraisal of asset values. Again, the Government has failed to address the responsibility of accountants and auditors in this particular area. In other words, they will advise in an area where they have in many respects been a cause of the problems with which we are concerned.

The committee is concerned, and I put this to the Minister now, over the fact that the limits on reinsurance are being put down by regulation when in fact it is appropriate, because it is such a major restraint on the operations of an insurance company, that at least the broad parameters should be in the legislation itself and just in the form of regulations.

With respect to the insurance companies, there is also a matter of consumer protection. The Minister, coming from Ontario and a community where insurance is an important industry, will know the concern which my colleague, Bob Rae, a former Member of this House and Leader of my Party in Ontario, has been raising over the degree to which property and casualty companies are bleeding Ontario drivers dry with the rates they are charging for automobile insurance. In particular, we are concerned about the way in which they are abusing individuals because of arbitrary rules which in some cases have driven businesses to the wall. For example, there was a case in the papers the other day of a woman who married her boyfriend—I think she was probably living with him as well—and as a consequence, the insurance she had to pay on her vehicle rose from $600 to $1500, just like that. The fact that she assured the insurance company that her husband was not going to drive her vehicle was irrelevant. That kind of silliness has to stop.

Just as there is a desirability for the federal Government in respect to banks to protect the consumer, I think there should be a measure of consumer protection as well with respect to insurance companies who also have the privilege, not the right, of carrying out insurance duties here in Canada.

Mr. Hockin: Talk to Bob Ray. It is a provincial issue.

Mr. Cassidy: The Minister says it is a provincial issue. If these companies are federally regulated, then I believe we can in fact provide some direction in terms of how those companies are to operate. If people then choose to set up provincially regulated insurance companies because they do not like the federal rules, that is fine. Let the province deal with them. But I do not think we as federal legislators should abdicate our responsibility in that particular area.

There are a number of specific points which perhaps I will have a chance to talk about later. However, I would like to make a point to the Minister in a very serious way. What we have heard from the officials of the Department of Finance with respect to the resources which will be made available to the new Superintendent of Financial Institutions is extremely disturbing.

The previous Inspector General of Banks should have, in my opinion, put his job on the line to get adequate resources to do his job as Inspector General. It is a personal tragedy, I think, that he did not have the gumption to do so perhaps five or six years ago. He did not and his office was too weak. He perhaps lacked some of the will to do what he needed to do and that contributed to the failures of the banks which we have experienced.

What senior officials of the Department of Finance have told us is that there will only be a moderate increase in the resources which will be made available to the office of the Superintendent of Financial Institutions relative to what was available to the Inspector of Insurance and to the Inspector General of Banks.

Mr. Hockin: That's not true.

Mr. Cassidy: The Minister says that this is not true. I hope he will answer that in committee since he will not have a chance to answer here in the House. That is a very serious concern, particularly in view of the excessive reliance on regulations which my Party has indicated we believe is contained in the Act.

I would like to suggest that part of the changes in corporate governments—and perhaps that is still to come—should include a broader reflection of the community on boards of directors for financial institutions. These boards should include

representation for consumers, farmers, small business, women and other relevant groups. That is something which I think we can insist upon because these institutions operate not by right, but because of a privilege which is given to them in the powers of limited liability, the powers to create money and the other powers they have under federal legislation. We are very concerned about the degree to which self-dealing is permitted. We are concerned about the degree to which there is a total deregulation of the power of making commercial loans by non-financial institutions.

These are some of the points about which we are particularly concerned. I could make other points but I guess I will just conclude by saying that we should have addressed, in the reform of the financial institutions, a number of consumer issues as well as the stabilities issues so that the way in which those institutions offer services to consumers was addressed, and there was some redress for consumers. There is a very serious need for a kind of financial ombudsman who would be on the consumer's side.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member's time has expired. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed pleased say nay.

Some Hon. Members: Nay.

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): Carried on division.

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

• (1530)

The Acting Speaker (Mr. Paproski): It being 3.30 p.m. the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--PUBLIC BILLS

[*English*]

NON-SMOKERS' HEALTH ACT

MEASURE TO ENACT

The House resumed from Tuesday, March 31, consideration of the motion of Ms. McDonald that Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising, be read the second time and referred to a legislative committee.

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, it is a pleasure for me to join the debate today on Bill C-204. As the only actuary elected to the House I would like to begin by commending the Hon. Member for Broadview—Greenwood (Ms. McDonald) for bringing this important initiative forward, and to indicate that I intend to support the Bill on second reading. However, I should also signal that if the Bill were to leave the legislative committee unamended, I would be forced to vote against it as it currently stands at third reading.

The Bill contains several important features. The first feature would restrict smoking at the work station. I support this feature of the Bill. However, the Bill also provides that designated smoking rooms should be provided for employees who wish to continue to smoke at the office, and imposes a stipulation that any such room be both enclosed and independently ventilated.

While I have no particular objections to the designated smoking room concept *per se*, I cannot justify the allocation of several hundred millions of taxpayers' dollars at this time to provide for independently ventilated smoking rooms in many old buildings used by the Public Service. It may be desirable, however, to consider such a feature for buildings designed in the future. For this reason, if the Bill passes second reading, and if the independent ventilation feature remains in the Bill, I would oppose it at third reading.

The Bill would also restrict smoking on airplanes, ships, railways and motor vehicles under federal jurisdiction. This feature of the Bill goes far beyond what was recently announced by the Minister of Transport (Mr. Crosbie) who restricted smoking only on airplane flights of less than two hours' duration. I believe that the proposals of the Bill to consider further limitations on smoking on common carriers are worth future study. It is principally for this reason that I offer my support for the Bill at this time.

Finally, the Bill would designate tobacco and tobacco products under the Hazardous Products Act. As an actuary there is no doubt in my mind that tobacco is a hazardous product. I would like to see committee hearings held to establish whether such a designation would be in the public

interest and what the ramifications of such a designation would be.

The debate concerning the use of tobacco is an old one. The first reference I was able to find described tobacco as "barbarous, beastly, hateful to the nose, a vile and stinking custom, harmful to the brain, and dangerous to the lungs". The comment, I hasten to add, was not made by the Hon. Member for Broadview—Greenwood but by King James I in the year 1604.

Nevertheless, tobacco-related illnesses did not begin to flourish until the invention of the cigarette machine in 1880. In that year, 500 million cigarettes were produced commercially in the United States. Within five years the production doubled to one billion cigarettes; and within another five years the production quadrupled to four billion cigarettes. Some 90 years later, in 1980, the annual production of cigarettes in the United States was 620 billion and in Canada it was about 64 billion.

Almost all Canadians know of the association of smoking with lung cancer. What most people do not know is that lung cancer was almost unknown prior to the invention of the cigarette machine. At the turn of the century the pathologist Adler estimated in a review of world hospitals that he had been able to uncover that only about 300 cases of lung cancer had ever been reported. Today, it is the number one killer in terms of cancer for males. In one hospital in Toronto alone, the Princess Margaret, there were 1,119 new cases of lung cancer in 1980.

Cigarette smoking is now the number one cause of premature death in North America. Actuarial studies indicate that it is responsible for 33 per cent of all cancer deaths, 25 per cent of all coronary heart disease deaths, and 40 per cent of all respiratory disease deaths.

Not only do smokers die early, they are sick more frequently. Smokers are hospitalized 50 per cent more than non-smokers. They have twice the accident rate of non-smokers. It is estimated that in 1980 dollars each smoker costs an employer an average of $600 in lost productivity.

Actuaries have been studying mortality differences between smokers and non-smokers since 1964. The ratio of smoker to non-smoker mortality among insured lives is 15 times higher for respiratory cancer, 14.7 times higher for pneumonia and influenza, 8.1 times higher for hypertensive heart disease, and 5.8 times higher for fatal digestive diseases.

In the United States a detailed mortality study of all U.S. veterans has been conducted. In addition to the elevated rates of cancers of the lung and bronchia mentioned above it was found that smokers are 12.5 times more likely to contract cancer of the pharynx, 10 times more likely to contract cancer of the larynx, 6.2 times more likely to contract cancer of the oesophagus, and 5.2 times more likely to have an aortic aneurysm.

Over the study period 1960 to 1984, it is estimated that 659,000 Canadians had premature deaths directly related to tobacco use—almost 30,000 a year. Studies indicate that the extra mortality is directly related to the age that a person first began smoking, as well as the number of cigarettes smoked per day. This is why it is so important to control the new use of smoking among our youth and why I support the recent ban on tobacco advertising introduced by the Minister of National Health and Welfare (Mr. Epp).

However, there is some hope for smokers. Studies also indicate that mortality starts to return to normal after smoking stops. For those who smoke less than an average of 20 cigarettes a day mortality is only 30 per cent above normal after one year of abstinence and is essentially back to normal after 10 years of abstinence.

Those who smoke more than a pack a day are not quite so lucky. Their mortality in the year after they stopped smoking is still 269 per cent of normal. However, after 10 years even heavy user mortality drops to only 50 per cent above normal. This 50 per cent figure is as high as it is because it includes a large number of people who quit smoking on doctors' orders because they had already developed severe health problems.

If one were to study former heavy smokers who quit voluntarily before their doctors told them to one would find that their mortality is quite close to normal within five years and is essentially back to normal within 10 years. Unfortunately, those who wait until the doctor orders them to quit smoking have considerably elevated mortality even 15 years after they stop smoking, that is those who are still alive.

The actuarial statistical studies are numerous and consistent. Tobacco use kills. Tobacco use disables. Even indirect smoke inhaled by a non-smoker is dangerous. Tobacco use is a health menace. It is now socially unacceptable to expose others to the risks of second-hand smoke at the office or on public transit.

Once again, I wish to congratulate the Hon. Member for Broadview—Greenwood for bringing forward Bill C-204. Obviously, she has served to focus Parliament's attention on the most serious health problem we have in Canada.

Within the last few weeks the Government has taken major initiatives to curtail smoking. Hopefully, by passage of this Bill at second reading and study in committee several additional reasonable steps can be found which might save additional hundreds of lives a year.

Mr. Bob Hicks (Scarborough East): Mr. Speaker, I would also like to congratulate my colleague, the Hon. Member for Broadview—Greenwood (Ms. McDonald), on an excellent and very topical Bill. It deals with a subject matter which is foremost in the minds of many Canadians. My colleague, the Hon. Member for York—Scarborough (Mr. McCrossan), brought out a great many statistics which I think are worthwhile and which should be considered by all Canadians. I would like to talk generally about the Bill for a long time, but there are some specific matters I would like to bring forward.

Bill C-204 which is in its final hour of debate today addresses two specific areas related to the use of tobacco products in Canada. First, it seeks to restrict smoking in federally-regulated workplaces, transit vehicles and other locations under federal jurisdiction. Second, it would ban the advertising and promotion of cigarettes. The goals of this Bill are indeed laudable.

The detrimental effects of tobacco smoke, not only on the health of smokers but also on the health of non-smokers who may be forced to breathe air contaminated with tobacco smoke, has been clearly established. It would therefore be unconscionable on our part to ignore this problem.

On April 22 of this year the Minister of National Health and Welfare (Mr. Epp), the President of the Treasury Board (Mr. de Cotret), and the Minister of Labour (Mr. Cadieux) announced major new initiatives concerning the use of tobacco products in Canada. I shall concentrate on one particular aspect of these initiatives and that is, the issue of smoking in the workplace.

• (1540)

There are approximately 900,000 workers in the federal jurisdiction. The Minister of Labour has the responsibility of ensuring that the health and safety of these workers are protected while they are in the workplace. He fulfils that responsibility by administering the Canada Labour Code. Part IV of the Code addresses the issues of occupational safety and health.

There are two specific points in the Code which the Minister of Labour is intending to use in order to minimize the exposure of workers to second-hand smoke. The first point concerns the creation of joint health and safety committees. These committees are mandatory for establishments with 20 or more employees. A safety and health representative is required and the committees are composed of representatives of both employees and management.

The Minister proposes to request employers to restrict smoking in their workplaces to specifically designated areas. This is to be implemented by the employers in full consultation with their safety and health committees or safety and health representatives as the case may be and should be in place before the end of 1987. This is phase one of his initiatives.

The second point is the authority that the Code bestows on the Minister of Labour to prescribe specific regulations pertaining to any aspect of the occupational safety and health of workers under federal jurisdiction. Phase two of his initiatives involves the development of a new regulation regarding smoking in the workplace.

At the present time, the Minister's Department is actively engaged in a full-scale technical review of all aspects of the Canada occupational and safety and health regulations issued pursuant to Part IV of the Canada Labour Code. This review is being carried out in an unique way which I consider to be very Canadian. A special review committee has been set up with the joint participation of labour and industry representatives.

The Minister will be requesting this committee to develop the regulation on smoking and to have it ready to take effect in 1989. He has publicly announced his hope that the review committee will seriously consider a total ban on smoking in all federally-regulated workplaces. The highlight of these initiatives by the Minister of Labour is the active participation of the two key stakeholders in this issue, employers and employees.

We all know that the practice of smoking dates back many centuries and it has become well entrenched in the daily habits of millions of Canadians. We are debating an issue that constitutes a major lifestyle change for these Canadians. Surely, unless we can get the co-operation and good will of both smoking and non-smoking workers, our efforts will be in vain.

One reasonable way of minimizing this potential hazard in the workplace is by seeking the co-operation of employers and employees. This is precisely what the Minister of Labour intends to do. Unfortunately, it is not altogether clear that Bill C-204 would involve employers and employees in the process of decision-making and implementation of workplace smoking restrictions. Experience has shown that when employers and employees are involved in the design and implementation of workplace smoking policies, the policies that result work well and are self-enforcing.

According to Bill C-204, a workplace is considered smoke-free if the concentration of airborne tobacco tar in that space does not exceed .75 micrograms per cubic metre of air. In my opinion, this issue can be more easily addressed by administrative action, and that is precisely the route the Minister of Labour is taking at the moment.

I am sure we all appreciate the complexity of this problem. I am convinced that the phased-in approach put forward by the Minister of Labour will succeed in reducing this hazard to the health of Canadians. In conclusion, let me once again give credit to my colleague, the Hon. Member for Broadview—Greenwood, for bringing this issue to the forefront. I would urge my fellow Hon. Members, however, to consider the major initiatives taken by the Government in deciding how its members will eventually vote on Bill C-204.

Mr. David Daubney (Ottawa West): Mr. Speaker, I am pleased to participate in this debate on an important Private Member's Bill which has attracted a great deal of attention in my riding and, I am sure, across Canada.

The Government which I support has taken an active role over the past two years in addressing the issue of cigarette smoking. This has been in response to overwhelming evidence that tobacco smoke is the largest preventable cause of illness and premature death in Canada. Moreover, it is becoming increasingly clear that Canadians who are consistently exposed to smoke in the environment may also be suffering adverse health effects. Not surprisingly, the public is increasingly

asking for an environment that protects non-smokers from tobacco smoke.

The effects of direct exposure to smoke have been clearly demonstrated over the past decades. Thirty per cent of cancer deaths, 30 per cent of heart disease deaths, and 90 per cent of chronic obstructive lung disease deaths are caused by tobacco. More than 30,000 Canadians die each year from smoking-related diseases and 17 per cent of all deaths in Canada are attributed to smoking.

The evidence on the effects of environmental or passive smoking has only begun to emerge in the past 10 years or so. Research to date indicates a relationship between passive smoke and low birth weight and injury for unborn babies, respiratory illnesses for children and lung cancer for those involuntarily exposed to smoke over a long period of time such as spouses of smokers.

The U.S. Surgeon General estimates that one hour spent by non-smokers in a smoke-filled room my be equivalent to their smoking five to thirty cigarettes. In his 1986 annual report, he recommended that exposure to environmental tobacco smoke be eliminated and that policies aiming to do this be implemented with the input and support of all involved including smokers and non-smokers and management and employees.

I would like to comment briefly on the recent initiatives announced by the Government to reduce tobacco use in Canada, and particularly those measures to reduce smoking in the federal government workplace. As part of the Government's initiatives which were referred to by my friend from Scarborough and announced on April 22, 1987, the President of the Treasury Board (Mr. de Cotret) indicated his intention to declare a ban on smoking in all Public Service workplaces by January 1, 1989. This smoking ban will be implemented in a phased-in manner based on consultation with the unions in the National Joint Council. This consultation is essential to achieve the successful and harmonious implementation of a ban and to ensure the continued co-operation and compliance of all employees.

The Public Service of Canada is the largest employer under federal jurisdiction and has a number of unique work situations and work sites. Some work sites are shared with employees of private sector employers, others are the full-time residents of special client groups or of Public Service employees, and some work sites are in shared accommodations with the general public. These situations will need to be considered and addressed in the consultation process to establish implementation measures that take into account these special situations.

There are already a number of Public Service departments that have restricted smoking in their workplaces. These measures were implemented after consultation with the employees involved. The experiences of these departments indicate that not only non-smokers but also many smokers and in fact the majority of smokers among the employees supported these initiatives.

It is increasingly evident that smoking in the workplace and in other public areas is becoming unacceptable to a majority of Canadians. The Government's initiative to ban smoking in the Public Service workplace reflects the rapidly changing public and employee attitudes toward tobacco usage. Daily we hear of employers implementing bans or restricting smoking in the workplace to a few designated, agreed upon smoking areas. Exposure to second-hand tobacco smoke in the workplace is no longer tolerated and employees have requested action on this issue.

• (1550)

In 1985, Treasury Board, in consultation with Public Service unions, developed guidelines to assist Departments in implementing measures to control smoking in the workplace. Certain areas were identified where public servants could not smoke, for example in areas or at service counters where the general public was served. It was agreed at that time that the guidelines were an interim measure designed to inform Departments of the increasing sensitivity to this issue and of the need to consult with their employees on ways to resolve co-operatively differences related to tobacco smoke in the workplace. It was also agreed that these guidelines were for a period of three years and that thereafter a more stringent approach would be required. Both the Treasury Board and the unions in the National Joint Council agreed to start consulting on a standard a year ahead of schedule because of increasing pressure to have more stringent measures apply.

According to Health and Welfare Canada, the successful implementation of a smoking ban is based upon strong support for a ban by the senior management of an organization and consultation with employees on the development of a phased in plan to achieve this ban. These measures, as I have indicated, are being adopted by the Public Service of Canada.

The announcement of the Government's intention to ban smoking in the Public Service workplace is an important and progressive step by Canada's largest employer. It is hoped that it may serve as a catalyst for other employers.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I congratulate the Hon. Member for Broadview—Greenwood (Ms. McDonald) for raising this issue. It is an historic fact that this is the first Bill under the new Private Members' procedures which will hopefully go through its remaining stages and come to a vote.

Mr. Boudria: It is the second one.

Mr. Cassidy: I beg your pardon. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has corrected me.

The Bill calls for two measures—first, to ban advertising by declaring tobacco to be a hazardous product and, second, to ban smoking in federally regulated workplaces, particularly in the Government of Canada.

I was pleased that the Government had finally began to act on this issue and that it announced some policy in this area in the press conference held by the Minister of National Health and Welfare (Mr. Epp) about four weeks or five weeks ago.

However, I was disappointed by two aspects of the Government's proposal. The first is that the proposed advertising ban is incomplete. It will continue to allow point of sale advertising. I think it is well known that if one stifles advertising in one way but leaves a loophole, the advertising funds—and I believe that they amount to $200 million per year which cannot be spent elsewhere—will go into the area which is still exempt. In other words, we are likely to see a substantial increase in point of sale advertising, which will continue to communicate the idea that it is hip, smart, sexy, or somehow positive to be seen with a cigarette in one's mouth.

Second, tobacco companies, perhaps by registering subsidiaries with the names of their brand in the title, will be able to promote their products in terms of sporting and other types of events which they help to sponsor. There too I have some real questions. To have Macdonald Export establish a subsidiary so that it can subsidize the Macdonald Export ballet or some such event is another covert way by which promotion and public relations on behalf of cigarette smoking are likely to be permitted. It is a shame.

Another problem with the Minister's Bill is the fact that he lacks urgency and is not prepared to act in what I believe is the spirit of the House when it decided to put in force a procedure to allow Private Members' Bills to come to vote. If the Minister were really seized with the urgency, I believe he should have in fact said: "I will piggyback the Government's proposals on to the Bill proposed by the Hon. Member for Broadview—Greenwood". We all know that parliamentary time is very scarce. It is difficult for measures or for Bills to actually get heard.

If the Minister were sincere in wanting his Bill or his proposals to go before a committee as rapidly as possible, it seems to me that he should have agreed to see the Bill go and, if his Party had amendments, it could have made its amendments and let the committee do what it would with the particular proposals.

It is no secret that I support the Bill. I am an ex-smoker. I quit in 1983, on New Year's Eve. It was a New Year's resolution which I have actually succeeded in maintaining. I am still scared to death that if I ever had one cigarette, I would be hooked by the habit again. I believe it is an addiction which lasts through life.

I am pleased with the support the Bill has attracted. Three or four groups have written letters of endorsement which I should like to put on record. One is from Frank Garritty, President of the Canadian Teachers' Federation, and is directed to the Hon. Member for Broadview—Greenwood. It reads:

> I am pleased to advise that, at its most recent meeting, the Board of Directors of the Canadian Teachers' Federation passed a resolution endorsing Bill C-204. The Canadian Teachers' Federation represents 220,000 elementary and secondary school teachers who teach in every province and territory of Canada.

Another one is from Ginette Rodger, Executive Director of the Canadian Nurses Association. It is directed to the Hon. Member for Broadview—Greenwood and reads:

> The Canadian Nurses Association . . . supports your initiative in bringing this Private Member's Bill. The CNA Board of Directors has reviewed the Bill and has reacted very favourably. The Board is concerned however that the occupational health hazard created by smoking is so significant that smoking should be banned in all federal government workplaces.

Another one is from Wendy Williams, Vice-President of the National Action Committee on the Status of Women. She wrote to the Hon. Member for Broadview—Greenwood as follows:

> On behalf of Canadian women who are members of the National Action Committee on the Status of Women, thank you for Bill C-204.
>
> We hope this Act, to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising, gets discussed and passed in the House of Commons.

The last letter is from Bob White, National President of CAW. It is dated March 24, 1987 and it is addressed to the Hon. Member for Broadview—Greenwood. It reads:

> —I want to congratulate you on the work you have done towards guaranteeing Canadian workers a tobacco smoke-free environment—there can be no justification for any delay in passing legislation controlling it. It is for this reason that we whole-heartedly endorse your Private Member's Bill, the Non-Smokers' Health Act—C-204.

This letter was from CAW, one of the most important unions in the country. These are only some of the more recent letters endorsing this particular measure.

I remind Hon. Members that we are dealing with a health hazard which results in the direct death of some 35,000 people per year. To put it into perspective, I should like to refer to some figures from the Canadian Council on Smoking and Health. It is equivalent in 18 months to the total number of Canadian servicemen and servicewomen who were killed in World War II. In other words, tobacco is creating as much death and suffering every 18 months as Canada experienced as a nation from its participation in World War II.

The costs are enormous. It is time that we took action in order to indicate that tobacco no longer has the endorsement or approval, either in a direct or in a covert way, of the Government of Canada.

If some manufacturer said to the Department of National Health and Welfare that it had a great new product which it wanted to make available to Canadians, which would send hundreds of thousands of them to hospital, which would shorten their life spans from seven years to eight years on average, and which would cause 35,000 deaths every year; if some manufacturer asked "would you please allow me to sell this product in Canada", we would all say it was appalling. However, that is precisely what we continue to allow because of the degree to which Canadians have permitted the tobacco manufacturers' lobby to dictate what we should do.

We have alternative uses for the farmland affected. We, as Canadians, should be prepared to put up some of the money

saved by the reduction in smoking to ensure that tobacco farmers can phase into other areas. Neither the manufacturers, the employees, nor the farmers have a compelling case that we should continue with this health hazard and make it as publicly available as we do now when it causes such amounts of illness, death, carnage, and loss of life as tobacco does today.

This is why I believe that all Members of Parliament should support Bill C-204. Once again I congratulate the Hon. Member for Broadview—Greenwood on what I think is a very positive contribution. I also note with a great deal of approval the way in which members of all Parties have endorsed the Bill and the degree to which even the Minister of National Health and Welfare has now joined in publicly condemning the health hazards caused by tobacco smoking.

It is a disease. It is an illness. We should do away with it. In 50 years we will wonder how anybody could have put a stick of tobacco in his or her mouth. It is time we brought it to an end.

• (1600)

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

Motion agreed to, Bill read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): It being five o'clock this House stands adjourned until Monday next at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 4 p.m.

HOUSE OF COMMONS

Monday, June 1, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

REQUEST FOR INQUIRY INTO USE OF CHEMICAL PESTICIDES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour and privilege to present a petition on behalf of a number of residents of Hinton, Red Deer, and Edmonton, Alberta, who are indicating their concern about the increasing number of chemicals used as herbicides and insecticides which are being proven to have negative effects on human health. They charge that these chemicals also produce short and long-term harmful effects on non-target organisms in soil and water.

They are calling upon the House of Commons to initiate a full inquiry into the safety, testing, registration and regulation of the use of pesticides and the examination of alternative ways of controlling pests such as biological control and plant derived pesticides.

RIGHT TO LIFE OF THE UNBORN—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. David Kilgour (Edmonton—Strathcona): Mr. Speaker, I have the honour to present two petitions on behalf of approximately 120 residents of Alberta. One is in English and one is in French and they both say the same thing. They are protesting the killing of thousands of unborn Canadian babies each year for reasons of convenience. For such babies the crime of capital punishment exists for being unwanted. The French petition says—

[*Translation*]

That the execution of unborn infants every year, for the sake of convenience, and that the death penalty exists for these infants whose only crime is to be unwanted.

[*English*]

It is a pleasure to file the petitions on behalf of my constituents.

HOUSE OF COMMONS

PROVISIONAL AND PERMANENT STANDING ORDERS

On the Order: Government Notices of Motions:

May 29, 1987—*The Deputy Prime Minister and President of the Privy Council:*

That all the provisional and permanent Standing Orders of the House in force on the date of the notice of this motion, be amended as follows and be adopted as amended as the permanent Standing Orders of the House; provided

1. that these permanent Standing Orders shall take effect on the first Monday sitting day following the adoption of this motion;

2. that all provisional and permanent Standing Orders in force on the date of notice of this motin, except Standing Order 4, along with the sessional and special Order related thereto, extended by special Order May 22, 1987 to June 5, 1987, become permanent on the first sitting Monday following the adoption of this motion;

3. that Standing Order 4 remain provisional until December 31, 1987 and be amended by adding the following sub-paragraph (2): Notwithstanding Standing Order 4(1), a Minister of the Crown may set down on Notice a motion to provide for sittings of the House between June 30 and the Monday following Labour Day. No later than June 30, 1987, the said motion shall be proposed for debate during Routine Proceedings, and no later than two hours after the commencement of proceedings thereon, the Speaker shall put every question necessary to dispose of the said motion; and

4. that the Clerk of the House be authorized and instructed to print a revised edition of the Standing Orders of the House, renumbering as may be deemed necessary and making such technical and consequential changes as well as such changes to the Order Paper and Notices as may be required.

That paragraph (a) of Standing Order 2(5) be deleted and the following substituted therefor:

"(a) Any Member who wishes to be considered for election to the Office of Speaker shall, not later than 6.00 o'clock p.m. on the day preceding the day on which the election of a Speaker is expected to take place, in writing, so inform the Clerk of the House who shall prepare a list of such Members' names and shall provide the same to the Member presiding prior to the taking of the first ballot;"

That sub-paragraph (5)(h)(i) of Standing Order 2 be deleted and the following substituted therefor:

"(i) the Clerk of the House shall provide the Member presiding the names of the candidates for the next ballot, in alphabetical order, provided that the Clerk of the House shall first determine the number representing the least total number of votes cast and the Clerk shall exclude the names of all Members having received that total number of votes, together with the names of all Members having received five percent of less of the total votes cast, from the list of candidates so provided, and provided that in the event of every candidate receiving the same number of votes no names shall be excluded from the list so provided;"

That Standing Order 3(1) be deleted and the following substituted therefor:

"3. (1) The House shall meet on Mondays, Tuesdays and Thursdays at 11.00 o'clock a.m., on Wednesdays at 2.00 o'clock p.m. and on Fridays at 10.00 o'clock a.m. unless otherwise provided by Standing or Special Order of this House."

That Standing Orders 9(1) and 9(2) be deleted and the following substituted therefor:

"9. (1) At 6.00 o'clock p.m. on Mondays, Tuesdays, Wednesdays and Thursdays, and at 3.00 o'clock p.m. on Fridays, the Speaker shall adjourn the House until the next sitting day."

"(2) At 1.00 o'clock p.m. on any day except Friday on which a morning sitting is held, the Speaker shall leave the Chair until 2.00 o'clock p.m."

That paragraph (a) of Standing Order 9(4) be deleted and the following substituted therefor:

"(4)(a) Except during Private Members' Business, when the Speaker is in the Chair, a Member may propose a motion, without notice, to continue a sitting through a lunch or dinner hour of beyond the ordinary hour of daily adjournment for the purpose of considering a specified item of business or a stage of stages thereof subject to the following conditions:

(i) the motion must relate to the business then being considered provided that proceedings in any Committee of the Whole may be temporarily interrupted for the purpose of proposing a motion under the provisions of this Standing Order;

(ii) the motion must be proposed in the hour preceding the time at which the business under consideration should be interrupted by a lunch or dinner hour, Private Members' Hour or the ordinary hour of daily adjournment;

(iii) the motion shall not be subject to debate or amendment."

That Standing Order 11 be deleted and the following substituted therefor:

"11. At the ordinary hour of daily adjournment of the House, at 11.00 o'clock a.m. on Fridays or at the mid-day interruption, unless otherwise provided, the proceeding then under consideration shall stand over until the next sitting day of later the same sitting day after the period provided pursuant to Standing Order 19(4), as the case may be, when it will be taken up at the same stage where its progress was interrupted."

That paragraph (a) of Standing Order 13(4) be deleted and the following substituted therefor:

"(4)(a) When the Speaker has put the question on any debatable motion, except as provided pursuant to section (2) of this Standing Order, the bells to call in the Members shall be sounded for not more than thirty minutes; provided that, while the Members are being called in, either the Chief Government Whip or the Chief Opposition Whip may approach the Speaker to request that the division be deferred, in which case, the Speaker shall defer the said division until a specified time, but, in any case, not later that 6.00 o'clock p.m. on the next sitting day thereafter, when the bells to call in the Members shall be sounded for not more than fifteen minutes, except as provided for under section (5) of this Standing Order of Standing Order 49(2)."

That Standing Order 19(3) be deleted and the following substituted therefor:

"(3)(a) At 11.00 o'clock a.m. on Mondays, Tuesdays, Thursdays, at 3.00 o'clock p.m. on Wednesdays, and at 12.00 o'clock noon on Fridays, the House shall proceed to the ordinary daily routine of business, which shall be as follows:

Tabling of Documents (pursuant to Standing Orders 67 or 99(2))

Statements by Ministers (pursuant to Standing Order 19(6))

Presenting Reports from Inter-parliamentary Delegations (pursuant to Standing Order 101)

Presenting Reports from Committees (pursuant to Standing Order 99)

Introduction of Government Bills

Introduction of Private Members' Bills

First Reading of Senate Public Bills

Motions

Presenting Petitions (pursuant to Standing Order 106(4))

Questions on Order Paper.

(b) (i) When proceedings under "Introduction of Government Bills" are not completed on a Monday, Tuesday or Thursday prior to the mid-day interruption, the ordinary daily routine of business shall continue immediately after oral questions are taken up notwithstanding Standing Order 19(4) until the completion of all items under "Introduction of Government Bills", suspending as much of Private Members' Business as necessary.

(ii) When proceedings under "Introduction of Government Bills" are not completed before the ordinary hour of daily adjournment, the House shall continue to sit to complete the ordinary daily routine of business up to and including

"Introduction of Government Bills", whereupon the Speaker shall adjourn the House."

That paragraph (b) of Standing Order 19(6) be deleted and the following substituted therefor:

"(b) A period of time corresponding to the time taken for the proceedings pursuant to paragraph (a) of this section shall be added to the time provided for government business as follows:

(i) on Mondays, Tuesdays and Thursdays, such an extension shall commence at 1.00 o'clock p.m. on the same sitting day, notwithstanding Standing Order 9(2), and any period remaining at 2.00 o'clock p.m. shall be added to the time provided for government business thereafter on the same sitting day; and

(ii) on Wednesdays and Fridays, the time provided for government business shall be extended by a period corresponding to the time taken for proceedings pursuant to paragraph (*a*) of this section.

Where the time provided for government business has been extended after 2.00 o'clock p.m. pursuant to this section, Private Members' Business, where applicable, and the ordinary hour of daily adjournment shall be delayed by a period of time corresponding to the period of extension after 2.00 c'clock p.m., notwithstanding Standing Orders 9(1), 19(7) and 66(1) or any order made pursuant to Standing Order 10(1)."

That Standing Order 19(7) be deleted and the following substituted therefor:

"(7) Except as otherwise provided in these Standing Orders, the order of business shall be as follows:

(Monday, Tuesday and Thursday)

(After the daily routine of business)

Government Orders.

Private Members' Business—from 5.00 to 6.00 o'clock p.m.:

-Public Bills, Private Bills, Notices of Motions and Notices of Motions (Papers).

(Wednesday)

(After the daily routine of business)

Notices of Motions for the Production of Papers.

Government Orders.

(Friday)

(Before the daily routine of business)

Government Orders.

(After the daily routine of business)

Government Orders.

Private Members' Business—From 2.00 to 3.00 o'clock p.m.:

—Public Bills, Private Bills, Notices of Motions and Notices of Motions (Papers)."

That Standing Order 24 be deleted and the following substituted therefor:

"24. (1) After notice pursuant to Standing Order 68 (1), a government notice of motion shall be put on the Order Paper as an order of the day under Government Orders.

(2) Proposed motions under Government Orders for the House to go into a Committee of the Whole at the next sitting of the House when put from the Chair shall be decided without debate or amendment."

That section (1) of Standing Order 29 be deleted and the following substituted therefor:

"29. (1) Leave to make a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent

consideration must be asked for after the ordinary daily routine of business as set out in Standing Order 19(3) is concluded."

That sections (8) and (9) of Standing Order 29 be deleted and the following substituted therefor:

"(8) If the Speaker is satisfied that the matter is proper to be discussed, the motion shall stand over until 8.00 o'clock p.m. on that day, provided that the Speaker, at his or her discretion, may direct that the motion shall be set down for consideration on the following sitting day at an hour specified by the Speaker."

That Standing Order 29(11) be deleted and the following substituted therefor:

"(10) When a request to make such a motion has been made on any Friday, and the Speaker directs that it be considered the same day, it shall be considered forthwith."

That Standing Order 29(13) be deleted and the following substituted therefor:

"(12) The proceedings on any motion being considered, pursuant to sections (8) or (10) of this Standing Order, may continue beyond the ordinary hour of daily adjournment but, when debate thereon is concluded prior to that hour in any sitting, it shall be deemed withdrawn. Subject to any motion adopted pursuant to Standing Order 9(4)(b), at 12.00 o'clock midnight on any sitting day except Friday, and at 4.00 o'clock p.m. on Friday, the Speaker shall declare the motion carried and forthwith adjourn the House until the next sitting day. In any other case, the Speaker, when satisfied that the debate has been concluded, shall declare the motion carried and forthwith adjourn the House until the next sitting day."

That Standing Order 32 be deleted and the following substituted therefor:

"32. Notwithstanding Standing Order 31, the order of precedence shall not contain, at any time, more than twenty motions and public bills originating in the House of Commons at second reading, nor fewer than ten items, when there are sufficient items contained in the list which have not been given a position on the order of precedence."

That paragraph (1)(a) of Standing Order 36 be deleted and the following substituted therefor:

"36. (1)(a) The Standing Committee on Private Members' Business shall meet within five sitting days of the order of precedence being established pursuant to Standing Order 31, and from time to time thereafter, and may select after consultation with, among others, the Members proposing the items, not more than six items from among the twenty items in the order of precedence and an appropriate number from among any subsequent items for which the order of precedence is established and such selected items shall be designated as "votable items". In making its selection, the Committee shall not take into account the number of Members jointly seconding an item, but shall allow the merits of the items alone to determine the selection and shall report thereon, from time to time. At no time shall there be more than six selected items on the order of precedence."

That Standing Order 38 be deleted and the following substituted therefor:

"38. The proceedings on Private Members' Business shall not be suspended except as provided for in Standing Orders 19(3)(b), 19(9), 29(11), 37 and 39(2) or as otherwise specified by Special Order of this House. No Private Members' Business shall be taken up on days appointed for the consideration of business pursuant to Standing Orders 69, 82(5) and 84(4)."

That the following new section be added after Standing Order 39(2):

"(3)(a) When a Member has given at least twenty-four hours' written notice that he or she is unable to be present to move his or her motion under Private Members' Business on the date required by the order of precedence, and if that item of business is not one which has been designated as "votable" by the Standing Committee on Private Members' Business, the Speaker, with permission of the Members involved, may arrange for an exchange of position in the order of precendence with a Member whose motion or bill in the order of precedence has not been so designated.

(b) In the event that the Speaker has been unable to arrange an exchange, the House shall continue with the business before it prior to "Private Members' Hour", provided that there shall be no extension of the sitting pursuant to Standing Order 9(4)(a), and any division on a debatable motion shall be deferred until 6.00 o'clock p.m. on the next sitting day. For the purposes of this section, Standing Order 13(5) relating to deferred divisions on a Thursday shall apply."

That paragraph (c) of Standing Order 40(3) be deleted.

That Standing Order 41(1) be deleted and the following substituted therefor:

" 41. (1) The order for the first consideration of any subsequent stages of a bill already considered during Private Members' Business, of second reading of a private bill and of second reading of a private Member's public bill originating in the Senate shall be placed at the bottom of the order of precedence."

That Standing Order 48 be deleted and the following substituted therefor:

"48. Except as otherwise provided in any Standing or Special Order of the House, and unless otherwise disposed of, at not later than 6.00 o'clock p.m. on a Monday, Tuesday, Wednesday or Thursday, or 3.00 o'clock p.m. on Friday, on the fifteenth sitting day following the date on which a notice of motion made pursuant to Standing Order 46(2) appeared on the Order Paper, the same shall be deemed to have been moved and adopted by the House:

That sections 2 and 3 of Standing Order 55 be deleted and the following substituted therefor:

"(2) When second reading or third reading of a government bill is being considered, no Member except the Prime Minister and the Leader of the Opposition shall speak for more than:

(a) forty minutes if that Member is the first, second or third speaker;

(b) twenty minutes following the first three speakers, if that Member begins to speak within the next eight hours of consideration when second reading is being considered or within the next four hours of consideration when third reading is being considered; and following the speech of each Member a period not exceeding ten minutes shall be made available, if required, to allow Members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto;

(c) ten minutes if a Member speaks thereafter.

(3) When the business of private Members is being considered, no Members shall speak for more than ten minutes, provided that the Member moving the item may speak for not more than twenty minutes."

That Standing Order 65(2) be deleted and the following substitued therefor:

"(2) A Member who is not satisfied with the response to a question asked on any day at this stage, or a Member who has been told by the Speaker that the question is not urgent, may give notice that he or she intends to raise the subject matter of the question on the adjournement of the House. The notice referred to herein, whether or not it is given orally during the oral question period provided pursuant to Standing Order 19(4), must be given in writing to the Speaker not later than one hour following that period the same day."

That Standing Order 68(1) be deleted and the following substitued therefor:

"68. (1) Forty-eight hours' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, for placing a question on the Order Paper or for the consideration of any notice of motion made pursuant to Standing Order 46(2); but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the House. Such notice shall be laid on the table before 6.00 o'clock p.m. (on a Friday before 3.00 o'clock p.m. or filed thereafter with the Clerk before 5.00 o'clock p.m.), and be printed in the Notice Paper of that day. Any notice filed with the Clerk pursuant to this section shall thereupon be deemed to have been laid on the Table in that sitting."

That Standing Order 70(2) be deleted and the following substituted therefor:

"(2) When a debate on any motion made after the start of the sitting (after 11.00 o'clock a.m. on Fridays) and prior to the reading of an Order of the Day is adjourned or interrupted, the order for resumption of the debate shall be transferred to and considered under Government Orders."

That paragraph (a) of Standing Order 82(4) be deleted and the following substituted therefor:

"(4)(a) Forty-eight hours' written notice shall be given of motions to concur in interim supply, main estimates, supplementary or final estimates, to restore or reinstate any item in the estimates. Twenty-four hours' written notice shall be given of an opposition motion on an allotted day or of a notice to oppose any item in the estimates, provided that for the supply period ending not later than June 30, forty-eight hours' written notice shall be given of a notice to oppose any item in the estimates."

That Standing Order 82(5) be deleted and the following substituted therefor:

"(5) For the period ending not later than December 10, six sitting days shall be allotted to the business of supply. Nine additional days shall be allotted to the business of supply in the period ending not later than March 26. Ten additional days shall be allotted to the business of supply in the period ending not later than June 30. These twenty-five days are to be designated as alloted days."

That paragraphs (a) and (b) of Standing Order 82(15) be deleted and the following substituted therefor:

"(a) Not later than the third sitting day prior to May 31, the Leader of the Opposition may give notice during the time specified in Standing Order 68(1) of a motion to extend consideration of the main estimates of a named department or agency and the said motion shall be deemed adopted when called on "Motions" on the last sitting day prior to May 31;

(b) On the sitting day immediately preceding the final allotted day, but in any case not later than ten sitting days following the day on which any motion made pursuant to paragraph (a) of this section is adopted, at not later than 6 o'clock p.m. on a Monday, Tuesday, Wednesday or Thursday, or 3.00 o'clock p.m. on a Friday, the said committee shall report, or shall be deemed to have reported, the main estimates for the said department or agency; and"

That Standing Order 89(1) be deleted and the following substituted therefor:

"89. (1)(a) At the commencement of the first session of each Parliament, a Striking Committee of seven Members, the membership of which shall continue from session to session, shall be appointed, whose duty it shall be to prepare and report to the House within the first ten sitting days after its appointment, and thereafter, within the first ten sitting days after the commencement of each session and within the first ten sitting days after the Monday following Labour Day, lists of Members to compose the standing committees of the House and to act for the House on standing joint committees

b) The Striking Committee shall not present a second report pursuant to this Standing Order between the Monday following Labour Day and the end of that calendar year."

That Standing Order 89(3) be deleted and the following substituted therefor:

"(3) The Striking Committee shall also prepare and report lists of Members to act for the House on the following standing joint Committees;

(a) Official Languages, to consist of fifteen members; and

(b) Regulations and Other Statutory Instruments, to consist of eight members.

Provided that a sufficient number of members of the said joint committees shall be appointed so as to keep the same proportion in such committees as between the memberships of both Houses."

That the following new section be added after Standing Order 92(2):

"(3)(a) Notwithstanding Standing Order 96(1), no standing or standing joint committee shall sit at the same time as a legislative committee on a bill emanating from or principally affecting the same department or agency.

(b) During periods coinciding with the hours of sittings of the House, priority shall be given to the meetings of legislative committees over those of standing, special and joint committees.

(c) During periods when the House stands adjourned, priority shall be given to meetings of standing, special and joint committees, according to the schedule established from time to time by the Chief Government Whip, in consultation with representatives of the other parties."

That the following new paragraph be inserted immediately after paragraph (b) of Standing Order 92(4):

"(c) The Liaison Committee shall be empowered to report from time to time to the House."

That Standing Order 93(1) be deleted and the following substituted therefor:

"93. (1) Without anticipating the decision of the House, within five sitting days after the commencement of debate on second reading of a bill which is to be referred to a legislative committee, the Striking Committee shall meet to prepare, and shall report not later than the following Thursday, a list of members of such a legislative committee, which shall consist of not more than thirty Members and which shall be organized only in the event that the House adopts the motion for second reading and reference to a legislative committee of the said bill. Upon the presentation of such a report of the Striking Committee, the same shall be deemed adopted."

That section (4), (5), (6) and (7) of Standing Order 93 be deleted and the following substituted therefor:

"(4) When the Chairman appointed pursuant to section (2) of this Standing Order is unable to act in that capacity at or during a meeting of the legislative committee, the Chairman shall designate a member of the committee to act as Chairman at or during the said meeting and such an acting Chairman shall be vested with all the powers of the Chairman at or during the said meeting."

That Standing Order 94(2) be deleted and the following substituted therefor:

"(2) The membership of standing and joint committees shall be set out in the report of the Striking Committee, which shall prepare lists of members in accordance with Standing Order 89. Once the report of the Striking Committee is concurred in, the membership shall continue from session to session within a Parliament, subject to such changes as may be effected from time to time."

That sections (4) and (5) of Standing Order 94 be deleted and the following substituted therefor:

"(4) Changes in the membership of any legislative or special committee shall be effective immediately after notification thereof, signed by the Member acting as the Chief Whip of any recognized party, has been filed with the clerk of the committee."

That Standing Order 96(3)(c) be deleted and the following substituted therefor:

"(c) Management and Members' Services shall include, among other matters, the review of and report, to the Speaker as well as the Board of Internal Economy, on the administration of the House and the provision of services and facilities to Members provided that all matters related thereto shall be deemed to have been permanently referred to the Committee upon its membership having been established; and the review of and report on the effectiveness, management and operation, together with the operational and expenditure plans of all operations which are under the joint administration and control of the two Houses and other related matters as the Committee deems fit;"

That Standing Order 96(4) be deleted and the following substituted therefor:

"(4) So far as this House is concerned, the mandate of the Standing Joint Committee on:

(a) Official Languages shall include, among other matters, the review of and report on official languages policies and programs including the annual report of the Commissioner of Official Languages, which shall be deemed, for the purposes of the House, permanently referred to the Committee immediately they are laid upon the Table; and

(b) Regulations and other Statutory Instruments shall include, among other matters, the review and scrutiny of statutory instruments which are permanently referred to the Committee pursuant to the provisions of section 26 of the Statutory Instruments Act.

Provided that both Houses may, from time to time, refer any other matters to the joint committees."

That Standing Order 99(2) be deleted and the following substituted therefor:

"(2) Within 150 days of the presentation of a report from a standing or special committee, the government shall, upon the request of the committee, table a comprehensive response thereto."

That Standing Order 101 be deleted and the following substituted therefor:

"101. Within twenty sitting days of the return to Canada of an officially recognized inter-parliamentary delegation composed, in any part, of Members of the House, the head of the delegation, or a Member acting on behalf of him or her, shall present a report to the House on the activities of the delegation."

That the following new section be added immediately after Standing Order 104(3):

"(4) The office of the Minister who recommended the appointment shall provide the curriculum vitae of such an appointee or nominee to the committee upon written application from the clerk of the committee."

That the chapter title preceding Standing Order 106 be deleted and the following substituted therefor:

"Public Petitions"

That Standing Order 106(2) be deleted and the following substituted therefor:

"(2) In order to be certified, pursuant to section (1) of this Standing Order, every petition shall:

(a) be addressed to the House of Commons or to the House of Commons in Parliament assembled;

(b) contain a clear, proper and respectful prayer requesting that Parliament see fit to take some action within its authority;

(c) be written, typewritten or printed on paper of usual size;

(d) be free of erasures or interlineations;

(e) have its subject matter indicated on every sheet, if it consists of more than one sheet of signatures and addresses;

(f) contain only original signatures and addresses written directly onto the petition and not pasted thereon or otherwise transferred to it; and

(g) contain at least twenty-five signatures, together with the addresses of the signatories, from persons other than Members of Parliament."

That Standing Order 116 be deleted and the following substituted therefor:

"116. When a Minister of the Crown, from his or her place in the House, states that a majority of the representatives of the several parties have come to an agreement in respect of a proposed allotment of days or hours for the proceedings at any stage of the passing of a public bill, the Minister may propose a motion, without notice, during proceedings under Government Orders, setting for the the terms of the said proposed allocation; provided that for the purposes of this Standing Order an allocation may be proposed in one motion to cover the proceedings at both the report and the third reading stages of a bill if that motion is consistent with the provisions of Standing Order 114(13). During the consideration of any such motion no Member may speak more than once or longer than ten minutes. Not more than two hours after the commencement of proceedings thereon, the Speaker shall put every question necessary to dispose of the said motion. Any proceeding interrupted pursuant to this Standing Order shall be deemed adjourned."

That Standing Order 117 be deleted and the following substituted therefor:

"117. A Minister of the Crown who from his or her place in the House, at a previous sitting, has stated that an agreement could not be reached under the provisions of Standing Order 115 or 116 in respect of proceedings at the stage at which a public bill was then under consideration either in the House or in any committee, and has given notice of his or her intention so to do, may propose a motion, during proceedings under Government Orders, for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at that stage; provided that the time allotted for any stage is not to be less than one sitting day and provided that for the purposes of this Standing Order an allocation may be proposed in one motion to cover the proceedings at both the report and the third reading stages on a bill if that motion is consistent with the provisions of Standing Order 114(13). During the consideration of any such motion no Member may speak more than once or longer than the minutes. Not more than two hours after the commencement of proceedings thereon, the Speaker shall put every question necessary to dispose of the said motion. Any proceedings interrupted pursuant to this Standing Order shall be deemed adjourned."

That the following new Standing Order be inserted immediately before Standing Order 132:

"131.1 (1) A petition for a private bill may be presented by a Member at any time during the sitting of the House by filing the same with the Clerk of the House.

(2) Members presenting petitions for private bills shall be answerable that such petitions do not contain impertinent or improper matter.

(3) Every Member presenting a petition fo a private bill shall sign his or her name on the back thereof.

(4) Petitions for private bills may be either written or printed; provided always that when there are three or more petitioners the signatures of at least three petitioners shall be subscribed on the sheet containing the prayer of the petition.

(5) On the next day following the presentation of a petition for a private bill, the Clerk of the House shall lay upon the Table the report of the Clerk of Petitions thereon and such report shall be printed in the Votes and Proceedings of that day. Every petition so reported upon, not containing matter in breach of the privileges of this House and which, according to the Standing Orders or practice of this House, can be received, shall then be deemed to be read and received.

(6) No debate shall be permitted on the report but a petition referred to therein may be read by the Clerk of the House at the Table, if required."

Mr. Speaker: Pursuant to Standing Order 24(2), the Notice of Motion standing on the Order Paper in the name of the Hon. Deputy Prime Minister and President of the Privy Council (Mr. Mazankowski) is transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, question No. 139 will be answered today.

[*Text*]

UIC—MATERNITY BENEFITS

Question No. 139—**Mr. Blenkarn:**

For each of the years 1984, 1985 and 1986, did the Unemployment Insurance Commission pay persons making claims for maternity leave and, if so (*a*) what was the total amount (*b*) to how many claimants (*c*) what was the average payment made?

Hon. Benoît Bouchard (Minister of Employment and Immigration): In 1984, 1985 and 1986, the Unemployment Insurance Program provided maternity benefits as follows:

		1984	1985	1986
(a)	The total amount was: ($ million)	395.9	432.5	472.5
(b)	Total number of claimants:	130,000	132,000	137,000
(c)	Average weekly payment:	$178.53	$187.88	$197.22

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

• (1110)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—SOVEREIGNTY AND ECONOMIC INDEPENDENCE

Mr. Russell MacLellan (Cape Breton—The Sydneys) moved:

> That this House condemn the Government for its repeated failures to protect Canadian sovereignty and economic independence as demonstrated by its weak and ineffectual efforts to oppose Opinion 256 of the United States Federal Energy Regulatory Commission with regard to transmission costs of Canadian gas, and by its compliant approach to permitting foreign takeovers of Canadian corporations and natural resources.

He said: Mr. Speaker, my Party has brought forward this motion in order to bring to the attention of the Government and Canadians the seriousness with which we hold this ruling by the Federal Energy Regulatory Commission in the United States.

On December 8, 1986, the Federal Energy Regulatory Commission in the United States gave an opinion, saying that the two-price system which was in place for the sale of Canadian natural gas to the United States was not effective. It stated that the demand charge, which was one of the two prices that were being passed along to the buyers of natural gas in the United States, could no longer be applied, and that the transportation charge in the demand charge that was being paid willingly by American buyers, must be paid. It essentially told the Canadian natural gas industry that it had to absorb this charge.

This decision was made in contravention of a previous decision by Canada's National Energy Board which set forward the principle and the procedure for the sale of natural gas in accordance with internationally accepted regulatory principles.

This decision raises two very important issues. First, this change will result in an additional cost of between $140 million and $400 million to the natural gas industry in western Canada. Second, it is blatant interference with Canadian law and the Canadian regulatory process and will be devastating to the natural gas industry in western Canada.

Our Party objected to this opinion from the very beginning and was adamant that it was one of the most arbitrary and damaging decisions that the United States has ever made against Canadian commerce. We were prepared to accept the Government's undertaking that it would take action and make interventions in the United States.

However, on May 27, just a few days ago, we learned that the petition of the Canadian natural gas producers to the Federal Energy Regulatory Commission in the United States had been denied and that the Federal Energy Regulatory Commission was going to proceed with this very damaging decision even after the Prime Minister (Mr. Mulroney) sent letters to the President, the Minister of Energy, Mines and Resources (Mr. Masse) sent letters to the Secretary of Energy in Washington, and the Minister of Finance (Mr. Wilson) communicated with the United States Government.

We object to such treatment of the Canadian natural gas industry by the United States as well as to the lukewarm interest, at best, that the Government is taking in this very serious situation. Not only will there be a dramatic loss to western natural gas producers, it will be a great deal more difficult to finance future projects in the natural gas industry in western Canada.

The most ludicrous aspect of this issue is that the Federal Energy Regulatory Commission in the United States does not have the jurisdiction to take that action. That commission is in charge of transportation of natural gas through the pipelines. It does not have jurisdiction over exports and imports, which is the prerogative of the Secretary of Energy through the Economic Regulatory Agency in the United States.

I want to take a moment to explain the position of the Economic Regulatory Agency. In its order of May 15, 1986, permitting the import of natural gas into the United States under the two-part price arrangement that existed before the December 8 ruling of the Federal Energy Regulatory Commission, the ERA found that the contract terms including the two-part price structure would "result in a more competitive and market responsive arrangement" and are "therefore not inconsistent with the public interest".

The Energy Regulatory Agency, the body responsible for importing and exporting natural gas, is in total agreement with the procedure of the National Energy Board. The ERA went on to say in February, 1984:

> The market, not government, should determine the price and other contract terms of imported gas. U.S. buyers should have full freedom—along with responsibility—for negotiating the terms of trade arrangements with foreign

sellers. The federal Government's prime responsibility in authorizing imports should be to evaluate the need for the gas and whether the import arrangement will provide the gas on a competitively priced basis for the duration of the contract while minimizing regulation impediments to a freely operating market.

There is a blatant disregard for the ruling and the opinion of the Economic Regulatory Agency in the United States by the Federal Energy Regulatory Commission, which does not have responsibility for the item on which it has passed a judgment which completely counteracts the ruling of our own National Energy Board.

The National Energy Board suggested to the Federal Energy Regulatory Commission that it would be an appropriate course of action for the commission to continue its previous practice of allowing the pass-through, to U.S. interstate pipeline rates, of those elements of cost which have been determined to be just and reasonable by a Canadian regulatory jurisdiction using internationally recognized toll marketing procedures. We thought reason would prevail in the United States, but that is not the case.

The United States Government has been completely oblivious to the urgency of the situation in Canada. The President of the United States is not living up to his commitment at the March, 1985, summit in Quebec City where the Prime Minister and the President agreed to work toward reducing trade restrictions and in particular to maintaining and extending open access to each other's energy markets.

On January 7, the Minister of Energy, Mines and Resources stated his objections to this decision in a speech in Los Angeles. He said that the FERC decision "raises serious questions of extraterritoriality, the extension of U.S. regulatory practices to matters under Canadian jurisdiction".

On the first day of the Prime Minister's tour in which he was trying to appease western Canadians, he stated that on May 5 he had written to the President about the seriousness of this situation and that the decision of the Federal Energy Regulatory Commission on December 8 extended U.S. regulations into Canada. He asked the President to attempt to find a solution to this particular problem.

On May 27, the commission in the United States turned down the application of natural gas producers to overturn this very damaging decision.

There is complete disregard in the United States for the Government of Canada. The Americans are downplaying the intervention of American agencies into the laws of Canada. When the National Energy Program was in place the American Government stated that it wanted a level playing field. We are seeing the Government of the United States tilting the playing field to its advantage. That is not acceptable to Canadians in the west or anywhere else in Canada. It should not be acceptable to the Government.

There exists a freely negotiated contract between Canadian producers of natural gas and American buyers of natural gas whereby American buyers agreed to accept this toll charge as part of the price of the natural gas. These were freely negotiated contracts under a regulatory framework, set up and approved by the National Energy Board, the law-making regulatory body in Canada with jurisdiction over this particular business.

• (1120)

We have a blatant overturning of Canadian laws as they affect Canada in Canada by an American regulatory commission. To me, this is the most damaging breach of Canadian sovereignty we have experienced in this country to date. In my opinion, and in the opinion of the Liberal Party, this is something which the Government cannot treat in a lukewarm fashion. It must daily use its most determined efforts to have this breach of Canadian identity overturned by the American Government.

How did this all come about? It came about, of course, largely because of the American Government's disregard for matters of Canadian interest and for the thinking of the Canadian Government. It also came about because the Government had to do away with the adjacent border price which assured Canadians that natural gas would be sold in the United States at a price not lower than the price for which it sold in Canada. The Government did away with that so it could sell natural gas into the United States more cheaply than it could sell it to Canadians. The American Government then panicked, the Americans panicked, and this is the result.

Just a little over a month after the federal Government did away with the adjacent border price this derogatory ruling was made by a United States commission, and it is going to be severely damaging to the Canadian economy. We were warned this was going to happen. We were warned by Mr. Dick Cahoon, spokesman for the 11,000 member Petroleum Marketers Association of America. He said, "This is unfair competition to do away with the adjacent border price". But, no, this Government, which legislates on energy by the seat of its pants, was completely oblivious to what was going on. As usual, energy was not a priority. Political will was not of interest.

The Prime Minister is now saying he is going to bring up this important issue at the Venice Summit. The Venice Summit will be held over two weeks after the turndown of the petition of the Canadian Natural Gas Producers to have this overturned. Nothing would be done for two weeks.

It is another issue which will be brought up in the negotiations. I will tell you, Madam Speaker, and I will tell this Government, that the Americans are taking energy seriously. They are taking the lack-lustre position of the Canada seriously. They look upon Canada as an energy fiefdom for their own interests. I do not object to the Americans wanting assistance from Canada for their energy needs and security of supply. However, I do object to the fact that we get kicked in the teeth, that we are supposed to provide everything the United States wants in the assurance of its own energy needs.

On May 6, just three weeks before the decision not to allow the appeal of the natural gas producers, President Reagan submitted, as one of his recommendations to Congress on the energy and national security concerns relating to oil import levels, that one of his concerns was "promoting the importance of stockpiles among U.S. allies". He was going to be doing this at Ministerial meetings of the International Energy Agency and at the Venice Economic Summit. So the President of the United States will be there telling his allies, including Canada, of the importance of stockpiling energy, particularly oil, so that this will be available to the United States.

At the same time, he is ignoring the very sovereignty of Canada in relation to energy, a matter in respect of which this Government has appealed time and again in a lack-lustre fashion—a little letter asking, "Oh, will you please, if you get time, look at this situation"—not giving it the urgency which it requires and which the Canadian people expect. This cannot go on. It just gets worse and worse.

The authority of Canada with regard to its trading partners, particularly the United States, is diminishing at a rapid rate. We are constantly doing what is wanted of us by the United States in order to secure a free trade agreement. A free trade agreement would be nice if it could be achieved without giving away the country. The Prime Minister, in his speech at the Economic Club in New York in December of 1984, said that Canada is open for business. But as the Right Hon. Leader of the Opposition (Mr. Turner) has said, Canada is not for sale.

It seems that in the opinion of foreign countries Canada is for sale, and it is for sale again and again. That is being proven each day by the treatment we are receiving from supposed friends such as the United States, from the takeover of companies such as Cadillac-Fairview, which is being purchased by a Chicago based company for $2.7 billion, and from the sale of Dome Petroleum to Amoco Canada, a 100 per cent owned subsidiary of Amoco Corporation in Chicago. There is no way that this can continue if we are going to have a free trade agreement, because there will be nothing left on this side of the border with which to enter into a free trade agreement.

Over the weekend, the Minister of Energy, Mines and Resources (Mr. Masse) was very supportive of Amoco's position with respect to its offering of Canadian shares, but we do not know any of the details. We see that other bids cannot possibly be put forward by other companies who have signed a confidentiality agreement with Dome Petroleum. It seems that what is going on is whatever is wished by the American Government. We in this House are told that when we say these things we are being anti-American. This Party is not anti-American. What we are is pro-Canadian. This is something the Government should be. The Government is representing the interests of this country. These interests must not only be upheld, they must be maintained in the interests of this generation and future generations. They are not to be given away at fire sale prices to the United States or any other country. These are resources which are in the interests of all of Canada, and I ask the Government, for a change, to please represent and stick up for the rights of Canadians.

The Acting Speaker (Mrs. Champagne): Questions or comments? Resuming debate.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Madam Speaker, I listened with great interest to the views put forward by the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan).

I noticed that in stating his position, the Hon. Member was careful not to mention the disastrous impact the Liberal Party's energy policies have had on the Canadian economy, especially in Western Canada.

Madam Speaker, everyone in this House knows perfectly well that under the National Energy Program, the previous Government, the Liberals under Pierre Elliott Trudeau, managed to drain billions of dollars of potential investment from the energy economy.

We remember the harm done to Canada's reputation in the international investment community, as a result of the protectionist and discriminatory barriers erected against our friends and allies in the western world.

No one will forget the profound alienation of Western Canada as a result of this policy.

• (1130)

[*English*]

We know too well the great damage that the National Energy Program caused the country. As a direct consequence of the NEP the country lost billions of dollars in potential investment. How many new jobs, how many new drilling starts, how much new exploration and development could have been achieved with these billions? We will never know.

Because of the National Energy Program an estimated $10 billion was lost to the petroleum economy through the petroleum and gas revenue tax. The PGRT, as we know, was one of the prime components of the NEP. We will never know what could have been done with that $10 billion which was taken directly from the petroleum companies because of the National Energy Program.

[*Translation*]

The Hon. Member claims the Government has been unable to protect Canada's sovereignty and economic independence. Madam Speaker, nothing could be further from the truth.

The Hon. Member says the Government has taken an accommodating approach to let foreign interests take over this country's companies and natural resources. That is of course not the case. This Government's approach is not the kind of unfortunate and inflexible attitude taken by the previous Government. It is flexible and tries to strike a balance between new investment, promoting the exploration and development of

our oil and gas resources and protecting what has been achieved in the way of Canadianization.

It is a policy that has been and continues to be favourable to Canada's economic interests, both in terms of the oil industry and the industrial structure of this country.

In December 1985, this Government approved a policy for foreign investment in the upstream component of the oil industry. Its objective was to encourage 50 per cent Canadian ownership in the oil sector by means of measures that would be flexible, market responsive and mindful of the need for encouraging investment.

Our acquisition policy for the oil and gas sector is quite clear. It allows the acquisition of companies already controlled by foreign interests, subject to Canadianization and investment commitments. Second, it does not allow the acquisition of financially sound Canadian companies by other companies controlled by foreign interests.

Third, it provides for considering the acquisition of Canadian-controlled companies in obvious financial difficulty.

This policy has proved a success. Canadian ownership has increased significantly since 1984—by about 5.5 per cent since the present Government came to power in 1984 and introduced this policy. Canadian ownership was stable at 42.5 per cent in 1984, and now, in 1986, it is 48 per cent. This means that our flexible policy that strikes a balance between investment and Canadianization has born fruit, so that now, 48 per cent of the industry is Canadian-owned.

We are of course anxious to see these developments continue, and I am sure that under this Government, the trend in the long term will be very positive. However, we have to acknowledge that we may be faced with losses as well as profits, especially in times of restructuring the industry or lower international prices, as has happened quite recently.

That is the Government's general policy. Now in the particular case of Dome, here again, we have to strike a balance between our Canadianization objective and our objective to increase exploration and development in this sector. It is no use saying that our natural resources belong to us, if we do not have a policy to develop them. What the Government is seeking is to have a balanced investment policy to ensure that these natural resources which belong to, and are the heritage of, Canadians are developed in the best interests of Canadians and our industry.

Let us first consider the facts in the Dome affair. We must remember that the majority of the company's shares are held by foreign interests. Nearly 57 per cent of Dome shareholders are non-Canadian. In addition, Dome has a special place in the oil industry. It is the second largest company in terms of upstream revenue. It is the biggest landowner in Western Canada. It ranks first on the number of its gas reserves and seventh for its oil reserves. It has become the largest gas producer and the third largest producer of oil and hydrocarbons. With 4,000 employees, Dome is a major employer.

But the problem is that Dome is saddled with a $6.3 billion debt. Recently it reported losses of $2 billion, the biggest loss in the economic history of Canada. Of course everybody considers that Dome is now in a catrastophic financial situation. As a result of its financial woes Dome is severely restricted in its day-to-day operations. It has been and still is unable to make the investments required to maintain its assets, the kind of investments needed to carry out various projects in the territories for which it holds permits.

[*English*]

In the particular case of Dome it is important to seek a balance between our Canadianization objective and our objective to increase exploration and development in the industry. First, let us consider the facts. Dome is not a totally owned Canadian company. About 57 per cent of Dome's shareholders are foreigners. Dome has a very significant position in the industry. It is the second-largest company in terms of upstream revenues. It is the largest land holder in western Canada. It is the largest holder of gas reserves and the seventh-largest holder of oil reserves. It is the second-largest producer of gas and the third-largest producer of oil and field liquids. It is a large employer. About 4,000 people work for Dome. But Dome has a debt of $6.3 billion. It has recently announced a loss of $2 billion, the largest single loss in Canadian history. Due to its financial difficulties Dome has been constrained in its normal business dealings. It cannot make the necessary investments in its properties.

[*Translation*]

Therefore it is imperative to find a satisfactory solution to the Dome problem if gas and petroleum activities are to continue in Western Canada. The company must simply get back on an even keel and be in a position to make promising investments in its assets. Dome creditors also need a solution to this problem which has remained unsolved for too long. And among those creditors I would include a number of small companies in Western Canada which are Dome suppliers.

The Government has been cautious in this complex case which may have many consequences. Obviously the Government has no intention of buying Dome, therefore it is up to the private sector to take the initiative. This does not in any way lessen the significance we attach to Dome, but we will not use public funds to solve a problem created by the private sector. We have taken this approach for the following reasons. First, let me remind you of the origin of Dome's indebtedness, now standing at $6.3 billion, as I said. This money was borrowed by Dome, not by the Government of Canada, and the money was loaned by banks, not by the Government. It stands to reason that any solution to the Dome problems will force lenders and company shareholders to admit that their investments and their loans are worth less than the purchasing price or their book value.

• (1140)

[*English*]

It is clear that this Government is not responsible for these business losses. I remind the House that it was the discriminatory policy of Marc Lalonde and the promotion of Canadianization through billions of dollars in PIP grants that led Dome to embark upon an overly ambitious acquisitions strategy.

Dome is not a public company. While the company has indeed benefited from various tax and subsidy programs over the years, these have been policies of general application. The fact that it has received such public largesse, however, has led some to conclude that the Government has a special responsibility to protect creditors. My colleagues and I are determined that such will not be the case. We are not in favour of and will not support a bail-out disguised as a sale.

Our position has received public and media support. On May 12 *The Toronto Sun* editorial said:

> The notion that Dome should be kept Canadian by accepting a poorer offer is patently absurd. If Amoco or someone else can somehow turn Dome around and make rescue a reality, perhaps some Canadians should sit up and take notice.

The Financial Times on April 27 said:

> For a refreshing change the Canadian Government seems content to play a minimalist role, surely the proper one under the circumstances.

On May 8 the *Gleaner* of Fredericton, New Brunswick, contained these words:

> Government meddling in the oil and gas industry in recent years has been so costly that the people of this country should be skeptical of the interventionist views over Dome Petroleum.

[*Translation*]

Madam Speaker, Members of the Opposition have been urging us to intervene to seal the outcome of the Dome purchase offer. They suggested that the Government should use its clout and make sure that a Canadian company be favoured. Madam Speaker, this suggestion reveals their ignorance of the law: there simply is not a Canadian law under which the Government would be able to give the nod to a Canadian bidder. Dome belongs to its shareholders, not to the Government. The Government has set a clear and no-strings-attached framework for companies anxious to do business in Canada. Pursuant to this process any offer, including Amoco's, must be examined in light of the legislation and policies prevailing in this country. Any other approach would make it mandatory for the Government to pass specific new legislation in this case, and this would have a strong negative impact on investments, on quality, on our country's image and, ultimately, on job creation.

[*English*]

The results of establishing this clear framework can now be seen. Dome's problems are well under way to being resolved. We have witnessed a healthy competitive process which is in the interests of all Parties, be they employees, suppliers, shareholders or creditors.

There have been three bids to acquire Dome, one from a Canadian firm. To date a foreign firm, Amoco, has made the best bid which was selected by the Dome board of directors. No one has denied that that is the case. However, the deal has not yet been approved by Dome's creditors and shareholders. Other companies have indicated a continued interest in Dome.

[*Translation*]

If Amoco's bid is approved by Dome creditors and shareholders, then the acquisition will have to be reviewed by Investment Canada. The Government which I represent wants to make sure that such a purchase will be of significant benefit to Canada. I have already said I am convinced that such a company will have to be a model organization for corporate citizens. It is very important that any company seeking a merger abide by high standards with respect to investment, job creation and Canadian ownership. Madam Speaker, we would be acting irresponsibly if we were to engage in public negotiations concerning this kind of takeover. Still I can assure you that this Government is intent on making sure that the deal be in the interests of Canada.

No official request has been submitted to the Government as yet, but we have taken some significant measures to guarantee that Amoco's proposal, if it goes through all the required stages, is a profitable one for Canada.

I had a meeting with Amoco executives at my office, and I let them know, in the clearest possible terms, how important the Government felt this transaction to be and that we would ensure it would benefit Canadians in terms of jobs, investment and participation in the company.

Last week, Mr. Dan Stacey, President of Amoco Canada, announced that his corporation would issue a substantial number of shares in Canada, if the proposal to purchase Dome Petroleum was accepted. Thus the principle of Canadian participation in the development of our oil and gas resources will be respected. It also guarantees that the corporation will have a Canadian face. Madam Speaker, I believe this was a major decision. For the first time in its corporate existence, Amoco has agreed to create a local corporation in a country outside the United States, and I think that the discussions and the Government's position, as expressed in the clearest possible terms by the Minister of Energy, Mines and Resources, were instrumental in convincing Amoco that there were certain requirements that had to be met to do business in Canada.

[*English*]

This is a major commitment on the part of Amoco, one which should be commended. It will mark the first time in 40 years that Canadians will have an opportunity to participate directly as shareholders in the company's growth. As I indicated to Amoco, I believe Canadians should have a right to invest directly in the development of their resources. This is particularly important in the case of a company which, by a number of measures, would be the largest oil and gas firm operating in Canada.

[*Translation*]

I would now like to address the first example given in the motion, which deals with the action taken by the Canadian Government subsequent to Opinion 256 of the United States Federal Energy Regulatory Commission.

First of all, I must say I am surprised to see the Opposition take an interest in negotiations on the sale of natural gas to the United States. I find this sudden turnaround particularly surprising when I recall, and with me the oil industry in Western Canada, that dismal period from 1980 to 1984, when the Government at the time, formed by the Liberal Party to which the Hon. Member belongs, imposed its energy policy in such a cavalier fashion. The arbitrary and tyrannical measures adopted unilaterally by the Liberal Government provided for setting the price of Canadian natural gas without consideration for American market criteria. They also gave us an unenviable reputation as a country that could not be trusted to be a reliable and reasonable trading partner.

[*English*]

Needless to say, the New Democratic Party's approach to energy trade is simply to shut it down. The Hon. Member for Vancouver—Kingsway (Mr. Waddell) admits that in 1979 the NDP passed a resolution calling for an end to natural gas exports. He now says his Party's policy is that there should be "reasonable" gas exports, whatever that means. He cannot have it both ways; supporting gas exports when he is in the West and opposing them when he is in the East. It is time now for the NDP to make up its mind and let the people of Canada know what its energy policy really is. Do they or do they not favour the export of natural gas?

[*Translation*]

Nevertheless, we have at least one motive for rejoicing. The Opposition has finally realized the importance of the natural gas trade between Canada and the United States. At least, I find something positive in this change of heart and I can tell the Opposition outright that Opinion 256 represents a serious threat for the trade deals which, over the past 30 years, have been beneficial to both Canadians and Americans.

The FERC Opinion defines the manner in which American corporations can recoup from their customers the costs of purchasing Canadian natural gas. This decision was officially made public on December 8, 1986, and confirmed on May 27, 1987. The Opinion prohibits the full recovery of some costs from American customers. These are the costs which had been borne in Canada and set by Canadian regulating agencies to provide pipe-line corporations with the capacity to serve export markets.

• (1150)

In practice, FERC will make it possible to by-pass transmission costs set in Canada, but only from the American point of view.

We foresee that the yearly difference between the actual costs assumed by exporters and the recovery carried out by FERC will amount to at least $140 million US per year. According to FERC, our own producers should carry this burden, and we are greatly concerned about this.

The Government sees in this Opinion, first a foreign intrusion in the regulatory jurisdiction of a Canadian agency, second an unfair tax burden imposed on the Canadian natural gas producing industry and, third, a significant set back from the joint efforts of Canada and the United States to establish a bilateral market oriented energy trade.

The motion before the House describes the Canadian response to this Opinion as "weak and ineffectual". It is not, Madam Speaker. On September 4, when the FERC Opinion had not yet been finalized, I met in Washington with Mr. Herrington, the American Secretary of Energy, and expressed my concern about this Opinion. This meeting marked the beginning of a concerted offensive by the producing provinces, the Canadian natural gas industry and my Cabinet colleagues to make the U.S. authorities more aware of the impact of this Opinion on the natural gas trade which brings wealth to both our countries.

I think it is important to enlighten the House about our initiatives. On December 18, together with my Alberta and British Columbia counterparts, I sent a note to the Secretary of State expressing our views and concerns about Opinion 256.

The exporting companies, the main associations of Canadian producers, the National Energy Board and the provinces' regulating agencies have all made official representations to FERC seeking new hearings.

In February, the officials of the Alberta Government and those in my Department advised fully their Canadian counterparts in the Ministries of Energy and Trade. My Cabinet colleagues, including the Secretary of State for External Affairs (Mr. Clark), the Minister for International Trade (Mrs. Carney) and the Minister of Finance (Mr. Wilson) have all had official discussions concerning this issue with their opposite numbers in the United States.

Opinion 256 was discussed during the Canada-United States Summit with took place here in Ottawa last March. Finally, on May 5, the Prime Minister (Mr. Mulroney) wrote the President of the United States to express our country's concern about the impact of this Opinion.

Unfortunately, these concerted efforts have failed so far in convincing FERC to amend its decision. But we should keep in mind that this organization is an independent regulatory agency which must act within the limits of its mandate as determined by laws and regulations.

In spite of the fact that we may very well have lost the first innings, Madam Speaker, we have not yet lost the game, and the representatives of private corporations are already determined to bring the whole issue before the courts, and they can count on the support of this Government, especially the Department of Energy, because this decision of our American

friends is contrary to the interests of both American and Canadian consumers.

[*English*]

Mr. MacLellan: Madam Speaker, I am afraid the Minister has not convinced those of us on this side of the House of the Government's sincerity in terms of pressing the matter as hard as it possibly can and giving it the attention it deserves.

What has the Minister done since the request by the producers of Canadian natural gas to have the ruling of FERC overturned? Since the decision was handed down on May 27, has the Minister contacted his counterpart in the United States? Has he arranged for meetings with the Secretary of Energy in the United States? Has the Prime Minister been in contact with President Reagan?

This is not an ordinary discussion on a subject of mutual interest; this is a discussion on something of vital importance to the United States. To say that it can go through the courts is not enough. It could be tied up for years in the courts.

[*Translation*]

Mr. Masse: Madam Speaker, first we did not hide the seriousness of the situation. We have publicly expressed our dissatisfaction with the decision. But we must respect the American legal system. It is the same kind of system that we ourselves recognize in Canada.

The National Energy Board can make decisions that may not always please the Government, but such is life, and that is the kind of system we chose to establish in Canada and in the United States.

But as a Minister of Energy, I and the Government as such made known our dissatisfaction with a decision that in our view is not in the best interests of Canadians and of American consumers.

Second, we have been in constant and frequent contact with the private sector, and we support their move to take that decision to the U.S. courts.

[*English*]

Mr. Riis: Madam Speaker, I should like to refer to a press release dated May 6 issued by the Prime Minister (Mr. Mulroney) in Alberta. He indicated that the Government was concerned about the potential ruling to which the Minister referred. He said that the Minister had been in touch with his American counterparts, that a variety of cabinet Ministers had been in touch with their counterparts in the U.S., and that he had been in touch with the United States President.

Will the Minister of Energy, Mines and Resources (Mr. Masse) now admit that despite all the overtures—his best efforts, the best efforts of the Prime Minister and of his colleagues—that all their requests fell on deaf ears? Will he admit that the Americans said, "No, we are not going to pay any attention. We are going to go ahead and do exactly what we want to do in Canada?"

Mr. Masse: Madam Speaker, the Hon. Member knows the American system better than that. We in Canada accept that the judiciary power is something different from the administration. Let us be honest. We have discussed that case with our counterparts in the United States. I have met many times—and the last time was two weeks ago—with the Secretary of Energy in the United States. I can tell the Hon. Member that they have agreed to the basic principles on which we are working—to have a freer market and so on and to make sure that consumers in both countries will be pleased by our policy. However, that does not give him the right to direct the judiciary power in the United States.

The same applies in Canada. It may happen in Canada that Governments agree with a foreign Government about a situation, but that does not give the Prime Minister the right to telephone a judge somewhere and say, "You have to do this because the political power of the country has decided that that is the way it should be done". If we did that in Canada, the Hon. Member's Party would be the first to say that we do not respect the way Governments are organized.

I think we have to recognize that the United States has the right to be organized on the same democratic principles as us. That does not mean that the Government of the United States disagrees with the Government of Canada. If a judge or a board of judges decided something contrary to the will of the American administration, the next step would be to appeal and to fight in court. That is not a political decision. That is not a decision of the administration of the United States. It is a decision of the judiciary power.

Mr. MacLellan: Madam Speaker, I completely disagree with the Minister of Energy. This is not only hurting the economy of western Canada and the country as a whole, but it is an infringement of Canadian laws. It is an extension of U.S. regulations into Canada, which is completely unacceptable. Also, we have FERC exercising a decision on something over which it does not have jurisdiction, the import-export of natural gas.

• (1200)

Surely the Minister in his discussions with the Secretary of Energy in the United States has brought to the Secretary's attention that this is his jurisdiction, not the jurisdiction of the Federal Energy Regulatory Commission. The Minister should be doing something to support his own position.

Mr. Masse: Madam Speaker, I have no difficulty in agreeing with my colleague. That is exactly what we have said publicly. The decision is contrary to the interests of both, and is an intrusion in our own regulatory responsibility. We have said that. The Hon. Member says nothing that we do not support. We said it before the Liberals and we have said it publicly. In the United States and everywhere we have said that it is not acceptable.

We agree with that, but that does not give my colleague, Mr. Herrington, the right to phone the judge and say, "You

are wrong and you will do it another way". He cannot do that. He has no right. The Hon. Member knows that Mr. Herrington has no right to do that.

I have no right to instruct the National Energy Board on such issues when it is the board independently that must take a decision. We have to accept that. We can be annoyed with the American system and its decision, and I fully agree that we should be annoyed. But we cannot force the United States of America into changing its basic democratic system. It is, by the way, the same as the one we have in Canada.

The Liberal Party will never agree to the Minister of Energy, or the Minister of Communications (Miss MacDonald) phoning CRTC giving them a directive. I have to respect our system. I am doing that as a Minister. The least I can do is accept that my colleague has roughly the same approach in the United States and I must respect him. As far as having a discussion, we agree, but that does not give the Secretary of Energy the right to instruct the judge.

Mr. MacLellan: Madam Speaker, when the Minister of Energy wanted to test and have an examination of the surplus natural gas in Canada he wrote to the National Energy Board asking for hearings and the board held hearings. If the Secretary of Energy's position through the economic regulatory agency in the United States is being usurped, the Minister has a right to do something about it. Do something; at least call the Secretary of Energy, write him a letter. Maybe without a stamp the letter may get to the Secretary anyway, but just do something.

Mr. Masse: Madam Speaker, I am surprised that my hon. colleague forgets that that is exactly what happened. The Americans have announced a review of their tariff in the United States. That issue, we are sure, will be part of their study. So that is already done. We did not have to wait for the Liberal Party to discover that. There will be a board in the United States to review the tariff. It is done.

Mr. Foster: Madam Speaker, would the Minister explain why the Prime Minister (Mr. Mulroney) bothered writing to the President of the United States if he felt that he could not really intervene because it was a judicial decision rather than an administrative or political decision? Why did the Prime Minister happen to write to the President just the day before he went to Red Deer, Alberta, and appeared with the oil rig people? Was it strictly grandstanding or did the Prime Minister hope to be able to intervene in the decision?

From what the Minister said, I take it that the Government disagrees with the United States administration, but is supporting private individuals going before the U.S. judicial system. Does the Government plan to take this matter to the international court because the United States is applying its laws, extraterritorially, into Canada? Is the Minister prepared to do that?

It seems to me that this decision sets a tremendous precedent which could be used in all kinds of other areas, especially when the United States regulatory agency is agreeing with the decision while another department is disapproving of it. It seems to me that the Government should not lay down and play dead just because free trade negotiations are going on.

Has the Minister examined with his officials the economic impact and how many jobs this will involve? It occurs to me that the $400 million is about the same as the investment which the Government plans to give under the Canadian Exploration and Development Incentive Program which the Government suggested might create some 15,000 or 20,000 jobs. Will this decision, if it stands—if the Government does not appeal it or does not have it overturned—cost us 15,000 jobs in that profits will be creamed off which will not be available for exploration and development? Can the Minister respond to those several questions?

[*Translation*]

Mr. Masse: In that question, Madam Speaker, I see at least three sub-questions. First, there is an important distinction to be made between representations and instructions. What the Government did through the Minister of Energy, Mines and Resources, Government officials, even provinces and the Prime Minister and my colleagues, was to make representations, explain the situation. The American system provides for an opportunity to make representations before such a tribunal, in the same way as before the CRTC or the National Energy Board, people can make representations, and the U.S. Administration on behalf of the Canadian Government made a number of representations.

This is the difference between making representations and giving instructions to the legal system, and I believe my hon. colleague in his question recognizes there is a distinction, that we must respect the legal system both in United States and Canada.

Second problem—should the matter be brought before international tribunals? I believe the first step, according to the lawyers in charge of that matter, is first and foremost to bring the case before the American courts. If and when a review and recommendations lead us to believe there are other legal avenues, you can rest assured the Canadian Government will act to support our industry wherever needed. This I can assure my hon. colleague.

Third, the estimated amounts are in the order of $140-150 million rather than the order you mentioned. Of course, such evaluations are always difficult to make, but it is the evaluation that was made available to us and that will be largely supported by exporters. How many jobs would be lost because of lack of investment resulting from the loss of those $140 million? I have no figures at the moment. That may happen in some cases. Hopefully, the number of jobs that will be lost as a result of that decision will be kept to a minimum. It may happen—but how many? Certainly not in the orders you referred to, because the initial amount itself is not in the order you mentioned earlier.

Supply

The Acting Speaker (Mrs. Champagne): The period for questions and comments has now ended. The Hon. Member for Kamloops—Shuswap (Mr. Riis) for debate.

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, as Canadians looked at their newspapers over the weekend and again this morning, they saw in almost every newspaper in Canada headlines such as, "Disaffected westerners spawn new federal political Party". That description was not quite right because when you look at who were those westerners meeting in Vancouver this past weekend you will see that they were almost exclusively Conservatives. As a matter of fact, the largest contingent was from Alberta.

Mr. Masse: I saw some disappointed New Democrats.

Mr. Riis: When you look through the list, 95 per cent were card carrying members of the Conservative Party. They said that they have been betrayed by the Conservatives, and they feel that the only way to register their concern, after sending the largest majority of westerners to the House of Commons hoping that their views would be put on the parliamentary table, and now having been abandoned by the P.C. Government, is to form their own political Party. I think that speaks clearly for itself.

Today we discuss another betrayal of western Canadians and a betrayal of Canadians generally. More and more when people try to determine what the future of Canada holds they will not be paying attention to what is going on on Parliament Hill, they will be looking at Congress. Decisions being made in the United States are having increasingly more impact on the future for our country. When asked to test the Cruise missile, the Government said yes, let's test the Cruise missile. When the Americans wanted to take over West Kootenay Power and Light Company, the Government said yes. When they wanted to have a 10-year monopoly on American drugs being sold in Canada, they were given that right. When they wanted to take over Dome Petroleum, the Government gave them the right to take over Dome Petroleum. When they wanted to impose a special tax on Canada's softwood lumber industry, that was fine. As a matter of fact, the Canadian Government itself imposed that 15 per cent tax to keep Canadian wood out of the United States.

• (1210)

In this weekend's newspaper, there was a report from the National Forest Products Association of America indicating that the new tax imposed by Canada has achieved what it was intended to do, it has kept Canadian wood out of the United States market. As a matter of fact, Canada's share of the United States market slipped to 28.7 per cent in the first two months of 1987, down from 31.5 per cent a year earlier. Now the United States does not even have to pass its own laws to keep goods from coming from Canada. The Government of Canada will do it for it. This is nothing short of a betrayal.

Over the last few days a former Prime Minister has spoken about the Meech Lake Accord and has called the Prime Minister of Canada (Mr. Mulroney) a weakling. Indeed, we could consider to what extent the Prime Minister has betrayed Canada. A few weeks ago, the Prime Minister went from place to place in western Canada saying, "We will fight the Americans on this gas issue, we are concerned". Well, some fighter. That was like the Minister for International Trade (Miss Carney) when she was sitting on the beaches of Maui saying, "We will fight the softwood issue, we will fight them on the beaches of Hawaii, we will stop the Americans". Yet the Government imposed its own tax on the softwood producers of Canada.

Maybe the best thing that could happen to us is for the Minister of Energy, Mines and Resources (Mr. Masse) not to speak to his counterparts in the United States, for the rest of the cabinet Ministers including the Minister for International Trade not to speak to their United States counterparts and for the Prime Minister not to phone or write letters to Mr. Reagan any longer. Whenever he does this on our behalf, we are betrayed. We are sold out.

As the speaker from the Liberal Party indicated when the American—good grief, I was going to say when the American Prime Minister—when the Canadian Prime Minister was in the United States saying that Canada was now open for business, what he meant was that it is now for sale. In two and a half years we have seen more foreign transactions and takeovers in our economy than in any other similar period in history. In fact, there have been 2,200 foreign transactions, primarily takeovers by American companies. We are now seeing more intrusion than ever.

I respect the honesty of the Minister of Energy. On many occasions he speaks forthrightly. Last Thursday, he said that the implementation of this rule will extend the United States regulation into Canada. Indeed, I appreciate his point. The United States is now deciding how we should export our natural gas. The United States is now determining our export policy for natural gas, just as it is now deciding how we should impose softwood lumber stumpage rates in the various provinces.

I think it is time the Parliament of Canada said something about this. It will have the opportunity to do so today as a result of this Opposition Motion. Parliamentarians ought to say that it is time Parliament started determining our economic policies, not the Congress or the quasi-judicial bodies in the United States.

Let me identify the extent of this natural gas disaster for western Canada. Perhaps as much as $400 million will be lost as a result of the Government's inability to deal effectively with the United States in ensuring a movement of Canadian exports to the U.S. The United States has indicated its concern about this incredible wave of Canadian natural gas invading its markets. What a peculiar view considering that between 4 per cent and 5 per cent of the United States' demand is met by Canada. As a matter of fact, in the last few months there has

been a 17 per cent decline in exports to the United States. When the Americans talk about unfair competition from Canada, perhaps we should ask them to explain why there has been a 17 per cent drop in exports over the last number of months.

I recognize that 30 per cent of our natural gas is exported, giving us a $2.5 billion revenue flow.

Mr. Shields: Where do you stand on that?

Mr. Riis: If I were that person from Alberta, I would not be here today. I would be going door to door in my constituency because—

Mr. Shields: Where do you stand on the export of natural gas? Just answer that.

Mr. Riis: He is presumably asking where I or my Party stand on the export of natural gas. After our security has been declared, then we are certainly in favour of exports of natural gas. However, let us take care of Canada first.

Conservative Members are laughing at me when I say we should take care of Canadian concerns first. Of course they laugh. After giving away most of Canada since they have been in office for two and a half years, anything that puts Canada first would be a laughing matter to the Conservatives. As I say, I would advise them to get to their constituencies to try to explain why once again they have agreed to betray western Canadian concerns regarding the export of natural gas.

Things will be changing very shortly. I think Canadians have had enough. They have indicated that they will not stand by and watch the situation deteriorate continuously over the years. They have registered that at the polls where they have indicated clearly right across Canada that they are now turning their backs on Progressive Conservatives, having seen what they have been able to do to Canada, particularly to western Canada.

As the Minister of Energy has indicated, the decision of the Federal Energy Regulatory Commission in Washington will now result in Americans extending their regulations into Canada. Over the last while, part of the cost of transmission of natural gas in Canada was reflected in the price obtained by natural gas companies. We have been doing that with the United States and, as a matter of fact, there have been negotiations going on with the United States to ensure that the free flow of natural gas into the United States market to serve American consumers would continue. This system has been working well for years and years. All of a sudden the Americans have presumably decided that 4 per cent or 5 per cent of the market being supplied by Canadian gas is too much and therefore they need to take steps to reduce the flow southward. That is exactly what they have done.

In spite of the efforts of the Prime Minister to reverse this decision, nothing of the sort has occurred. We will now have to rely on the consortium of natural gas exporters to take this matter to court in the United States in an attempt to oppose it. Obviously the Government has failed in its efforts. The Cabinet has failed in its efforts. The Minister of Energy has failed in his efforts. Now a court action by a consortium of natural gas exporters will be required to attempt to reverse this decision, in co-operation, I might add, with American consumers. They too are concerned. They thought they were getting a good deal because Canadian exports of natural gas provided competition and kept prices down. As a result of this decision, it is unknown what will happen to competitive pricing.

Let us turn for a moment or two to the matter of foreign ownership. I think it is disgraceful that in spite of all the warnings about the tremendously high levels of foreign investment in Canada and, more importantly, the role of foreign control in our economy, Canada has more of its economic decisions made in foreign countries than any other country in the world. The board offices in Tokyo, Dallas, New York and Chicago will be making decisions on corporate investment and expansion in Canada for the next 10 years.

In the last two and a half years since the Conservative administration took office, Investment Canada has approved hundreds and hundreds of foreign takeovers. Considering that, we must ask what we are getting for those takeover dollars that are presumably coming to Canada.

• (1220)

It was revealed last week that of all the foreign investment which has come into Canada in the last two and one-half years 95 per cent has been used for takeovers; not new plants or the opening of new mines or factories, but for takeovers. As a result of this incredible dominance by a foreign presence in our economy a lot of money leaves Canada every week and goes back to the head offices. In fact, every day, seven days a week, 52 weeks a year, $2.5 million each hour flows out of Canada back to the parent companies in other countries, primarily in the United States of America. One of the major reasons there is a lot more investment in Canada is because every hour of the day $2.5 million flows out of Canada back to foreign countries. No other country in the world accepts this state of affairs.

How is it in Canada's best interest to have such extensive foreign involvement in our economy? The most recent example is the Dome takeover. Amoco has operated in Canada for 40 years. In spite of the length of time during which it has been here there is not a single Canadian on its board of directors and there is absolutely no Canadian ownership whatsoever. This company now wants to take over one of the critical players in the oil and gas industry of Canada.

The Government favours an American company taking over Dome Petroleum; it approves an American company having total control of this company and that future profits made in Canada will go to the United States.

Where do we turn to when we have a Government which thinks it is a great idea to have foreigners deciding our future? We can only hope that the people of Canada will realize that there is an incredible sell-out taking place and will register

their concern in the next federal election. Unfortunately, that will probably not come for 18 months and in the interim we must do what we can to bring some logic to the Dome takeover.

We believe there are alternatives. The proposal that Dome would sell some of its shares to Canada if the Amoco takeover is approved is of little comfort. It is important to distinguish clearly between ownership and control. We are concerned that the control of Dome will be held by foreigners, mainly Amoco representatives, rather than Canadians. The decision of where the parent company will be headquartered will, therefore, be made in the best interests of the United States. Handing out a few shares to Canadian shareholders will not change that one iota. The future decision-making of that company will be done by people who are not Canadian citizens. Presumably they will be good American citizens, so the decisions will be made in the best interests of the Amoco corporation and, ultimately, the United States of America.

Mr. Cassidy: The Tories don't mind that.

Mr. Riis: As my friend from Ottawa says, the Tories don't mind that. Presumably this is what they want. When the Prime Minister (Mr. Mulroney) went to New York and said that we want more foreigners doing business in Canada he was really saying that the Government does not have faith in Canadian investors and entrepreneurs. Well, Madam Speaker, we have faith. We believe that we should begin looking for solutions to job creation and economic prosperity at home. We should take pride in the knowledge that we can do the job and do not have to turn to the Japanese, Americans or Germans to solve our problems. We like their support, encouragement and involvement, but we are not looking to them to solve our economic problems.

The United States Federal Energy Regulatory Commission has indicated that it wants to change the rules under which we export our natural gas. It has said that the way in which we handle the transmission of our gas and assign the charges to that transmission is not now appropriate for exports to the United States.

This is a very short-sighted decision by the Americans. In 1986 we exported 744 billion cubic feet to the United States. That is a relatively small amount considering our historic trend. It was that low because of the fall in the cost of No. 6 fuel oil in the United States. I suspect that that is probably a temporary situation and that in the future the cost of No. 6 fuel oil will go up, as oil costs generally do. The demand for natural gas will then increase. As a matter of fact, only a few days ago western oil reports indicated that Tennaco from the United States was in Canada looking for possible ways to facilitate future gas exports to the United States.

We must also realize that President Reagan is a lame duck President. While our Prime Minister and the President of the United States may be good friends, write letters back and forth, and telephone each other as the news release indicates, it is really Congress which decides upon the protectionist policies that will be applied.

As a result of this recent decision by FERC the playing field for natural gas exports to the United States has been tilted in favour of the U.S. They no longer provide equal opportunities for Canadian exporters to the United States. That is the real concern. We must realize that because the Prime Minister calls President Reagan on a regular basis and asks for his help is irrelevant. The President of the United States is either not interested in intervening on Canada's behalf, or not prepared or not able to intervene on Canada's behalf. Whatever the reason, that the Prime Minister reminds us daily of his close friendship with President Reagan is of little comfort, indeed.

In closing, we once again find that western Canada has been betrayed by the inability of the Government to deal with the international crisis affecting natural gas exports, just as the Government was so woefully inadequate in its response to the challenge on softwood lumber exports. One almost shudders to think of what tomorrow's headline will bring us. On what sector will the Americans next make a demand in response to which the Government, true to form, will say that if there is any way in which we can co-operate we will do so, whether with regard to steel exports, agricultural or mineral policy? More than simply having caved in, the Government has co-operated with the American demand on Dome.

We oppose the way in which the Government has bungled the situation of natural gas exports. In spite of the promises made by the Prime Minister when he was in western Canada that he would do something, he has done nothing about this matter. In spite of the promises of the Parliamentary Secretary to the Minister of Energy, Mines and Resources that he would do something, he has done nothing. The Minister of Energy, Mines and Resources admitted today in the House that he was unable to do anything, that it is now up to the law courts in the United States and it will probably take years and years. It looks as though all Canadians will have to look to another political Party if their interests are to be adequately met.

• (1230)

Mr. Shields: Madam Speaker, I listened with a great deal of interest to the Member for Kamloops-Shuswap (Mr. Riis). His opening and closing remarks seemed to sum up the purpose of his rising to speak in the House today. In my opinion, he is not really concerned about the problems that we face in the energy industry in western Canada, but concerned about his Party's popularity and opportunity to transfer some of the support that has supposedly eroded from the Conservative Party in mid-term over to his Party.

I want to assure him that his rhetoric and misspeak will not go unnoticed. The Hon. Member talked about takeovers and that they represented a takeover of Canada by the United States. Of course, we in the House are familiar with the New Democratic Party rhetoric and that the socialist party of this country has always been anti-American.

The Member said that we allowed the Americans to come here and test the Cruise missile. We know the position of the socialist New Democratic Party about the NATO Alliance. Now they are trying to hide that policy and say that we have a commitment to defend the north. They are against armed forces in the north yet say we must defend and define our position in the north.

Mr. Blackburn (Brant): Come off it. We never said that.

Mr. Shields: They are having difficulty determining their own position. They then talk about drugs. We are the only western country—

Mr. Cassidy: You are sensitive. You are going down the tubes in Alberta.

Mr. Shields: Listen to them now. The socialists are speaking rhetoric, as they always do. Let us consider the drug question. We are the only western country that did not recognize and protect intellectual property.

The New Democrats say that we are allowing "those dirty Americans" to take over Dome Petroleum. Presently, Canadians own 25 per cent to 30 per cent of Dome. Amoco has offered to take over Dome to keep it operating and has said that it would sell off the same per centage of shares to Canadians. Now the New Democratic Party says that is not good enough, that there should be control of the company.

Let us consider the lumber issue. The Americans proposed a 25 per cent countervail duty on lumber going into the United States. We worked out an agreement and introduced a Bill that kept the money in Canada.

The speeches by the NDP are strictly anti-American rhetoric. They talked about Mr. Trudeau, the Constitution, and the Meech Lake Accord. Why did the New Democratic Party deny in the Constitution and the Bill of Rights that we passed in the House the right of each Canadian to own property?

Mr. Blackburn (Brant): We never did.

Mr. Shields: They were shoulder to shoulder with Pierre Elliott Trudeau because they are socialists and cannot allow individual Canadians to own property. The New Democratic Party betrayed every Canadian because they prevented the inclusion of the right of ownership of property in the Constitution so that all Canadians and their children could have the fundamental right to own property. That is where the socialists stand.

Mr. Riis: Mr. Speaker, the Hon. Member said that there was opposition to the inclusion of property rights in the Constitution. Let me remind the Hon. Member for Athabasca (Mr. Shields) that his Party has been in government for almost three years. Have those Members indicated an interest in entrenching property rights in the Constitution?

Mr. Shields: Look on the Order Paper. It is there.

Mr. Riis: We have been talking about the Constitution for months but they have never mentioned that the Government is at all interested in putting property rights in the Constitution. I can understand why the Member is upset. I would be upset as well if I was part of a majority of 212 Members that had 60 per cent of the popular vote in Canada but is now at some 22 per cent. I would also be concerned because we know that Alberta will be changing its electoral behaviour significantly as soon as the opportunity arises.

The Hon. Member mentioned the Dome Petroleum takeover. Our Party is concerned about the Dome takeover because it plays a critical role in the natural gas and oil industry of Canada. It is a major player in the oil patch in western Canada and we believe that it ought to be maintained in Canadian hands. The majority of Canadians feel the same way, as in the testing of the Cruise. When it comes to the takeover of Dome by a foreign enterprise, most Canadians believe it is not in our best interests and would rather see a Canadian solution.

We proposed a Canadian solution, which involves a consortium of a number of Canadian companies, including Petro-Canada, that be allowed to make a bid to take over Dome Petroleum and keep it in Canadian hands. The Government has not shown any interest in such a proposal.

Day after day we urged the Minister of Energy, Mines and Resources to facilitate a Canadian solution, but he is not interested. The point that must be made is that the evidence over the last two and one-half years leads one to believe that the Minister of Energy, Mines and Resources and the Government of Canada would prefer a foreign takeover to allow Americans to run the economy of Canada rather than Canadians.

That is clearly where we differ. We have faith in Canadians and in Canada. We want a Canadian solution and expected the Minister of Energy to facilitate a Canadian solution. He did not do so because the Government does not believe such a solution is useful either now or in the future.

When it comes to Canada, we in the New Democratic Party prefer a Canadian solution. We believe a Canadian solution is possible if the Government would allow Petro-Canada to work in consortium with a number of other Canadian companies to come forward with a Canadian bid for troubled Dome Petroleum.

Mr. Greenaway: Mr. Speaker, is it true that the official policy of the New Democratic Party is not to sell gas from western Canada to the United States? Is that the stand of the New Democratic Party?

Mr. Riis: Mr. Speaker, I believe this is the seventh time I have responded to that question, but I will try again. The policy that the Hon. Parliamentary Secretary to the Minister of Energy, Mines and Resources referred to was passed in 1979 during the second OPEC crisis, when reports from the National Energy Board indicated that the natural gas security

for Canada was under some question. It was not clear to what extent our reserves were in place to ensure Canadian supply.

Much has changed since 1979 and, as our energy critic, the Member for Vancouver—Kingsway (Mr. Waddell) has indicated on a number of occasions, under appropriate conditions, where our security is assured, that exports of natural gas to the United States would be supported by the New Democratic Party.

Mr. Stewart: Mr. Speaker, I want to ask my socialist friend opposite whether we should pay attention to anything he said. He stated unequivocally that the new reform association that was formed in Vancouver was a Tory organization totally. I am sure he knows that Stan Roberts, a former President of the Chamber of Commerce, is a noted Liberal and is one of the three founding members. Why should we pay attention to anything the Member says when he makes a statement like that?

Mr. Riis: The reason I said that virtually everyone there was a Tory—

Mr. Stewart: I did not hear you say that.

Mr. Riis: If I did not say "virtually", it is because I do not distinguish clearly between Liberals and Tories when it comes to policies in this country. Liberal policies on most issues are not clearly defined as being any different from Conservative policies.

If there is one political party that is different from the Conservatives and Liberals, it is the New Democratic Party. Let me state clearly that virtually all of the participants who are disillusioned westerners were card-carrying Conservatives and a handful were Liberals. As I said, however, I do not distinguish much between the two.

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to participate in the debate today. I want to return to the comments by the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan). I will suggest to him that out of all the rhetoric we heard from the other side today, he has a real sense of the problems we face. I noted he listened attentively to what the Minister of Energy, Mines and Resources (Mr. Masse) had to say. I think he understands the problems we are facing.

• (1240)

The National Energy Board in Canada, as a quasi-judicial board, may receive representation from the Minister of Energy, Mines and Resources, the House of Commons Standing Committee on Energy, Mines and Resources, or from Members of the House of Commons, but, being a quasi-judicial body, it cannot be directed. It makes decisions as it sees fit in the national interests. That is Canada.

The Federal Energy Regulatory Commission in the United States, commonly called FERC, is also a quasi-judicial body. It is set up very similar to the National Energy Board. It cannot be directed to adopt a regulation or policy in exactly the same way as the National Energy Board cannot. I note that the motion before the House refers to the weak and ineffectual efforts of the Government of Canada to oppose Opinion 256 of the United States Federal Energy Regulatory Commission. I wish to address my remarks to that aspect of the motion.

To begin, I would like to remind the House that the approach taken by the Government towards its energy policy is an approach which differs dramatically from the confrontational, divisive and unpredictable actions of previous administrations. In fact, I find it a bit ironic that the Liberal Opposition chose to denounce a decision by a U.S. regulatory agency which bears a very striking resemblance to the high-handed tactics embodied in the Liberals' National Energy Program which totally and absolutely devastated the oil and natural gas industry in western Canada.

Mr. Foster: Take a look at the number of jobs lost out there.

Mr. Shields: In contrast, the energy policies of this Government are built on the firm foundations of consultation, co-operation and consensus.

The Hon. Member for Algoma (Mr. Foster) tells me to look at the situation now. The situation now is that the industry can move and move freely. We are doing exactly what it has asked. We have deregulated, we have brought in the Western Accord, and never again, if the Meech Lake Accord goes through, will any Liberal Government be able to perpetrate such a disaster on a region in this country.

The Western Accord and the agreement on natural gas markets and prices have provided our oil and gas industry with a flexible market oriented framework in which it can compete effectively for sales in Canada and the United States. With respect to energy trade, we are taking a consistent approach to remove unnecessary regulator burdens and to rely on market forces as the most efficient allocators of energy resources.

Our policies have been successful. Our energy producers have been able to maintain and even expand market share within a highly competitive international market. Canadian consumers have also benefited from access to secure, reasonably priced, domestic energy resources. What really sets our approach apart from that advocated by the Opposition is that we work with the provinces, with industry, with the consumers and with our trading partners to develop policies which meet the needs of buyers and sellers.

We know we are on the right track since, following their January meeting—I might add that it was the first meeting since 1977 of Canada's energy Ministers—the energy Ministers jointly reaffirmed that adherence to market mechanisms is most important in ensuring that the most efficient decisions are made regarding energy supply and demand. However, we are not content to rest with these achievements.

In April, the Minister of Energy, Mines and Resources announced a unique, consultative process to examine ways to plan for Canada's energy future. In three weeks, the first of a series of energy options conferences begins in Calgary. I am very impressed both with the level of interest this consultative process has generated and with the enthusiasm being displayed by the participants. With some of the best minds in the country engaged in debate and dialogue, the energy options conferences promise to yield innovative approaches to Canada's energy future.

Despite our success, we are not blind to current problems faced by our energy industry. The legacy of unfair legislation, unworkable regulations and economic imprudence left by the previous Government presents a serious challenge. Our task is not made easier by volatility in international energy markets.

The removal of the petroleum and gas revenue tax and the introduction of the Canadian Exploration and Development Incentive Program, are concrete examples of the commitment of the Government to a strong oil and natural gas producing sector. In light of this commitment, it should come as no surprise that the Government has protested vigorously against FERC Opinion 256. As a Member from Alberta, I am particularly concerned about the impact of this decision on the western Canadian oil and gas industry. I know first-hand of the importance to our energy industry of access to markets at home and abroad. This is especially true with natural gas. Because of our rich resource base, Canadians have been able to export surpluses of natural gas for over 30 years. These exports have provided the economies of scale needed to finance the major pipeline systems now serving domestic markets. They also generate the cash flow needed by producers for reinvestment in the exploration and development required to bring on new reserves, thus ensuring all Canadians with future supply security.

Because of the importance of natural gas exports, we are clearly alarmed at any new barrier to our long-standing bilateral trade. FERC Opinion 256 is just such a barrier. The decision disallows assured full recovery from U.S. customers of certain costs; costs which have been incurred in Canada and established by Canadian regulators to provide firm pipeline capacity to serve the export market. In plain terms, FERC will allow pass through of regulated Canadian transportation charges only on a "made in the U.S.A." basis.

The Hon. Member for Cape Breton—The Sydneys is correct. The FERC order infringes on our regulatory system. The Government of Canada has several very real concerns about Opinion 256. First, there is the question of jurisdiction. For the past decades regulators in Canada and the U.S. have accepted the consequence of each other's regulatory actions. In other words, the regulatory bodies here and in the United States have jointly accepted those actions. This decision by the regulatory body, FERC, in the United States, overturns this long-standing practice and has the effect of extending U.S. pipeline rate-making into Canadian jurisdiction.

• (1250)

We believe that Canadian and U.S. regulators, respectively, are in the best positions to determine just and reasonable pipeline rates in their own jurisdictions. Canadians have long accepted U.S.-designed tolls for those pipelines—the Lakehead, Portland and the Great Lakes—carrying oil and gas to our markets. By the same token, we expect the U.S. to accept the charges, set in accordance with established rate-making principles, associated with the transportation of gas in Canada to U.S. consumers.

We are also gravely concerned about the economic impact of Opinion 256 on Canadian producers. Those producers serving the export market receive a net-back price for their gas. This means that from gross export revenues received at the international border Canadian transportation tolls are deducted and the residual is returned to producers. If export transportation charges are not fully recovered from those U.S. consumers on whose behalf pipeline investment was made, then Canadian producers will bear the risk of under-recovery.

Our calculations show that even a limited application of Opinion 256 to existing export arrangements will cost Canadian producers at least $140 million U.S. Clearly, this revenue drop is unacceptable when our industry is still coping with last year's sudden fall in world oil prices.

Finally, Opinion 256 has serious implications for the bilateral energy trade policy framework established by our respective Governments over the past three years. In February, 1984, the U.S. Department of Energy introduced a new natural gas import policy. This policy strongly emphasized natural gas trade arrangements based on arm's length, private sector negotiations, and free from undue regulatory interference. Further, the Secretary of Energy clearly delegated authority over natural gas imports to the U.S. economic regulatory administration.

The framework gave the Government of Canada confidence to move in November, 1984, to its own export policy, based on buyer-seller negotiations, subject only to broad public interest criteria. Knowing the rules of the game we are able to allow our industry the flexibility to compete in U.S. markets. This consistent Canada-U.S. approach was confirmed in joint undertaking by the President and the Prime Minister (Mr. Mulroney) at the 1985 Quebec Summit to remove regulatory barriers to energy trade.

Thus we are disappointed with a FERC decision which adds a new and unexpected regulatory hurdle to the private sector contractual negotiation process. Opinion 256 has the effect of interfering in negotiated contracts which had already been determined by the U.S. economic regulatory administration to be just, reasonable and in the public interest. Such action clearly runs counter to the U.S. administration's natural gas import policy.

The Minister of Energy has outlined to the House the concrete action taken by the Government of Canada, in full consultation and co-operation with the producing provinces

and the industry, to bring our concerns to the attention of the U.S. administration.

It is true that our representations did not deter the FERC from reaffirming its original approach. However, this should not be interpreted as a failure. Our arguments have gained ground. It is clear that many in the U.S. administration and among the customers of Canadian gas are deeply concerned about the impact of this decision on the credibility of the United States as a reliable trading partner. There is pressure in the United States from consumers of Canadian natural gas on the administration and, indeed, on the regulatory body because they recognize the impact on the credibility of the United States as a reliable trading partner and the effect that this could have on their continued energy security. So we are not alone in our concerns.

The United States needs Canadian natural gas, and it needs it now. Many of the regional markets are heavily dependent on our gas supplies. As U.S. deliverability declines, demand for natural gas imports will increase. U.S. consumers know that Canadian natural gas is reliable. When they want secure, long-term contracts they come to Canada.

Over the past year we have seen several proposals to serve the U.S. Northeast with Canadian natural gas. Ocean State, Alberta Northeast and the Shell-Granite State contracts will provide our producers with new markets for their natural gas. Even more important, these projects will supply the Northeast with a secure, reasonably priced alternative to oil imports.

It is this kind of mutual benefit that has been the underpinning of our bilateral gas trade. But industry on both sides of the border must have a predictable, stable basis on which they can negotiate arrangements which meet the needs of buyers and sellers.

In conclusion, we intend to sustain and increase our efforts to bring our concerns to the attention of the U.S. administration, U.S. regulators, authorities and U.S. consumers and producers.

Unlike the previous Liberal Government, this Government believes that discussion and dialogue are the best tools to bring an end to trade problems. We are determined to overcome problems affecting our natural gas trade so that industry on both sides of the border will be free to continue and to develop trade arrangements of lasting benefit to both our countries. This Government is not anti-American.

Mr. MacLellan: Madam Speaker, I appreciate the speech of the Hon. Member for Athabasca (Mr. Shields). I have always known him to be fairly straightforward and fair. However, once again, as with the Minister, I find very great difficulty in accepting that the Government can do nothing other than what it has done. It is not making any objection to the turning down of the petition of the Canadian natural gas producers other than the Prime Minister saying that he will bring it up at the Venice Summit.

Something which I am completely unable to swallow is the fact that the Federal Energy Regulatory Commission of the United States is able to make rulings that affect Canada, particularly when they concern the import of natural gas into the United States, something which falls under the jurisdiction of the Department of Energy of the United States, yet the Department of Energy can do nothing. In my opinion the American Department of Energy is playing politics and is choosing to do nothing. I think that our Government's letters and requests to the American Government are being ignored. I think that is detrimental to the Canadian economy, in particular to the export of natural gas from Canada to the United States. It is blatantly offensive and damaging to Canadian sovereignty.

I wish to ask the Hon. Member for Athabasca about something his Minister said regarding investment in Canada and how Investment Canada is being run. I have a great concern about the amount of money coming into Canada from outside Canada which is going toward acquisitions instead of new investment in this country. When I hear that 90 per cent of the money involved in the approvals of Investment Canada goes not to investment but to acquisitions I have a tremendous difficulty seeing that as being of benefit to Canada.

What I want to ask the Hon. Member is how this will benefit Canada.

Mr. Shields: Madam Speaker, I will answer the last question first. The Hon. Member talked about investment coming into Canada. To illustrate my point let us use as an example the Husky investment by Mr. Lee of Hong Kong and the subsequent announcement of the $1 billion investment to develop in the Beaufort. I think that is very significant. It is clear to me that there is considerable benefit when someone of Mr. Lee's stature invests in the purchase of a large oil company and then immediately upon it going through Investment Canada announces a major investment in terms of the development of the Beaufort. I think that is what we are talking about.

Let us recognize too that this is not a country—

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the Hon. Member. When Government Orders are resumed the Hon. Member will have six minutes left in his question and comment period.

It being one o'clock, I do leave the Chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

DISASTERS

FATAL MINE ACCIDENT IN ELLIOT LAKE

Mr. Maurice Foster (Algoma): Mr. Speaker, last Friday morning there was a tragic accident at the Rio Algom Panel Mine in Elliot Lake which took the life of Kevin Grondin. I want to extend our sympathy to his wife and family on this sad and tragic occasion.

This accident was the ninth in Ontario mines this year. It points out the dangers in mining and points to the need for continuous improvement to mining safety and health regulations.

I also want to pay tribute to the valiant efforts of six mine rescue teams of seven members each who worked around the clock from the time of the accident until the body of Mr. Grondin was found on Sunday around six o'clock. Their bravery and tremendous effort to save a fellow miner in the face of obvious danger are commendable.

* * *

EXTERNAL AFFAIRS

NICARAGUA—ATTACK BY CONTRA FORCES ON CANADIAN AID PROJECT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, last week Contra terrorists attacked a Canadian funded co-operative farm in Nicaragua killing 10 people, wounding eight, and kidnapping four. They destroyed homes, buildings and farm equipment. These terrorists are financed by the Reagan Government and by powerful right-wingers such as the anti-union owners of Coors beer.

The Contras are trying to turn the clock back to the dark days of the Somoza regime and the only way they know to do it is by cowardly attacks on community health centres, schools, co-operative farms and other development projects.

Because the farm was funded by Canadians through the Farmers for Peace organization, the Secretary of State for External Affairs (Mr. Clark) condemned the raid. However, Canada must do more than issue a vague condemnation. We need to protest, in the strongest terms, to the Reagan Government. Its funding of the Contras is cowardly and despicable and must be so named by any Government that claims to stand for the development ideals of the Canadian people.

S. O. 21

AGRICULTURE

SPECIAL CANADIAN GRAINS PROGRAM—CALL FOR INCLUSION OF HAY PRODUCERS

Mr. Gordon Taylor (Bow River): Mr. Speaker, the farmers who produce hay were denied assistance under the Special Canadian Grains Program last fall but here are some sound reasons why they should be included in the pay-out this spring. Barley crops were subsidized under the program and, as a result, barley was sold to feeders at a cheaper rate than hay. Feeders are the main market for hay. In addition, grain farmers cut poor crops and sold them as green feed. Again, because it was subsidized the green feed was sold at a lower price than hay.

Just as subsidization of agricultural products by the EEC and U.S.A. put our grain farmers in a position where the selling price is below the cost of production, the Canadian government subsidization has placed our hay producers in the same position. As a result the price of hay is now one-third of what it was. In desperation the hay farmers turned to the export market but found the Americans were subsidizing compressed hay, and so they lost out again.

Hay producers cannot compete against government money any more than can any other farmer. The bottom line is that we destroy this needed segment of agriculture with government subsidies to its competitors, or we include hay producers in the Special Canadian Grains Program. Which will it be?

* * *

[*Translation*]

THE ADMINISTRATION

AWARDING OF CERTAIN CONTRACTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, for some people, as we know, the time period since the 1984 elections has been very difficult. But for other Canadians, this period under the Conservative régime has been rewarding.

I want to say that one of these people who has become richer at the expense of the public and Canadian taxpayers is Mr. Roger Nantel. Today, as a matter of fact, the media report that Mr. Nantel is alleged to have been awarded untendered contracts valued at more than $4 million.

Mr. Speaker, I hold in my hand one of these contracts for $46,200. I will tell you what Mr. Nantel was expected to do to earn this money: take part in the preparation and drafting of a summary brief; coordinate the organization of a poll; coordinate slide composition and reproduction services; write speeches; prepare an audiovisual presentation for March 26, 1986. As I said earlier, he was paid $46,200 for these services.

Mr. Speaker, the Prime Minister (Mr. Mulroney) should apologize to the House for spending public funds this way.

S. O. 21

• (1405)

[*English*]

GERIATRICS

POPULATION'S AGING TREND

Mr. Alan Redway (York East): Mr. Speaker, the announcement last week of the birth in Toronto of test-tube triplets has resulted in some well-deserved national attention for my friend, Dr. George Woo, his laboratory initiated foetal emplacement program, and the Toronto East General and Orthopaedic Hospital in my constituency.

It also brings to mind the fact that when my children were born there, the East General recorded more births each year than any other hospital in Canada, with the exception of the Vancouver General. Now all of that has changed.

Apart from Dr. Woo's in vitro fertilization program, the East General is now better known for geriatrics than it is for obstetrics. It is a dramatic reminder of Canada's aging population. At present, approximately 11 per cent of Canadians are over 65; in my riding it is over 20 per cent. By the year 2010, over 25 per cent of all Canadians will be senior citizens.

If Canada's birth rate and immigration levels do not increase, there will be a smaller pool of workers to support this larger number of seniors. Mr. Speaker, do you ever wonder where your old age pension is going to come from?

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ENVIRONMENT WEEK

CALL FOR RE-EVALUATION OF DRAFT LEGISLATION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, today marks the beginning of Environment Week. All across Canada events took place last weekend, and will be taking place this week, pursuant to the theme: "It's up to all of us".

I want the Government to remember that it is also very much up to the Government. In keeping with that sentiment, I call upon the Minister of the Environment (Mr. McMillan) to re-evaluate the Environmental Protection Act, the draft of which he has already put before the public and of which he intends to introduce a second draft this month. I call upon him to respond to the criticisms that have been made of the first draft.

The Minister and the Government know—

[*Editor's Note: And a stranger having entered the Chamber, addressed the Chair, and been removed by Assistant Deputy Sergeant-at-Arms Leo Robitaille:*]

Mr. Speaker: The Hon. Member for Winnipeg—Birds Hill.

Mr. Blaikie: Thank you, Mr. Speaker. I did not mean to get everybody so excited.

I call upon the Government to consider the following recommendations to the Environmental Protection Act so that the Act might live up to its name: to incorporate a meaningful Environmental Bill of Rights establishing Canadians' right to a clean and healthy environment and the right to go to court to protect those rights; to expand the scope of the Act to include the control and registration of pesticides, and other federal environmental legislation; to make the Act the pre-eminent federal environmental legislation, taking precedence over all others; and to strengthen the public's right-to-know provisions in the Act and increased public involvement in the operation of the Act.

These are but a few of the changes the Government should make to the proposed Environmental Protection Act if it is truly serious about protecting the environment.

* * *

[*Translation*]

CULTURE

WEEK OF FRENCH SONGS IN CANADA—ROLE OF BROADCASTERS

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, on behalf of the Minister of Communications (Miss MacDonald) I am pleased to tell the House that the Week of French Song in Canada was officially opened yesterday evening. This remarkable event is undoubtedly a highlight in the history of French broadcasting in Canada. For the first time in the world public and private broadcasters join their efforts to celebrate their country's talents.

The main purpose of this project sponsored by the *Association canadienne de la radio et de la télévision de langue française* is to provide francophone creators and performers a unique opportunity to present their works and gain wider recognition and better appreciation in their respective circles. This ACRTF initiative shows it is anxious to respond more readily to the needs and aspirations of francophones artists and audiences in Canada, and its determination to contribute to the expansion of the French presence on our airwaves.

Mr. Speaker, let us hope this event will make Canadians proud of all these artists, and at the same time pay high tribute to the artisans of Canada's French song industry.

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CANADA POST CORPORATION

REQUEST THAT HOME MAIL DELIVERY SERVICE BE RESTORED

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, yesterday afternoon, despite the rain, several hundred people in Montreal East met to protest against the service provided by Canada Post with the Government's approval, and

I am referring to the cuts in home delivery and the continuing installation of superboxes.

Mr. Speaker, these people were determined. They are fed up with being treated like second-class citizens. People living practically next door are getting home delivery, and they are not, because their homes were built a year later. They pay the same 36 cents for their stamps, they pay the same taxes but they are not getting the same service.

I think it is high time this Government gave Canada Post a clear-cut mandate to reinstate home delivery.

* * *

MINES AND MINING

TRIBUTE TO EMPLOYEES AND MANAGING DIRECTOR OF SIGMA MINE AT VAL D'OR IN ABITIBI

Mr. Guy St. Julien (Abitibi): Mr. Speaker, on March 17, 1937, it was St. Patrick's Day all over the world. But, in Val-d'Or, in Abitibi, it was the day the new plant at the Sigma mine started its operations.

Sigma has always had a reputation as a reliable gold mine, a progressive and well-organized company with the lowest turnover rate of any mine of its class in Canada, thanks to the excellent relations between management and the independent employees' union under the leadership of Mr. André Busque.

Under the management of Mr. C. Henri Bréhaut and Mr. J. André Carrier, engineer and Director General, Sigma Québec Mines Ltd. celebrated its fiftieth anniversary last Saturday, with all former and present employees, administrators and a number of local, provincial and national figures.

Sigma produces over 3,515,000 troy ounces of gold and 680,000 troy ounces of silver. Sigma's history is also that of its workers, the men who work underground, the workers in the plant, the geologists and the engineers.

Mr. Speaker, as a former miner with the company, I say three cheers for Director General André Carrier and his employees!

* * *

• (1410)

[*English*]

ADMINISTRATION OF JUSTICE

RELEASE SOUGHT OF WOMAN CONVICTED OF SECOND DEGREE MURDER

Mr. John Nunziata (York South—Weston): Mr. Speaker, Maisie Clark is a 63-year-old woman presently serving a life sentence at the Prison for Women in Kingston, Ontario. She was convicted of second degree murder, and except for a period of nine months during her appeal she has been incarcerated since October 26, 1981. According to the verdict, she must serve 10 years before she becomes eligible for parole.

Maisie Clark's offence is a classic case of a crime of passion. One commentator stated that "she snapped under a combination of grief, loneliness and sexual humiliation." She has had the support of many prominent Canadians, including the ex-warden of the Prison for Women, Isabel McNeil of Mill Village, Nova Scotia.

The continued incarceration of Maisie Clark serves no useful purpose from the point of view of rehabilitation or the protection of society. She is a mother and a grandmother. She is in failing health and it is unlikely in the extreme that she will ever commit another crime. Her life sentence may as well be a death sentence.

I would ask that the Solicitor General (Mr. Kelleher) consider exercising his authority under the royal prerogative of mercy to release Maisie Clark. The criminal justice system would be well served by her release.

* * *

HUMAN RIGHTS

U.S.S.R.—CATHOLIC PRIEST RETURNED TO LABOUR CAMP

Mr. John Oostrom (Willowdale): Mr. Speaker, since Mikhail Gorbachev came to power, the Soviet Union has been telling all the world that it is changing. The world receives a constant barrage of propaganda designed to project an image of caring and understanding. Yet the U.S.S.R. continues its brutal war in Afghanistan, its persecution of Jews, and the stifling of religious freedoms.

A Lithuanian Catholic priest, Father Tamevicius, has been returned to a Soviet labour camp after refusing to confess to anti-state activities. Father Tamevicius said:

> In prison, I will always pray for . . . the struggle for the freedom of the church and for basic human rights. Do not believe it when propagandists for Government atheism say that such activity is political. It is not politics, but a matter of life and death for all of us.

Religious freedom has been a cornerstone of democracy, and the Soviet Union continues to demonstrate that religious freedom will never be tolerated, but it is finding that religion and faith will never be extinguished.

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LABOUR RELATIONS

GENERAL STRIKE IN BRITISH COLUMBIA

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, today, a day of protest by workers throughout the province, has brought the Province of British Columbia to a standstill. This is a dramatic moment in the history of the

province, indeed in the history of Canada, and in the struggle for trade union and democratic freedoms in our society.

As former B.C. Deputy Labour Minister, Graham Leslie, has pointed out, the Vander Zalm Government has reintroduced unacceptable confrontation and conflict to industrial relations in B.C. Furthermore, Bill 19 clearly contravenes ILO Convention 87 dealing with freedom of association and the right to organize. Canada is a signatory to this Convention which among other things guarantees workers and employers the right to draw up their own constitutions and rules. It also prohibits public authorities from impeding the exercise of that right and seeks to prevent Governments from interfering with already negotiated settlements.

• (1415)

The Government of B.C. clearly has no intention of working within labour-management norms that conform to accepted standards of a modern democratic state. Hence this day of protest.

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CANADIAN RED CROSS

BLOOD DONOR CLINIC—PARTICIPATION BY HOUSE OF COMMONS

Mr. Doug Lewis (Simcoe North): Mr. Speaker, if I may, I would like to take this opportunity to make a non-partisan announcement.

Mr. Gauthier: Well, I'm going to listen.

Mr. Lewis: Great, I want you to do so.

Three or four times a year the House of Commons participates in blood donor clinics. Today and tomorrow, the blood donor clinic is taking place in Room 200, West Block. I would encourage all of my colleagues in the House, staff, and even the media to attend to give blood. At the same time, I would encourage Canadians all across the country to do the same. This gift means so very much to the recipient and at the same time gives the donor the opportunity to extend life.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

MEECH LAKE ACCORD—REQUEST THAT PARLIAMENT SEE FINAL TEXT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister may I put a question or two to the Deputy Prime Minister and Government House Leader? My question revolves around the constitutional process.

On May 1 and May 11 I said in the House of Commons that Parliament had the right to see the final text of the proposed constitutional amendment before it was again negotiated with the Premiers. Will Parliament be allowed to see that final text before it is signed by the Premiers of the provinces?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as the Right Hon. Leader of the Opposition knows, the Prime Minister indicated on May 1 and again on May 11 that every opportunity would be made available to Members of the House to participate in this very important issue. As he knows, the First Ministers are meeting tomorrow. We are not sure whether an agreement will be ratified but we are all hopeful that that will be the case. If such is the case, then I would be prepared to sit down with the House Leaders opposite to work out a satisfactory arrangement for Parliament to consider this issue, and I would do so at the earliest possible opportunity.

[*Translation*]

DEMAND FOR PUBLIC HEARINGS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I bet the Deputy Prime Minister's answer will indicate that Parliament will have the right to see and examine the text after rather than before it is signed by the First Ministers.

Mr. Speaker, I have always been in favour of the Meech Lake agreement as a basis to bring Quebec back into the constitutional fold, and I still am. The Constitution is the basic statute of Canada. It governs the implementation of all our legislation and our institutions.

I want the Deputy Prime Minister to explain to us how he intends to allow us to make improvements to the agreement? Will there be exhaustive public parliamentary hearings here in Ottawa and across the country to enable Canadians to voice their opinions on the legal text? Will the constitutional resolution undergo at least the same legislative process as an ordinary bill?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, those questions and issues that the Right Hon. Leader of the Opposition quite rightly raises would be part of the considerations that I would hope to discuss with the Opposition House Leaders.

As the Prime Minister indicated, he made the commitment to all Hon. Members of the House to become as actively involved as possible to provide the moral leadership to the country and for other Governments. It would be in that spirit and in that context that we would attempt to establish the kind of process that would allow that to proceed in the interests not only of examining all elements of the Accord but of engaging

in a national debate affecting a very important issue to all Canadians from one coast to the other.

• (1420)

PROCESSES TO ADDRESS VARIOUS CONCERNS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, as the Deputy Prime Minister knows, I have always been supportive of the Meech Lake Accord as a basis for bringing Quebec into our Federation as a full partner under the Constitution Act, 1982, and I still am.

I also told the Prime Minister, during the two interventions I made in Parliament on the subject, of areas which we believe need to be strengthened, including the Charter of Rights, the future of our northern Territories, the protection of our aboriginal peoples, more certainty about the scope of federal spending power, and guarantees on minority language rights.

Does the final text take into account the concerns I have raised? If not, what process will be followed to allow those concerns to be addressed openly, completely and publicly by this House of Commons so that Canadians can be fully apprised of the basic law of our country before it is finally adopted?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased, as I am sure are all Hon. Members, at least those on this side of the House are, that the Right Hon. Leader of the Opposition agrees with the spirit of the Meech Lake Accord. We have not seen the final draft and it is, therefore, very difficult to answer precisely the questions which the Right Hon. Leader has put. However, it is my understanding that in the 1981-82 case there were amendments entered into and agreed to.

I repeat that we will be discussing these things with House Leaders presuming, of course, that an agreement is reached tomorrow. I can assure the Right Hon. Leader of the Opposition, pursuant to the statements which have been made by the Prime Minister, that we will certainly allow Members every opportunity to become engaged in this very important debate.

[*Translation*]

REQUEST FOR CLEAR LEGAL TEXT

Mr. Raymond Garneau (Laval-des-Rapides): In the absence of the Prime Minister, this question is also directed to the Deputy Prime Minister and concerns the Meech Lake Accord. Hon. Members are aware of my position both inside and outside the House and I do not intend to change it. However, there are many people who, as I did when I spoke in the House on May 11, have raised the question how the provision relating to spending power is to be interpreted.

Tomorrow, the Prime Minister of Canada and the provincial Premiers are to meet to draft a legal text that will embody the Accord. Can the Deputy Prime Minister give the House and all Canadians the assurance that the legal text the Prime Minister intends to propose to his provincial counterparts will be clear and precise, to avoid any ambiguity regarding the federal Government's capability to propose and implement national programs, and furthermore, to allay the concern that was raised as a result of faulty interpretation by certain provinces, and especially Quebec, the concern that the federal Government might be able to intervene without prior consultation in areas under exclusive provincial jurisdiction. Can the Deputy Prime Minister give the House the assurance that the legal text will be quite clear in that respect?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not going to engage in a debate on specifics at this particular time. That is precisely why at a very early opportunity we triggered a debate in the House of Commons to get the precise views of Hon. Members opposite and those on this side of the House on the principles of the Accord.

With regard to interpretation, there are certainly Premiers who are putting forth certain interpretations which might be somewhat at variance with that which was agreed upon. All those things will be discussed tomorrow. Naturally, the views, opinions, and the admonitions that the Hon. Member raised in a very eloquent speech in the House will certainly be taken into consideration. That is precisely why we wanted that debate at a very early opportunity.

• (1425)

[*Translation*]

RIGHTS OF FRANCOPHONES OUTSIDE QUEBEC—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I had some trouble following the Deputy Prime Minister's reasoning, because what it comes down to is that we can address the subject any number of times in the House—God knows I have not been remiss in this respect—but we do not have a chance to make any specific proposals. So we have to depend on the information the Government is willing to give us. What it boils down to, Mr. Speaker, is that the Government is conducting these negotiations and it refuses to answer.

• (1430)

Mr. Speaker, in the Meech Lake Accord, a number of other issues were raised. I was in Northern Ontario on the weekend, and I met a lot of francophones living outside Quebec. I would like to ask the Deputy Prime Minister whether he can give the House and all Canadians, especially French-speaking Canadians living outside Quebec, the assurance that the legal texts that will probably be produced tomorrow at Meech Lake or some other venue, will not only guarantee the rights of francophones outside Quebec but also guarantee that those rights can be reaffirmed and that it is the role of the Parliament of Canada and the provinces to promote the rights of francophones outside Quebec. Francophones outside Quebec want to be full-fledged citizens, and they want to be able to

live and obtain services in their own language across the country.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the hon. gentleman opposite should not have any difficulty following my line of reasoning. We have had debate on this issue in the House. There is—

Mr. Guilbault (Saint-Jacques): One day.

Mr. Turner (Vancouver Quadra): A very short debate.

Mr. Mazankowski: The Hon. Members say one day. We offered to extend the time, to extend the hours. There was not the kind of—

Mr. Gauthier: One government day.

Mr. Mazankowski: —reciprocal agreement in kind.

Mr. Turner (Vancouver Quadra): One day on trade, one day on the Constitution. Great.

Mr. Mazankowski: The fact is that there has been a debate. There is a debate going on outside the House.

Mr. Forrestall: It has been going on since Victoria some years ago.

Mr. Rossi: Okay, blabbermouth.

Mr. Speaker: The Hon. Deputy Prime Minister.

Mr. Mazankowski: As I said, there has been debate. There is an ongoing debate outside the House. There will be further debate. There will probably be hearings, providing we can reach some understanding with the House Leaders. There will be ample opportunity for all Hon. Members to put forth their points of view and draw attention to any weaknesses or strengths that the Accord may have.

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ENERGY

NATURAL GAS EXPORTS—U.S. REGULATORY COMMISSION'S DECISION—ACTION BY PRIME MINISTERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to either the Deputy Prime Minister or the Secretary of State for External Affairs. Not long ago the Prime Minister promised in Lethbridge that the Canadian Government would do everything it could to ensure that no U.S. energy agency, and specifically the Federal Regulatory Energy Commission, would take unfair steps against Canadian gas exports. As a consequence, a letter was sent by the Prime Minister, and was simply forwarded, without endorsation by the President, to this commission. We saw that the results were negative in terms of Canadian interests.

Since the Prime Minister is now going to raise the issue again, this time at Venice, will the Secretary of State for External Affairs or the Deputy Prime Minister tell us very precisely what kind of action he will be asking President Reagan to take?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this question was dealt with at some length last week, but if the Hon. Member wants to continue to pursue it, naturally I will seek to reply. There will be meetings involving the Prime Minister, the Minister of Finance, and myself, with senior American authorities in the United States. On one level we will make known to them our very great regret that the representations we have made did not have greater effect upon the quasi-judicial body.

We are determining if there are other options open to the Government of the United States that we can recommend to it. I do not think that there is a great deal of advantage in publicizing in the House of Commons what those particular recommendations might be before we make them.

Mr. Broadbent: The people of western Canada, and the people in the Minister's home Province of Alberta are particularly interested in the outcome, as the Minister knows.

CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Minister talked about the Prime Minister's intention to bring this up in Venice, presumably the Government has reviewed the appropriate legislation in the United States to see what avenue is legitimately open to the Government of Canada. If there is not some legitimate avenue open to us to protest, are we not simply misleading the people of Canada in suggesting the Prime Minister is going to talk to Mr. Reagan in Venice?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, certainly I am not attempting to mislead the people of Canada, nor is the Prime Minister. The Leader of the Opposition—excuse me—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): —the Leader of the New Democratic Party.

Mr. Benjamin: You were right the first time.

Mr. Clark (Yellowhead): The Leader of the Opposition, of course, is hiding out in Mount Royal.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): The Leader of the New Democratic Party asked me last week whether there would be a contact by telephone with the President. I indicated that instead of relying upon a telephone communication—although I know

that to be the preferred instrument of the Leader of the New Democratic Party—we thought it would be preferable to have a direct contact between the President and the Prime Minister.

I indicated in the House previously that at this stage we know there is a legal recourse open to Canadian firms. We are encouraging them to pursue that. We are looking at any other instrument which might be available to us, or to the United States, and expect to know the full range of options we might either be able to take or to recommend by the time of those meetings in Venice.

REQUEST THAT REPRESENTATIONS BE MADE TO COMMISSION BY U.S. SECRETARY OF ENERGY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since, as I understand it, the Secretary of Energy in the United States has the authority to pass on recommendations or references to the appropriate commission in that country, will the Government, in this particular instance, ask Mr. Reagan not simply to pass on a letter of the Prime Minister of Canada without comment, but would our Prime Minister ask President Reagan to go to his own Secretary of Energy and ask him to make a reference to the appropriate commission in support of the Canadian cause, which is consistent with what President Reagan promised two years ago in Quebec City?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if it appears that kind of representation by the Prime Minister to the President with respect to the U.S. Secretary of Energy would be productive, of course we will consider following that advice and following that direction. We are interested in looking at any instrument we can which will lead to the reverse of a decision which is harmful to energy producers in Canada and, in our judgment, is not helpful to relations between Canada and the United States.

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[*Translation*]

THE CONSTITUTION

REQUEST THAT LEGAL TEXT OF CONSTITUTIONAL ACCORD BE DEFERRED FOR STUDY BY PARLIAMENTARY COMMITTEE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Deputy Prime Minister. I would like to revert to the subject raised earlier by the Leader of the Opposition, namely whether the Government intends to submit the legal text of the constitutional accord to a parliamentary committee, for consideration. The Deputy Prime Minister cleverly evaded the issue by saying that he was willing to negotiate with the other political parties. Mr. Speaker, I would like to inform him that the inalienable right of Canadians to be consulted has nothing to do with consultations between the parties. I would therefore ask the Deputy Prime Minister whether he is prepared to state in the House in no uncertain terms that the text will be referred to a parliamentary committee. Afterwards, we will see whether there is any need for the parties to discuss the conditions under which the committee will operate. For the time being, however, we would like to know whether Canadians will be allowed to exercise their fundamental right to be heard before a committee on the most fundamental legislation of this country, yes or no!

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, every Legislature, including the House of Commons, will have an opportunity to pass judgment on this. I do not know why the Hon. Member will not accept the traditional way of doing business in the House and that is dealing with the Opposition House Leaders. It is a tradition which has served us well in the past and I would suggest that he submit himself to that in the future.

PRIME MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, certainly that is not a clear yes answer. The Government is denying the Canadian public the right to be heard on the Constitution.

Some Hon. Members: Oh, oh!

Mr. Guilbault (Saint-Jacques): I would like to quote for the Deputy Prime Minister what the Prime Minister wrote in 1983 in his book *Where I Stand*:

> So let us have this final constitutional forum in Ottawa in the hope that a favourable consensus will be referred back to the House for ultimate resolution.
>
> By so doing the federal parliament will have gone the extra mile to ensure that, to the extent humanly possible, everyone was heard, all opinions were considered,—

Does the Deputy Prime Minister realize that by not agreeing clearly to grant parliamentary committee hearings, he is risking forcing the Prime Minister to change the title of his book from *Where I Stand* to *Where I Stood*?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member's allegation is absolutely untrue and does not really—

Mr. Guilbault (Saint-Jacques): Then just say: "Yes, we are going to have one".

Mr. Mazankowski: —require any further elaboration. I can tell the Right Hon. Leader of the Opposition, as I said earlier in the House, that we will be prepared to sit down and negotiate with his House Leader and give him the assurance, as well as all other Hon. Members, of an opportunity so that this process can be studied and reviewed to the fullest possible extent. I give him that personal assurance.

Oral Questions

REGIONAL DEVELOPMENT

WESTERN CANADA—PROPOSED FORMATION OF NEW POLITICAL PARTY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also directed to the Deputy Prime Minister who will remember only too well the latter days of the Trudeau regime when several western separatist parties sprang up in response to what they felt was a lack of representation from western Canada. Of course we know the number of western representatives who were sent to Ottawa in 1984 to be part of the government benches. We also know that this past weekend delegates from the western Provinces met in Vancouver and decided to strike a new federal political party because they felt their representation was held to be inappropriate. Will the Deputy Prime Minister explain why his Conservative Government has failed to make western Canadians feel they are equal and true partners in Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think we all noticed as well that there was a spattering of Liberals and New Democrats at the conference to which he referred.

Mr. Clark (Yellowhead): And an NDP, MLA.

Mr. Mazankowski: Including an NDP, MLA.

Mr. Clark (Yellowhead): Former NDP.

Mr. Mazankowski: A former NDP, MLA. I am not sure what Mr. Roberts is, whether he is a disenchanted Liberal or one trying to get back into the fold.

Mr. Crosbie: He is a chanted Liberal.

Mr. Mazankowski: A number of steps have been taken by this Government to renew and in fact strengthen the partnership between western Canada and the federal Government on the economic front and the political front, and I think the record of achievements clearly speaks for itself—

Mr. Broadbent: Yes, that is the problem.

Mr. Mazankowski: —the evidence of ERDAs, the Western Accord, farm stabilization programs, drought assistance, grain and oilseeds assistance, trade, transportation, the Meech Lake Accord, western diversification, and I could go on and on and on.

Some Hon. Members: Hear, hear!

EXPENDITURES BY DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION IN WESTERN PROVINCES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary is also addressed to the Deputy Prime Minister. If the Government has been so generous to western Canada, I wonder if the Deputy Prime Minister could explain why, between September, 1984, and March of 1986, the Department of Regional Industrial Expansion spent over 70 per cent of its funds in central Canada and a paltry 12 per cent in all four western provinces combined? Can he not understand that it is that kind of figure which makes western Canadians feel like second-class citizens?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think what western Canadians appreciate is the dismantling of the NEP and FIRA, the 350 per cent increase in western agricultural support, amendments to the Transportation Act—

Mr. Benjamin: No, that is no good, either.

Mr. Mazankowski: —free trade—

Mr. Broadbent: No, no.

Mr. Mazankowski: A whole host of things. These are the kinds of things which go to the fundamental problems which are irritating western Canada. If the New Democrats and Liberals got off their butts and co-operated in seeing this legislation advance to its fruition, there would be a lot more happiness out in western Canada.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF BULGARIAN DEPUTY PRIME MINISTER AND OF DEPUTY CHAIRMAN OF COUNCIL FOR INTELLECTUAL DEVELOPMENT

Mr. Speaker: I wish to draw the Members' attention to the presence in the gallery today of Mr. Georgi Yordanov, Deputy Prime Minister and the Minister of Culture for Bulgaria, and Mr. Vladimir Zhivkov, Deputy Chairman of the Council for Intellectual Development of Bulgaria.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MINISTER OF INDUSTRIAL EXPANSION OF INDIA

Mr. Speaker: I wish also to bring to the attention of Members the presence in the gallery today of Mr. Shir M. Arunachalam, the Minister of Industrial Expansion of India.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF BRITISH COLUMBIA MINISTER OF MUNICIPALITIES

Mr. Speaker: I wish also to bring to the Members' attention the presence in the gallery today of the Honourable Rita Johnston, the Minister of Municipalities, of British Columbia.

Some Hon. Members: Hear, hear!

• (1440)

PRESENCE IN GALLERY OF LEADER OF THE OPPOSITION IN BRITISH COLUMBIA

Mr. Speaker: I also wish to draw to the attention of Hon. Members the presence in the gallery of Mr. Mike Harcourt, MLA, Leader of Her Majesty's Loyal Opposition in British Columbia.

Some Hon. Members: Hear, hear!

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THE CONSTITUTION

MEECH LAKE ACCORD—SIGNING BY FIRST MINISTERS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Deputy Prime Minister. It also concerns the Meech Lake process.

The Deputy Prime Minister has made it clear that the House will not be seeing a constitutionalized version of the Meech Lake Agreement before it receives the signature of First Ministers, perhaps tomorrow. I wish to ask the Minister about the signature process.

If the document is signed by First Ministers tomorrow, or at any time in the near future, will that be a commitment by First Ministers to assure that the resolution is passed in the form settled by the Legislatures which they control? Or will that document come back to this place, and other places, for the hearings and debate that the Deputy Prime Minister has indicated will take place in the spirit that the resolution can be changed and can be improved upon if that is the will of the people of Canada expressed to any hearings or through this place?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I indicated earlier, this is a matter that will be dealt with by all the Legislatures. The Hon. Member prefaced his question with the word "if". We are not sure whether there will be an agreement signed tomorrow. Until such time as that takes place it is very difficult to speculate just what process may have to take place. But, as I said, I have expressed a clear willingness to sit down with House Leaders to work out a reasonable approach so that all the aspects referred to can, hopefully, be satisfied.

EFFECT OF PRIME MINISTER'S SIGNATURE

Hon. Bob Kaplan (York Centre): Mr. Speaker, does the Deputy Prime Minister view the signature of the Prime Minister on such a document as a commitment to have the support of Parliament? Or does he view that as an opportunity to bring the document back here for discussion, for debate and for public participation?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am surprised at the Hon. Member. That is for Parliament to decide. He has been a parliamentarian around here for a long time, with a distinguished career. Why does he not act his age?

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EXTERNAL AFFAIRS

ST. PIERRE AND MIQUELON BOUNDARY DISPUTE

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Secretary of State for External Affairs. In the midst of all the pomp and circumstance of President Mitterrand's visit last week the Government assured Canadians that it was making progress on the St. Pierre and Miquelon boundary dispute. Now, President Mitterrand's statement and demand that Canada reopen its ports before negotiations continue have indicated that no progress at all is being made. We are right back at square one.

I wish to ask the Minister this. Why have all our diplomatic efforts to reach a boundary dispute settlement with France and St. Pierre and Miquelon failed? Why has progress not been made?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think perhaps the Hon. Member misunderstood the position that was stated by President Mitterrand. President Mitterrand, not surprisingly, has indicated that before any agreement is concluded there would have to be, in his view, a reopening of the ports. The negotiations will continue.

I hope that among the changes that might occur as a result of the President's visit here is that members of the New Democratic Party will put aside their rather unique proposal that we should attack France. They have, of course, a unique position in Canadian defence policy in which they want us, as I had a chance to comment before, to get out of NATO, to get out of NORAD, and to declare war on France.

CANADA-FRANCE RELATIONS—PROTECTION OF FISH STOCKS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, since the Government was so forceful, as it says, in stating to France how important this issue is to Canada-France relations, and since it was so unsuccessful in taking even the smallest step last week toward the negotiation of this boundary dispute, what steps will the Government now take to protect Canadian fish stocks and to protect the livelihood of fishing families in Atlantic Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are continuing the negotiations. We have made very clear to the President of France and to the delegation travelling with him the importance of the Canadian interests involved. If the Hon. Member is suggesting on behalf

of his Party that we should reopen the ports, if that is the socialist position, then I should say that it is not ours.

STATEMENT ATTRIBUTED TO PRESIDENT OF FRANCE

Mr. George Baker (Gander—Twillingate): Mr. Speaker, on Friday the President of France said that Canada is guilty of "hostile, unjust and unacceptable behaviour and France cannot resume talks on the territorial waters dispute until Canada lifts its ports ban".

I ask the Secretary of State for External Affairs or the Minister of Fisheries and Oceans this. What happened? How could there be such a great difference between what the Prime Minister, and the Secretary of State for External Affairs, and the Minister of Transport said was the response of Mr. Mitterrand, in this House, when Mr. Mitterrand gave a statement such as the one he gave on Friday in St. Pierre? Did the Government have any hint at all that the President was going to be so hostile toward Canada? What will the Government's response be?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, it is good to have a sensible question on this issue.

As to what the President of France said, we cannot be responsible for what the President of France says, particularly when he is on French soil. But there is a natural tendency to say one thing on your own soil and something else on somebody else's soil.

An Hon. Member: Like the NDP.

Mr. Crosbie: The NDP, of course, does that on 12 patches of soil across the country.

In Moncton, the advisers of the French President underlined that in any event negotiations should recommence at the end of June. As a matter of fact on June 24 and 25 there will be a second round of fishery quota negotiations in Paris. In short, in response to the hon. gentleman's question, our position is that we shall not be moved; we shall continue to be fair and firm for the fishermen of eastern Canada.

OVERFISHING BY FRENCH VESSELS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the port closures do not hurt the French fishing fleet from France. They hurt the fishing fleet from St. Pierre and Miquelon, whereas the real culprits, the biggest overfishers in Canadian waters, they go untouched by the Government. All they get are letters of support from the Secretary of State for External Affairs who says: "We will never back down. We will always protect the fishermen of France".

I ask the Minister, who knows that France has now declared that it will overfish by over 20,000 metric tonnes again next year, when the Government will treat French overfishing the same way as it treats overfishing by Quebecers, New Brunswickers, Nova Scotians, or Newfoundlanders, and arrest them? The Spanish had to kidnap one of our officers before they were arrested for overfishing. Maybe the French should kidnap the Minister of Transport and then maybe they would be arrested. But if they do, they can keep their catch.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the net has not yet been invented that could catch me.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Crosbie: With respect to violations of our law within our recognized 200-mile economic zone, we will continue to apprehend any miscreants who overfish or break our conservation laws, just as we did with two Spanish vessels which were fined in excess of $100,000 last week. The power of nations, their circumference, nothing matters to us—we will see that the law is administered to them in the disputed area. We have to abide by international custom, by international law. We will do our best to see that this matter is settled fairly and reasonably. The reason we wish to go to arbitration is to see the question of territorial boundaries settled. In that resolve we shall not be moved.

* * *

• (1450)

EXTERNAL AFFAIRS

NICARAGUA—CONTRA FORCES' ATTACK ON CANADIAN AID PROJECT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. He responded on Friday to the Contra attack on an aid project in Nicaragua supported by the Canadian Farmers for Peace group. Fortunately no Canadian aid workers were at the site but the Contra attack left 10 Nicaraguans dead, others wounded or captured, and extensive damage to farm equipment, buildings and homes.

Since Washington is the source of Contra funding and arms, has the Minister informed his U.S. counterpart, George Shultz, in the strongest possible terms about Canada's continuing opposition to further U.S. funding of the Contras which threatens Canadian interests and lives as well as those of innocent Nicaraguans?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I appreciate the Hon. Member's reference to the statement I issued on Friday. Later today I will be signing a letter to U.S. Secretary of State George Shultz expressing deep concern about the attack on a project

in which Canadians are involved, by the Contras, an organization which it is the policy of the U.S. Government to support. I would add indicate that I will want to discuss that matter further with Mr. Shultz during the series of meetings he and I will have over the course of the next three weeks.

Ms. Jewett: Mr. Speaker, I thank the Minister and hope he makes clear to Mr. Shultz that it is the U.S. funding of the Contra aggression to which we are totally opposed.

UNITED STATES SUPPORT OF CONTRAS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my second question to the Minister would be whether it is not time to make Canada's opposition to this funding and aggression more public. For example, in his meeting with George Shultz in California last month why did the Minister not take the opportunity, as he did in East European capitals the week before, to state publicly Canada's opposition to some of the host Government's policies, in this case U.S. support of the Contras?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I think the Hon. Member knows, being the foreign policy spokesperson for her Party, the meeting in California was not simply with Mr. Shultz. It was also with Foreign Minister Sepûlveda of Mexico. That is the first time the Foreign Ministers of Mexico, the U.S., and Canada have met together. In a meeting of that kind naturally the question of Nicaragua and Central America was discussed. As to why I did not deal with that in my public speech, it was asked explicitly that that speech deal with questions of Pacific Rim development. That is the subject that I, Foreign Minister Sepûlveda, and Secretary Shultz all addressed.

RESULTS OF CONTRA ATTACK—POSSIBLE PASSAGE OF RESOLUTION BY PARLIAMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, as was pointed out, this attack by American funded Contras on the village of Dionisio Quinteio Castra, where Canadian Farmers for Peace are operating a development program assisted by the Canadian Government, left 10 Nicaraguan citizens dead, eight wounded and three captured. There was extensive damage to a health centre and other important community buildings. I appreciate that the Minister made a critical statement on Friday. However, because we do not want the Americans to miss the message, would he be willing to consult with opposition Parties and prepare an appropriate resolution which we could all support condemning this kind of attack and the U.S. Contra policy?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, naturally I am as usual prepared to consult with my colleagues in the House. I am also very much interested in having Canada take policies and make statements that lead to some constructive purpose rather than simply being an expression of opinion. I think the Hon. Member shares that view generally.

Perhaps what might be most appropriate would be for me to meet with him and my friend, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), upon my return from ASEAN. Unfortunately that will not be before the end of June. I would discuss with them then the results of the conversation I had with Secretary Shultz to see if there is any need for further action to be taken by the House.

OPPOSITION BY UNITED STATES CONGRESSMEN TO PRESIDENT'S POLICY

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I have been in touch with American Congressmen who very much oppose President Reagan's policy toward Nicaragua and the funding of the Contras. Does the Minister not agree that the support of this entire House for those Congressman would be very helpful in bringing to an end this type of interference in the affairs of Nicaragua which none of us accept? It would be very important to support those American Congressman in their goal of bringing peace to that region.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I guess that is precisely the point. The Hon. Member suggests that it would help change policy in the U.S. if we in this House passed a resolution supporting the position of a group of Congressmen who are not setting that policy. I think the consequences of an action of that kind may indeed be counter-productive. It may complicate rather than achieve the goal of the Hon. Member. That is one of the reasons I have historically been hesitant about that kind of approach.

Let me simply say that when this matter was brought to my attention by a member of the Farmers for Peace organization, Barry King, who farms west of my home town, I was in touch with the organization and issued a statement as quickly as we could. I think it is intolerable that projects of this kind in which Canadians are involved are the subject of that kind of attack and I am going to see if there are practical steps we can take.

* * *

APARTHEID

SOUTH AFRICA—CANADIAN RELATIONS WITH AFRICAN NATIONAL CONGRESS

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Will he advise the House whether or not Canada has received a request from President Botha of South Africa requesting us to sever all relationships with the African National Congress in return for South Africa proceeding with a reform program? If that is the case, will he advise the House specifically what reforms would be included in that program and whether it

would mean the expulsion from Canada of ANC's chief representative here, Yusuf Saloojee?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can confirm that the Prime Minister has received, as he did last year just before the summit, a letter from President Botha which sets forth some general representations regarding the situation in South Africa. I think there are two other things that it would be germane for me to say in response to the question.

First, the Prime Minister intends to meet with Mr. Oliver Tambo of the ANC some time later this summer, as do I. We believe the ANC will be part of any solution in South Africa, whatever it is, and it will be important for us to try to contribute to a peaceful solution.

Second, we hope on the occasion of the Venice Summit to find some means by which those seven industrialized countries can continue the external pressure on South Africa for change in a policy that most of us find reprehensible, and also try to find some means of maintaining a dialogue with the regime and the black population of South Africa.

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TRADE

SOFTWOOD LUMBER EXPORTS TO UNITED STATES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, on February 5 the Minister for International Trade praised the prosperity in our forest industry brought about by her softwood lumber agreement with the U.S. How does the Secretary of State for External Affairs explain, then, the hard statistics which have finally emerged today indicating that the Canadian share of the U.S. lumber market has fallen from 31.5 per cent in the first two months of 1986 to 28.7 per cent in the same period this year? Does this not show what a bad deal the Government made for the Canadian communities which produce softwood lumber?

• (1500)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hard statistics to which the Hon. Member pretends to want to refer in fact show that in the period from January to the end of May, this year, there was a 1.4 per cent increase in Canadian shipments of softwood lumber to the United States. Those are the hard facts.

Over-all purchasing in the United States has increased. That leads to the report which the Hon. Member read in *The Globe and Mail*.

I would suggest that if he is interested in dealing with the facts, and not simply in trying to create false impressions about the effectiveness of Canadian policy, he should do more. He should enlarge his research beyond *The Globe and Mail*, perhaps to *Saturday Night*.

Mr. Langdon: It is useful if the Minister indicates the full facts from the report which indicate that U.S. consumption went up 11 per cent while Canadian exports went up by only 1.4 per cent in terms of exports. Those are the facts.

EXPORT TAX REVENUE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my supplementary question is directed to the Minister of National Revenue. Would he also confirm that revenue fell from the lumber export tax between January and February of this year, suggesting that our exports of softwood are indeed in trouble in the United States?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I cannot make that confirmation. There were certain complications at the beginning of the administration of this tax. I will check into it, but I cannot make that confirmation today.

* * *

ROYAL CANADIAN MOUNTED POLICE

ILLEGAL IMMIGRATION INVESTIGATION

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is for the Minister of Justice. Several months ago I brought to the attention of the RCMP 10 illegal Portuguese immigrants whom I convinced to provide evidence against those individuals who brought them into the country illegally.

These 10 individuals have taken a huge risk in deciding to provide evidence and to testify, should it become necessary, since they were promised nothing and they have nothing to gain by their action. However, they are very uneasy, since there has yet to be any decision on whether or not their evidence will be of any use.

Could the Minister assure the House that this case is continuing to receive the Department's attention?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I thank the Hon. Member for his question. He has had a very substantial interest in the welfare of immigrants to our country, and I congratulate him for that.

As I have indicated on previous occasions, I follow a policy of not commenting upon individual cases because I think public comment on matters under investigation could well jeopardize or prejudice the successful conclusion of the investigations.

However, in a general way I want to reassure the House that my Department as a matter of direct policy—and from time to time I ensure that this takes place—is handling all cases presented to it in an expeditious manner.

I can certainly assure the Hon. Member that in important matters we want to ensure that the evidence is sufficient and

properly presented for the purposes of prosecution in appropriate cases. I thank the Hon. Member for his continued interest.

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ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA—OFFER OF SHARES TO CANADIANS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Deputy Prime Minister. Amoco Canada has decided to allow at least the placement of a few shares in Canadian hands should its proposed purchase of Dome Petroleum go ahead.

In its meetings with Amoco Canada the Government was impressing upon it the importance of some shares being in Canadian hands, as the Minister of Energy put it. Why does the Government not go a step further and suggest to Amoco Canada the per centage of shares which should be in Canadian hands and when the placement should actually take place?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is aware of the normal process which is followed here. The company will be meeting with Investment Canada. These are matters which are discussed and negotiated with Investment Canada as part of the process.

GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Government takes the trouble to meet with Amoco Canada, which it said it was not doing, and to talk about the importance of shares being in the hands of Canadians, but it does not bother to say how much or when.

What we have here is a sop to the Canadian public to try to smooth the wheels through Investment Canada. How does the Minister of Finance expect the people of Canada to accept this sop and then to give up their natural resources readily?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not understand the Hon. Member. At one stage he is saying that the Government of Canada has to make sure that Amoco Canada issues shares to the general public. It is going to issue shares to the general public.

Mr. MacLellan: How much and when?

Mr. Wilson (Etobicoke Centre): Then he starts to change his mind and says: "No, that is not enough".

Investment Canada, as I said in the House on Friday, will review the application from the standpoint of investment in western Canada in the Dome properties, from the standpoint of job creation, and from the standpoint of the development of a company which is on its last legs today. Dome Canada is on its last legs.

The Hon. Member should be very pleased that the Government of Canada is able to negotiate the proposal by Amoco Canada, and not be presiding over a bankruptcy.

* * *

PRIVILEGE

INTRUSION BY STRANGER ON PROCEEDINGS IN HOUSE

Hon. Herb Gray (Windsor West): Mr. Speaker, earlier this afternoon there was an intruder on the floor of the House of Commons. Perhaps I should use the parliamentary term "stranger".

I raise this question not by way of passing judgment on anything which happened but simply to ask you, Sir, if you would investigate the matter immediately and see that any and all corrective measures that may be required in terms of security procedures involving the Chamber and the House of Commons are taken.

After all—and I couch my point as a question of privilege—we are dealing with a situation which could very well impede Members in carrying out their parliamentary duties.

This could have been a matter of some seriousness. I do not say that it is not serious; in any event, I think it is. However, I felt that I should formally raise this matter as a question of privilege because I think it involves the privileges of all Members, requiring immediate investigation by yourself, Sir, and the assurance to Members of the House and the Canadian people that any corrective measures in security procedures which may be required will be in place as soon as possible.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, as the one who had the floor when the even occurred, I rise on the same question of privilege. I would certainly want to second the urgings of the Opposition House Leader in respect of Your Honour having a look into what transpired and what made it possible for someone to get into the Chamber like that and do what was done.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise on the same question of privilege. My colleagues and I were very concerned with what happened a little earlier. I should like to take a moment or so to caution the Speaker on something which I feel is worrisome regarding what might transpire.

It is obvious that our House is guarded by what I consider to be very competent personnel. However, in my humble opinion, their numbers standing by the doorways to the House are not nearly as large as they should be. I feel it would be most unfortunate if someone were disciplined for the fact that he or she were not four people instead of one person.

There are four doors at the back of this room, and only one person was there guarding. No matter how devoted is that

person, he or she cannot supervise more than one area at one time. I know that that presented a difficulty today.

It is also equally true that there are three front doors to the House and only two people guarding those doors, even though there is considerable traffic of Members, staff, assistants, and so on, entering the area.

I do not think that this is a very funny matter, and I hope Hon. Members across would treat it seriously. As one who was an employee of this place for a number of years, it is my hope that due regard will be given to those people who do an excellent job of supervising access and egress to the House of Commons, as I am sure Your Honour, the Sergeant-at-Arms, and others will do in their review of what happened today.

• (1510)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I, of course, on behalf of my colleagues would want to associate myself with the spokesmen for the Official Opposition and the New Democratic Party. I can only say that while this is something that comes within your direct jurisdiction, from the standpoint of the Government I can assure you that we will co-operate with you in every respect in order to address this important issue. I simply want to say that I offer you my fullest co-operation on behalf of the Government.

Mr. St. Germain: Mr. Speaker, as one of the spokesmen for the Board of Internal Economy who are under your excellent chairmanship for this area of responsibility, you can rest assured that you have the entire support of the Board in dealing with this matter immediately.

Mr. Speaker: I want to thank Hon. Members, led by the Hon. Member for Windsor West (Mr. Gray) and others, for their comments. We had an incident here an hour or so ago. Clearly someone who ought not to have got into the Chamber did get into the Chamber. Immediately afterwards instructions were given to increase the security in the event that there might be others involved. That was done and an investigation has already commenced.

I think that Hon. Members having given the Chair the support they have will want to know that I shall deal with the matter as quickly as possible, taking into account the comments of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), in a fair and appropriate manner. I think we all recognize that the tasks that our security people have in this place, which is a relatively open forum, open Chamber, open facilities, in the tradition of a free country, are not always easy.

I think Hon. Members at this point will want to join with me in congratulating officials who were here at the time in the very expeditious and efficient way they took care of the problem and secured the intruder.

Some Hon. Members: Hear, hear!

POINT OF ORDER

ALLEGED FALSE STATEMENT BY MEMBER

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I rise on a point of order with reference to a matter that occurred on Friday when I was not present at the Question Period. I think it is quite a serious matter.

In introductory remarks to a question, the Hon. Member for York South—Weston (Mr. Nunziata) made a completely false statement in what he alleged that I had said. He was asking a question as reported at page 6537 of *Hansard* about the takeover of Canadian Pacific Air by Pacific Western Airlines. As found at the bottom of the page, the Hon. Member said:

> —on April 14 I was told by the usually pompous Minister of Transport that there would be few if any jobs lost.

I defy anybody in this House to read the April 14 *Hansard* or any other source and find anywhere a statement from me that as a result of that takeover there would be few if any jobs lost.

I was asked a question by the Member of Parliament for York South—Weston and I made no statement about the number of jobs to be lost, as you will see, Sir, if you look at the page. I was asked a second question on April 14 by the Hon. Member for Regina West (Mr. Benjamin). All I said about the number of employees that might be laid off is this:

> However, there has been no indication that any number of the size to which the Hon. Member is referring are to be laid off.

That being 3,000. There is no similarity between that and saying there will be few if any jobs lost, Mr. Speaker.

I submit that we should not continue to allow Members asking questions in this House to make completely false statements leading up to the questions they ask, such as occurred last Friday with the Hon. Member for York South—Weston. Whether it was deliberate or not, I am not in a position to say, although surely he could have checked the record to see what I had actually said.

The continuation of these kinds of wrongful allegations of what are supposed to be facts and the asking of questions on their basis should be stopped. I would ask you to make an example of the Hon. Member for York South—Weston, unless he wants to bear his breast and agree that no such statements were ever made by me and promises to be more careful in the future with respect to the way in which he asks questions.

Mr. John Nunziata (York South—Weston): Unfortunately, Mr. Speaker, I did not hear the beginning of the Minister's intervention, I did catch the latter part. I only regret that the Minister did not have the common courtesy to ensure that I was in the House to hear all of his submissions.

Some Hon. Members: Oh, oh!

Mr. Nunziata: Having said that, Mr. Speaker, on Friday I asked a question—

Mr. Crosbie: When I wasn't here.

Mr. Nunziata: —with regard to the takeover of Canadian Pacific by Pacific Western Airlines. I asked a question a number of weeks ago with regard to the number of lay-offs. I was basing the question I asked on an internal confidential memo from a high-ranking official in the Department. In that particular memo it indicated that up to 3,000 jobs could be lost as a result of the takeover. That is 25 per cent of the combined workforce. The Minister stood up in the House and he denied that that number of jobs would be lost. He suggested that I was basing my question on opinion rather than fact. I presented the memorandum to him.

A week later, a second memo came from the Department, this time the memo said there would be few if any jobs lost. I am sorry I do not have the file with me, Mr. Speaker, to give you further information. But the exact quote is "Few if any jobs would be lost". I believe it was Martha Hynna in the Department who wrote that particular memo. I accepted that few if any jobs would be lost. Then we learned on Friday from the president of the new airline that up to 1,900 jobs would be lost.

I looked at the facts and I tried to understand what was going on. We had one memo that said 3,000 jobs were to be lost, another that said few if any. It became obvious to me that the Minister and his Government did not know what they were doing when they endorsed and allowed the takeover to occur.

Mr. Speaker: The Hon. Minister has raised a point in which his complaint is that the Hon. Member for York South—Weston (Mr. Nunziata) in the preamble to a question in effect made allegations as to things which the Minister said or did not say at another time. He claims that the Member from York South—Weston has his facts wrong. The Hon. Member for York South—Weston was not able to be here for the opening minute of the Minister's remarks, but has risen and in his defence says that he is not satisfied with various answers that have been coming from the Minister's Department.

I understand that the Hon. Minister's complaint is one in which he would ask that Hon. Members be careful at least when referring to what he, the Minister, has said. I am sure that all Hon. Members would want to do that.

However, we are here arguing a dispute over facts. It is not, in the view of the Chair, a question of privilege or, even under these circumstances at least, a question of order. I would, however, ask the Hon. Member for York South—Weston to consider, and I know he will consider, that the Minister's complaint is one voiced by Members on both sides of the Chamber from time to time with respect to remarks made by others. I am sure we will all try to work diligently to be sure that we have good research on the facts before a statement is made. I think that closes off the matter.

Mr. Crosbie: Mr. Speaker, I rise on a question of privilege which is this. I was quoted in Hansard at page 6537 on Friday by the Hon. Member for York South—Weston who said:

> —I was told by the usually pompous—
>
> I do not care about that.
>
> —Minister of Transport that there would be few if any jobs lost.

The facts, as anyone who looks at *Hansard* can see, is that I did not say "few if any jobs lost". The Member is making a false statement about what I said and nothing could be more serious to a Member of this House. Now the Member does not choose to withdraw that when I point out I did not say this. He chooses to go on with some convoluted argument about how he saw a memo, he saw this and he saw that. But, he never heard me say that there would be few if any jobs lost. I am not prepared to put up with being misquoted deliberately like that.

• (1520)

The hon. gentleman has uttered a falsehood about what I said in the House. He makes it clear today that he made that statement knowingly and willingly. He was lying to the House when he made the statement. That is my position and I will not be satisfied with anything less than the hon. gentleman stating that I did not state what I did not state.

Mr. Speaker: Perhaps the Hon. Member for York South—Weston (Mr. Nunziata) would want to address the Chamber.

Mr. Nunziata: Mr. Speaker, it is regrettable that the Minister of Transport (Mr. Crosbie) should use such unparliamentary language in trying to make his point.

Mr. Shields: You're regrettable. We all regret the day you arrived. You brought the level down like you wouldn't believe.

Mr. Gauthier: You charged the Chair now, you better be quiet.

Mr. Nunziata: I would—

Mr. Speaker: I think Hon. Members ought to listen carefully to the interventions that have been made. The Hon. Minister's complaint, which I do not think is a question of privilege, was that the Hon. Member made some comment in a preamble that indicated that the Hon. Minister had said something or not said something on a previous occasion. The Hon. Member has risen and in partial explanation at least said that he had different versions from the Department. These are questions of fact.

If the Hon. Member for York South—Weston would like to assist the Chamber by saying that of course he did not intend any deliberate misinterpretation of the Minister, that would probably be helpful. At the same time, the Minister might also indicate that he is quite prepared to withdraw the charge that the Hon. Member is deliberately lying. If I could have both those positions taken, it might end the matter at least with some dignity.

Mr. Nunziata: Mr. Speaker, if I could explain the question I asked on Friday, I was faced with a number of facts which can

be substantiated by way of memoranda from the Department—

Mr. Speaker: I might say to the Hon. Member for York South—Weston that I think the Chair has fully appreciated the Hon. Member's argument and I think the Hon. Member has put his case as well as it can be put.

I am suggesting that the Hon. Member make clear that he did not mean that the Minister had in any way intentionally misled, and he might even go so far as to say that on that particular day that is not what the Minister said, as the Minister has read from *Hansard* and that is clear. At the same time, it might be very appropriate if the Minister would say under the circumstances that he might be prepared to withdraw any suggestion that the Hon. Member has intentionally misled the House.

Mr. Nunziata: Mr. Speaker, if I might have the opportunity, I know it is against parliamentary rules to suggest either directly or indirectly that a Member is either lying or deliberately misleading the House. If I might explain, I was basing the question I asked on several written memoranda from the Department. In view of the fact that the Minister speaks for the Government and is responsible for his Department, the Minister should assume responsibility for what happens in his Department.

Having said that, I will withdraw unequivocally any suggestion, either directly or indirectly, that the Minister intentionally misled the House. If anything, the Minister is guilty of gross negligence and of not knowing his dossier.

Mr. Speaker: The statement of the Hon. Member for York South-Weston is quite clear. There is no suggestion that the Minister has in any way intentionally misled the House. His explanation for having said what he said is that he had in mind a number of different responses or at least alleged different responses. Under the circumstances, I would hear from the Hon. Minister.

Mr. Crosbie: Mr. Speaker, first I suppose I want to observe the rules of the House, so I withdraw what I said about the Hon. Member in the interests of observing the rules of the House. However, this is a most serious matter. If we cannot trust what other Members are saying that we said when we are not in this House, as I was not in the House on Friday, then this House will deteriorate to a completely hopeless situation. This will happen if we cannot trust another Member to treat us decently, properly, honourably and accurately when we are not present in the House.

On April 14, I never said, nor have I at any time said, as I am quoted as having said, that there would be few if any jobs lost. To have an Hon. Member introduce a question by saying that is to permit a false statement to be made, a statement which the Member knows is false, and there is no point in saying that he read a memo from somewhere else.

By the way, the memo of which he speaks is a memo from the Department of Employment and Immigration, not a memo from my Department. It has nothing to do with ministerial responsibility. One Member of the House has falsely said that I said certain things in the House I did not say.

Mr. Speaker: I would ask the Hon. Minister to graciously accept that the Chair has heard the complaint. I have treated the complaint as serious. It is not the first time it has been heard and probably it will not be the last, but the Hon. Member has gone a long way toward putting his point in a satisfactory position as far as the Chair is concerned.

The Hon. Minister has properly withdrawn that one word which is not acceptable. The Hon. Minister has also pointed out, and the Minister's word is accepted in this place, that he did not say what the Hon. Member thought he had said or claimed he had said.

I am not for one minute diminishing the seriousness of preambles or, for that matter, responses which put words in someone else's mouth, whether it be sometimes intentionally, and sometimes without intention to do much harm, but perhaps some mischief. In any event, the matter has been heard and I really do not think that the Chair can go any further in the case. There are withdrawals on both sides and that is where the Chair wishes it to be left. The Chair is very cognizant of the matter the Hon. Minister has raised and has listened to both sides carefully. I thank both Hon. Members for their interventions.

Mr. Crosbie: In deference to you, Your Honour, I will accept that, but that is only in deference to your good self.

It is a disgrace, a damnable disgrace.

Mr. Nunziata: Go home, John.

Mr. Shields: You're a sick man. You lowered the level of this House.

Mr. Speaker: I would ask Hon. Members to assist the Chair. It is for the Chair to settle these matters. They are not assisted by comments made afterward. All of us in this place have at times cause or at least think we have cause to say things that perhaps afterwards we would not have said in quite the same way.

I think all Hon. Members realize that the Chair's task is to hear and to admonish if necessary and hopefully to obtain withdrawals when necessary. In the Chair's view, that has been done. I am sure all Hon. Members would be more careful.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—SOVEREIGNTY AND ECONOMIC INDEPENDENCE

The House resumed consideration of the motion of Mr. MacLellan:

That this House condemn the Government for its repeated failures to protect Canadian sovereignty and economic independence as demonstrated by its weak and ineffectual efforts to oppose Opinion 256 of the United States Federal Energy Regulatory Commission with regard to transmission costs of Canadian gas, and by its compliant approach to permitting foreign takeovers of Canadian corporations and natural resources.

The Acting Speaker (Mrs. Champagne): When the House rose at 1 p.m., there were six minutes remaining in the question and comment period following the speech of the Hon. Member for Athabasca (Mr. Shields). The Hon. Member had the floor. I am sure he will make his comments brief if possible to allow as many Members as possible to ask questions.

Mr. Shields: Madam Speaker, you can trust my good judgment in that matter.

I was just in the process of answering the question of the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan). It was a two-part question, the first being what responsibility the federal Government has in the recent decision taken in the United States. He inferred that the amount of foreign investment coming into Canada was detrimental and asked me to comment on that. This morning I used the example of the minority purchase of Husky by Mr. Lee's company from Hong Kong. That was very upbeat in the oil industry in western Canada because along with that purchase $1 billion of new investment money was committed to develop Amauligak in the Beaufort. That is very important to the energy security of this country and the psychology of the oil industry in western Canada because of the downturn in oil prices world-wide and the recovery which is now taking place.

• (1530)

Investment in the oil sands was commenced with what they called at the time the Great Canadian Oil Sands, a wholly-owned company formed in Canada but owned by Sun Oil of Philadelphia. Without a nickel of Canadian investment they went in, at great risk to the company, and invested in the oil sands north of Fort McMurray to develop the oil sands plant now known as the Suncor plant. I wonder whether without that foreign investment we would be developing the oil sands as we are today with Syncrude. It was very risky and I think it is acknowledged that Sun Oil very nearly went down because of that investment. It was only the increase in oil prices which allowed it to survive.

With regard to investment, the national energy policy perpetrated on this country, and particularly on western Canada, by the previous Government drove investment out of the country—not only foreign investment, but Canadian investment as well. In addition to transferring vast amounts of money from western Canada, which hit the oil industry terribly hard, it contained a back-in provision which actually confiscated property earned by foreign-owned companies. It put us on the same basis as a banana republic. The Member knows how detrimental that policy was to Canada's reputation as a safe place to invest.

The responsibility of the administration of the United States to FERC is exactly the same as that of Energy, Mines and Resources to the National Energy Board. The National Energy Board is a quasi-judicial body. Any Member of this House or any other person may make representations to that body, but its decision is final. We cannot interfere in a legislative sense. The administration of the United States is faced with exactly the same situation with FERC. The Member knows that it was a quasi-judicial body which made the ruling on the charges on transportation of natural gas exports. There is nothing we can do about it in that sense.

The buyers in the United States are extremely concerned about that ruling because it means that the United States is not a safe place to export to since they have changed the rules in the middle of the game. Buyers and consumers in the United States are making representations to their administration. We are following through in the courts. We are telling the producers in western Canada that we will assist them in their court challenges against the United States.

Mr. Maurice Foster (Algoma): Madam Speaker, I am glad to have a chance to participate in this debate this afternoon. I was very pleased that the Hon. Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Shields) raised the history of Syncrude. He will remember that when there was difficulty getting the Syncrude project rolling in the mid-1970s the federal Government of the day put up $300 million to enable that project to go forward when the three private sector companies were unable to proceed with it.

We should compare the response of Syncrude and the three companies which are taking part with the response which we got from the Government last fall. Representatives of Syncrude came before the various caucuses of this House and provided an excellent briefing. They pointed out the need for a guarantee agreement in order for the $700 million expansion of Syncrude to go forward is 1987-88.

It is interesting that the Parliamentary Secretary who represents that area was flatly turned down by the Deputy Prime Minister (Mr. Mazankowski) who supposedly had some clout in Alberta affairs. The Minister of Energy, Mines and Resources (Mr. Masse) claims to have great concern about and interest in the energy industry in Alberta but flatly turned Syncrude down for a guarantee agreement that if the price of oil fell below $15 a barrel during the next few years the Government would guarantee a loan of $175 million.

I do not know how the Government can raise the matter of Syncrude, as the Parliamentary Secretary has done, without hanging its head in shame over that response to Syncrude.

Syncrude has an expansion program proceeding which would boost its production from about 130,000 barrels a day to about 150,000 barrels a day. That opens the door to a doubling of production in the 1990s. The Alberta Government has already provided an $85 million pre-engineering study on the feasibility of major expansion in the 1990s beyond that expansion which is already going forward.

It was interesting just before Christmas to hear the Parliamentary Secretary taking the rap, so to speak, for the decision by the Government of Canada not to encourage the development of the tar sands in the Athabasca area. It is especially revealing of the callous, hard-nosed approach of the Government that the Parliamentary Secretary and the Deputy Prime Minister, both of whom are integrally involved in that development, were both turned down by the Prime Minister (Mr. Mulroney) and the Minister of Energy, Mines and Resources. *The Edmonton Journal* editorial on January 6, 1987, put it very succinctly. The headline reads: "Ottawa denies energy security", and the editorial states:

> In refusing to extend federal loan guarantees for the expansion of the Syncrude plant, Energy Minister Marcel Masse has made a liar out of Prime Minister Brian Mulroney.
>
> Only six weeks ago, the prime minister guaranteed more federal attention and money to develop oil sands projects in Alberta. "We plan to do much more", he said in Calgary. "Syncrude is an important element of security of supply for Canada. The federal Government has provided some relief, some substantial relief, but it is not enough in a time of collapsing prices internationally".

• (1540)

Perhaps the House recognizes the superlative tone that the Prime Minister always uses. Canadians are becoming very conscious of that.

The editorial in *The Edmonton Journal* of January 6 goes on to state:

> This is the government that refused to honour a long-standing commitment to the Husky Oil upgrader at Lloydminster.
>
> Most important, it would have been an act of good faith, an indication that—
>
> —the Government—
>
> —was sincere when he promised, in July 1984, to make the West "a full and equal partner in Canadian Confederation".

I am sure that the Government's decision not to provide additional assistance, support, or even comfort to the Syncrude project was partly responsible for the formation of a new right wing Party in Vancouver this past weekend. There are many Tories from Alberta who just cannot stomach the current Prime Minister and his energy policies in the West.

The *Calgary Herald* published an equally succinct editorial on January 6, 1987. It states:

> If any additional evidence were needed that Marcel Masse is in over his head as Canada's energy minister, surely Ottawa's refusal to help the Syncrude expansion project is it.
>
> Given Masse's myopia about long-term security of supply, Ottawa's refusal is hardly surprising. Sadly, it is what Albertans have come to expect from a government that seems to value petty, arrogant attitudes from a man who demonstrates little grasp of the complexities of the important portfolio he has been given.

A further editorial written by Geoff White, on January 9, three days later, contains the headline: "Syncrude snub fits policy". He goes on to state:

> In the summer of 1985, the federal government gave Petro-Canada $1.6 billion in borrowing authority to take over Gulf Canada's refinery and retail assets—on the say-so of only four ministers.
>
> If Mulroney and Mazankowski had truly been determined to give help, it would have been given. Athabasca MP Jack Shields to offer himself as the whipping boy for Ottawa's decision is amusing, but irrelevant.

It is laughable, to say the least, for the Hon. Member for Athabasca to give the Syncrude project as the Government's indication of a competent energy policy.

The motion before the House states:

> That this House condemn the Government for its repeated failures to protect Canadian sovereignty and economic independence as demonstrated by its weak and ineffectual efforts to oppose Opinion 256 of the United States Federal Energy Regulatory Commission, with regard to transmission costs of Canadian gas, and by its compliant approach to permitting foreign takeovers of Canadian corporations and natural resources.

The Minister of Energy, Mines and Resources talked about the Government's commitment to increasing Canadian ownership. He referred to an increase from 42 per cent to 48 per cent and suggested that this was due to greater Canadian development. However, when one examines that increase closely, it will be evident that most of it relates to the takeover of the Gulf Oil Company of the United States by Petro-Canada and the Reichmann brothers. Of course, Petro-Canada required a commitment of over $1 billion by the federal Government and the Reichmann brothers required the Little Egypt Bump tax adjustment for which the federal Government essentially provided all of the funding. While the Government may suggest that its policies are dramatically increasing Canadian ownership, the fact is that it is primarily because of that transaction.

The Minister spoke about the reduction of the petroleum gas revenue tax under the Tory energy policy, but did not mention that that tax was removed after great duress, when the Tories almost lost a by-election in western Canada. Furthermore, the Petroleum Incentives Program grants which were essentially funded through the PGRT were cut off in the spring of 1986, but the PGRT was reluctantly removed only in the fall of 1986, after a great deal of pressure from the Government of Alberta. Therefore, the gains in Canadian ownership are not particularly spectacular.

Let us consider Dome Petroleum. While there is substantial foreign ownership, it is operated by Canadians. Amoco has not shown great interest in increasing Canadian ownership and we see its proposed takeover as being another step in the Government's general approach to the Prime Minister's policy outlined in the fall of 1984 when he told the Economic Club in New York that Canada was open for investment and takeover. Obviously, that is what we see and that is the reason for the motion before us today.

Last week, Mr. Stacey appeared before the committee. It was interesting to note that he suddenly announced that Amoco would sell shares to Canadians. We do not have an

indication of the number of shares, but the announcement that some shares will be sold to Canadians is probably part of the smoke and mirrors approach to this issue.

The Minister mentioned that he met with Amoco officials and obviously put some pressure on them due to the uproar in the country about the takeover of Dome, one of our largest oil and gas producers. Furthermore, it has already been publicized that the officials already met with the Minister of Consumer and Corporate Affairs (Mr. Andre).

We also know that the free trade negotiations have an effect on this takeover bid. The Government is aware that if it attempts to change the successful bidder for Dome to a Canadian company, it could be disastrous in the free trade negotiations. That has been the story of our lives for the last two years in Canada. Every decision by the Government is coloured by those free trade negotiations.

The Government's policy when it came to power in the fall of 1984 was to create "jobs, jobs, jobs". Canadians did not realize what this slogan really meant until the spring of 1986 when the energy industry collapsed. Not only did people in western Canada lose jobs, Canadians throughout the country lost jobs, whether off the East Coast, as a result of the cut-back in drilling with the elimination of the PIP grants, whether it is in the high Arctic in the oil and gas exploration, or in industries of Ontario like Algoma Steel in Sault Ste. Marie. Some 20,000 jobs were lost in Alberta.

The former Minister of Energy, Mines and Resources said there would be some 200,000 jobs in the oil and gas industry, which was the engine of growth for development in Canada. The new Minister of Energy, Mines and Resources, when he came to power last summer, said that the whole energy industry was really a highly capital intensive industry and we could not really expect it to create very many jobs. He also said that it really was not an engine of growth. I think that is very revealing. He is bringing in a whole new government policy with regard to job creation in relation to the economic engine of growth. He seemed to even suggest, with regard to being self-sufficient in energy, that even though we had achieved it in the first half of this decade, we should not really be looking toward Canadian self-sufficiency until the end of this decade. I think those are really sad indications. We have certainly seen this compliant approach with respect to the Patent Act, softwood lumber and in the takeover by Amoco. We see that every deal has to be made with the idea in the back of our mind that the free trade negotiations are paramount compared to everything else that is going on in the country.

• (1550)

Clearly the $22 billion of investment from June of 1985 to December of 1986, is not investment which is going to create many new jobs. When we look closely at it, we see that 95 per cent is simply the taking over of Canadian companies so that the decisions are made in Houston, Dallas, Washington, Cleveland and New York rather than in Calgary, Edmonton, Regina or Winnipeg.

I think this whole open-door approach does not necessarily mean many jobs. I would be interested to know from the Minister of Energy, Mines and Resources, when the shake-down occurs, if the Amoco deal does go ahead, just exactly how many of those jobs which are currently held by people working in Dome will be lost. Will a third or a quarter of the jobs be lost to Canadians? I think that is really important.

The President of Amoco has indicated that it is going to offer shares to Canadians. I would be interested to know just what per centage that would be, whether it would be able to give Investment Canada a target of the number of jobs or the per centage of Canadian ownership it would be looking at in the first few years. Those are the kinds of answers the Government should be asking for from Amoco if the deal is allowed to go ahead.

The second part of the motion before the House today deals with the decision by the United States Federal Energy Regulatory Commission. It is a decision which has far-reaching implications.

The ruling does not just apply to Canadian gas but surely will spread to all exported gas and will involve cut-backs in the returns to Canadian natural gas producers between $140 million and $400 million. If we put that into perspective, it looks as though an extremely sizeable amount of funding will be lost to Canadians for oil and gas exploration during the next few years. From that point of view, I think the Government should be looking at the possibility of bringing legislation into this House under the National Energy Act or whatever statute it can so that we can enforce upon President Reagan and the United States administration, and clearly upon the U. S. Federal Regulatory Commission that we are a sovereign nation, that we do not like the Americans imposing their laws in an extraterritorial manner on Canadian citizens and Canadian companies with respect to an industry which is already suffering from the Western Accord, which is totally inadequate to deal with the kind of drop in price we saw last year.

The big multinationals are taking their piece of pie from distribution and refining, and at the oil and gas exploration and development level people are really hurting. I think we should not have this additional imposition of an American regulatory system taking away Canadian jobs.

Mr. Shields: Madam Speaker, I listened very carefully to the Hon. Member for Algoma (Mr. Foster). I would like to ask him a number of questions. First, when will members of the Opposition understand or acknowledge that the National Energy Board of Canada is a quasi-judicial body which acts independently of this House of Commons by an Act of the House of Commons? In other words, no one can direct the National Energy Board to make a decision as to regulatory situations under its jurisdiction on oil and natural gas in Canada. Comparable to the National Energy Board is the

Federal Energy Regulatory Commission in the United States, commonly known as FERC. FERC, like the NEB is a quasi-judicical body, which is not accountable, in the same way as the National Energy Board is not accountable, to the administration in the United States for its decisions.

My good friend, the Hon. Member for Algoma, asks when the Government is going to pass legislation—and listen to this carefully, Madam Speaker—in this House of Commons to overrule the Federal Energy Regulatory Commission in the United States, in other words, a ruling which is made in the United States with its regulatory board on the transport of natural gas, which disallows federal producers in western Canada or gas producers to pass the transportation costs on to the user in the United States, thus interfering—and we acknowledge that it interferes—with our regulatory commission here.

When will the Opposition understand that we have made all sorts of representations to the federal administration and that we are also encouraging the producers in western Canada to take the Federal Energy Regulatory Commission to court? I understand there is a court case in process. When will the Opposition understand that the consumers and buyers in the United States are as concerned as we are because they feel that it demeans the United States position in the world trade market?

The Hon. Member also interprets the Minister of Energy, Mines and Resources as saying that energy is not a job creation activity. I am sure that the Hon. Member would not want to leave a misconception with Members of the House that the Minister of Energy (Mr. Masse) said that energy should not be treated as a job-creation project. Energy should be treated as a national priority and projects should not go ahead just to create jobs. I think that is sensible.

• (1600)

I want to repeat once more something about investment in western Canada—

The Acting Speaker (Mrs. Champagne): The Hon. Member may want to allow the Hon. Member for Algoma (Mr. Foster) to answer some of his questions. One half of the 10-minute question and comment period has already elapsed.

Mr. Foster: Madam Speaker—

Mr. Shields: Madam Speaker, I rise on a point of order. I think it is clear in the Standing Orders that this time can be used to ask questions or to make comments. While I had the floor I thought that I would be able to continue with my last question, which was a very short one.

The Acting Speaker (Mrs. Champagne): I think the Hon. Member will understand that earlier when there were six minutes left in the question and comment period the Hon. Member took up the whole period of time. In all fairness at this point in time, now that more than half the time of the question and comment period has elapsed, I think it would be only fair to allow the Hon. Member for Algoma to answer some of the questions raised.

Mr. Foster: Madam Speaker, I was pleased to hear the Parliamentary Secretary not take responsibility for this debacle with respect to the decision of the United States regulatory agency. Last fall, when the Government refused to provide assistance to Syncrude, the Parliamentary Secretary became the fall guy and took full responsibility for that. We have not seen such a charade repeated here today. But we have heard the Government say that it is helpless and that it really cannot do anything. The Prime Minister wrote a desperate letter just a matter of hours before he went to Red Deer to stand in front of the television cameras and in front of the oil rig to say that he had written to the President of the United States asking him to take action on this upcoming FERC decision.

What I think is important for the Parliamentary Secretary to remember is that we are a sovereign nation. We can pass laws concerning the National Energy Board or other legislation applicable to Canadian producers of natural gas.

Mr. Shields: Like the national energy policy.

Mr. Foster: I assume the Hon. Member believes in having the National Energy Board. The board has the ability to establish prices and rates.

It was a matter of a few weeks after the Government abandoned the border pricing mechanism that the Federal Energy Regulatory Commission moved in to disallow a good portion of the transportation charges which formed part of a signed agreement. I am sure the Government has not even inquired yet about the possibility of bringing in legislation under the National Energy Board Act to strengthen our position with respect to the $400 million which essentially stole away the entire funds allocated for exploration and development about which the Government made a lot of ballyhoo. It said that it would bring in a program of incentives for exploration and development which would cost $350 million. It did this after the Premier of Alberta threatened to split the federal and provincial Parties. If he had done that it would have been split three ways. I say that because part of the Party out in Vancouver is forming a new political Party, and then we have the provincial PC Party and the federal—

Mr. Shields: Madam Speaker, I rise on a point of order. My hon. friend has digressed considerably from answering anything on the energy question. He is now starting to talk about political Parties. I think that if he is going to answer the question, he should do so. He should not waste the time of the House.

Mr. Foster: Madam Speaker, I was just pointing out that the exploration development program which was requested last fall was only brought in by the Government when the Premier

of Alberta threatened to split the federal and provincial wings of the Tory Party.

Mr. Shields: Not true.

Mr. Foster: The amount of money in that program is being totally wiped out by the decision of the Federal Energy Regulatory Commission. Some $400 million will be wiped off the books, charged back to the oil and gas exploration companies in Alberta. The net effect will be zero. Not only should the Government bring in useful programs such as this, but it is also important that when it is setting the border reference price and adopting policies they not be used in such a way that the United States takes away $400 million worth of the Canadian Government's benefits.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I have listened to some amazing debate in the House of Commons since my election. However, I must say that the most amazing that I have heard yet was the speech made by the Minister of Energy, Mines and Resources (Mr. Masse) this morning who tried to defend his completely indefensible, completely inconsistent and completely unsuccessful policy with respect to the natural gas industry.

Mr. Shields: Where does the NDP stand on natural gas exports?

Mr. Langdon: I will come to that.

I have just come back from Edmonton from a meeting with our NDP caucus out there. The last time that I was there—

Mr. Shields: Madam Speaker, I rise on a point of order. I am sure the Hon. Member would not want to mislead the House. He said that he met with the NDP provincial caucus. There is not a New Democratic Party in Alberta. Members of the Party call themselves NDs, although I do not know what that means.

The Acting Speaker (Mrs. Champagne): Order, please. I do not think that the Hon. Member really wanted to interrupt—

Mr. Shields: That was a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): It was not a point of order.

Mr. Shields: Let him be accurate.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Essex—Windsor (Mr. Langdon).

Mr. Langdon: Madam Speaker, the Hon. Member's point of order is consistent with his usual points of order.

The last time I met with the New Democratic Party caucus in Alberta, Ray Martin and I sat down for coffee. This time, of course, there was a roomful of people. There was a very solid opposition being mounted during Question Period. In short, it was the death knell of the Conservative Government in Alberta. One must say that that is long overdue.

We have had today, in view of what is taking place in Alberta, a most amazing performance by the Minister of Energy. When I grew up Alberta was noted throughout Canada for its prosperity. Now, they tell me, there are over 30,000 people dependent on food banks in the City of Edmonton alone. Unemployment is among the highest in the prairie provinces. There is a sense of grievance and unhappiness with a Government which simply cannot work its way to succeeding, even with a fellow Conservative Government in Ottawa, in obtaining changes to benefit Alberta.

• (1610)

I might say parenthetically that one of the subjects we discussed was the two-year battle of the Alberta Government to try to get changes in the IRDP. This effort included letters from Intergovernmental Affairs Minister Jim Horsman and the Parliamentary Secretary from Lethbridge, yet no significant changes were brought about. For the Cities of Edmonton, Calgary, Lethbridge and the regions surrounding them, which are so important to the growth of Alberta, this meant they were unable to get access to the IRDP. That program was set up for the poorer parts of the country facing the kind of downturn Alberta has faced over the last couple of years.

With that as the background, it was with a sense of tragedy, a sense of the inevitable increase in growth of western alienation and active opposition to the federal Government, as well as the inevitable increase in damage to the people of Alberta, that I listened to the Minister of Energy, Mines and Resources speak this morning. There was such an incredible lack of knowledge on his part. I must say he was a fine Minister of Communications, but he is a lousy Minister of Energy, Mines and Resources. When he gets up in the House and says 57 per cent of the shares of Dome Petroleum are not owned by Canadians so it is not a Canadian company, he is either trying deliberately to mislead the House, which I could not believe such a cultured Minister would do, or he is trying to demonstrate his lack of knowledge. Control is exercised by far less than even the 43 per cent of Dome which is held in Canadian hands.

The Minister then started to quote from *The Toronto Sun*. If that was the ultimate that the Minister could come up with as his source of expertise on the petroleum industry of Alberta, it shows where he is. It shows us how much impact the Members from Alberta have had on him. He quoted from *The Toronto Sun*, that paragon of energy expertise, and indicated what he was concerned about was what the *The Toronto Sun* referred to as the poorer offers for Dome Petroleum as a result of any intervention which might stop the Amoco takeover. Of course what was being talked about in the House, and has been for so many days that I would think even *The Toronto Sun* would have absorbed it, was the suggestion of a Canadian consortium being put together to buy Dome. If necessary it could have been led by PetroCan or TCPL. That would leave

control of Dome very much in Canadian hands. Obviously to satisfy the creditors it would have to provide a better offer than Amoco has been able to provide. That offer was laughed out of court not just by the creditors here in Canada but by Citibank in the U.S.

First we have this bizarre lack of knowledge by the Minister, then an incredible lack of consistency. How many days did we have to sit here in the House and listen to him saying, "No, this is a private sector decision and is not something the Government can get involved in"? How many days? How many weeks? Yet what did he do? He sat down with Amoco. He was not the only cabinet Minister to do that. The Minister of Consumer and Corporate Affairs (Mr. Andre) did so. I am sure there were others. As a consequence, suddenly the "No, we cannot possibly get involved", became "yes, we should try to make our influence felt". As a result, the Minister claims credit this morning for Amoco agreeing out of the goodness of its heart to offer some shares to Canadians. A majority of shares? Even 43 per cent? Any kind of specific figure? No, nothing. Not a single detail. Yet we could be sure of ourselves in the future because Amoco was going to offer some of its shares, 5 per cent, 2 per cent, to Canadians. An act of total inconsistency.

When you are faced with a lack of knowledge and lack of consistency, what you do is attack. You attack a 1979 resolution by the NDP passed at the height of the world energy shortage, a resolution which talked about reducing or phasing out the kinds of gas exports—

Mr. Shields: Let's hear it now.

Mr. Langdon: —that had taken place in the past. As if that had anything to do with the policies of the NDP in 1987.

Mr. Shields: It has everything to do with it.

Mr. Langdon: It is exactly the same as if the former Prime Minister, now the Secretary of State for External Affairs (Mr. Clark), stood up today and made a speech extolling the virtues of the agreement he made with the Premier of Alberta or had hoped to make with the Premier of Alberta concerning sharing gas revenues in 1979. That agreement led to not only the Premier of Alberta but a good many other Canadians rejecting that Prime Minister. Of course, as a consequence, the policies of the Conservative Party have vastly changed since 1979.

• (1620)

What do we have aside from this sorry record on Dome? It is bad enough; I mean it is bad enough to make any Parliament look in derision at a Minister of Energy who tries to defend himself with that kind of nonsense. In addition, we have the ruling by FERC, order No. 256. What it means is much more serious damage to the Alberta economy than has yet been done by the Conservative Government.

Perhaps it would be useful to quote, not from *The Toronto Sun*, but from *The Financial Post* which has a little more knowledge in respect of energy issues. This article is from January, 1987. This issue did not suddenly rear its head last week. It has been around for some time. I have clippings of the Minister for International Trade (Miss Carney) talking about it over a year ago. It is an issue with which the Government has failed to deal. *The Financial Post* indicated:

> As with lumber, where the U.S. said because Canada doesn't charge stumpage the way it does we have to change, so with gas; calculate demand charges the way U.S. says and then Canadian gas will be less competitive in the American market.

The Financial Post went on to say:

> The gall of this stance is breath-taking. It was because of American bleatings that we deregulated gas pricing three years ago and let the market prevail. On this new basis, Canadian producers have signed contracts with American users. The sanctity of contracts freely entered into—an essential element of the enterprise system so staunchly upheld by most Americans—seems to mean nothing to FERC and its U.S. applicants.

What has happened is that 33 cents out of every 50 cents of demand charges which could previously be placed, not because Canadian companies established it as law but because American companies had signed contracts, must be dropped or these exports will not be possible in the future.

What are we heading toward? Frankly I think we are heading toward a situation where we have a Government in place which has proved itself to be incompetent on virtually every trade issue which has faced it.

We could talk about softwood. I quoted figures in Question Period earlier today which showed the Canadian market share. It is the market share which matters. The market share has declined by almost 3 per centage points from the same time last year.

We could talk about fish and the position into which Canadian producers on the East Coast were put where they have had to pay countervail on fish.

We could talk about shakes and shingles where we had the case of retaliation brought in by the Canadian Government, which proved to be not just totally ineffective in doing anything about the shakes and shingles levies but totally destructive in respect of the Canadian publishing industry.

We could talk about hogs and the case of Canadian farmers across the country who are still faced with levies which they must pay on hogs. If the levies do not work, U.S. states put into effect so-called health restrictions which stop hogs from crossing the border. Those health restrictions will be there just as FERC will be there regardless of whether or not there is free trade.

We could talk about grain and the fact that the United States has as a result of its Farm Bill put policies into effect which devastated farm communities in my county and in the counties of hundreds of other Members.

We cannot find a single place in which the trade policy of the Government has worked. There is not a single, solitary example of the Government's trade policy working for Canadians.

Mr. Keeper: It is working for the Americans.

Mr. Langdon: As my colleague says, our trade policy has been to make things right for Americans, not to protect Canadian producers.

Frankly, in each case we have had to give up, to give in to the United States, to give it what it wanted. The reason for that is absolutely clear-cut. It lies in the desperate effort of the Government to try to achieve a free trade agreement at any price or at any cost, with any sacrifice and with any loss to Canadian people, regardless of what happens to Canada. It is a process which has been getting worse and worse as Parliament has gone on. It is a process which should not even be in place. If any of the promises made by President Reagan at the Quebec Summit to ensure that there was not a single step taken by the United States to increase protectionism against Canada had meant anything aside from rhetoric, none of this would have happened. In every case, and I omit none, the trade position of the Government has created a worse position for Canada than when we started out.

In the case of FERC, frankly there are things we can do. For instance, we should raise the whole question in the free trade talks. We should also look very carefully at whether legislation is possible on our side of the border which would prevent this American incursion of their laws and regulations into our jurisdiction. If the Government said it was looking at that, I would accept that at least it was doing something for Canadians. As it stands, I can see nothing at all being done.

Mr. Shields: Madam Speaker, I have a short question for the Hon. Member for Essex—Windsor (Mr. Langdon). He went to a great deal of effort to explain that the NDP policy on natural gas exports is no longer Party policy and that it now has a new policy which says that reasonable export of natural gas should take place. How can the Member square this with the October 1986 Resolutions Reference? Let me quote from the New Democrats 1986 Resolutions Reference. It reads:

> This book contains those resolutions passed by the New Democrats since 1961 which are still current today. That is, resolutions which have not been overtaken by events—

• (1630)

The introduction states that these resolutions "are still current today". We have the Hon. Member for Essex—Windsor, the Hon. Member for Kamloops—Shuswap (Mr. Riis) and the Hon. Member for Vancouver Kingsway (Mr. Waddell), who is the Energy critic, saying the particular resolution is no longer valid because it was passed at the time of the energy crisis. How can the New Democrats square this when it is pointed out to them that the introduction to the Resolutions Reference goes on to state that these are resolutions which have not been overtaken by events?

The Hon. Member for Vancouver Kingsway stated on Friday that New Democratic Party policy is that there should be reasonable natural gas exports. I am not sure what that means. He may not have the authority—maybe the Hon. Member for Essex—Windsor can confirm this—to make such a commitment. The New Democratic Party constitution calls for policy statements to be consistent with resolutions passed by NDP conventions.

Is the Member for Essex—Windsor saying that really this has been passed by an NDP convention, it is on the books as policy but that Members of the caucus in the House of Commons can negate what went on at the convention? Are they saying they can change the policy unilaterally? That is not the way their papers read. Perhaps the Member from Essex—Windsor could clarify that position.

Mr. Langdon: Madam Speaker, I must say it is amusing to hear such comments coming from a Party led by a Prime Minister (Mr. Mulroney) who in 1983 stated that he was opposed to free trade—

Mr. Shields: Answer the question.

Mr. Langdon: —that free trade would lead to a situation where branch plants in Canada would leave Canada, where Canadian jobs would be drastically threatened and, as a result, his Party should never espouse, promote or push for free trade with the United States.

Times change, I suppose, in the Conservative Party. They seem to change a little bit faster than most and for less clear cut reasons.

Mr. Shields: He won't answer.

Mr. Langdon: With respect to our Party, I can certainly answer because I was chairperson of our policy review committee at the time that those policies to which the Hon. Member referred were passed. I continue to maintain that the thrust of the resolutions which were passed in that resolutions convention and were passed in resolutions conventions that we have held each two years since 1961 will form important considerations and the basic thrusts of what we would want to do as the Government of this country. I am certainly not going to say that each and every detail of such policy resolutions is as deathless in its prose as it was at the time.

What is crucial is that there was a commitment to our energy policy which was passed at that time to try to see to it that Canadians came first, and that commitment is as clear-cut as it was in 1979. It is a commitment which would lead us, as I have suggested with respect to Amoco, to take a completely different policy than this Government did. With respect to gas exports it would also lead us to take a completely different approach. For instance, we have been much more concerned about many of the small scale gas producers—

Mr. Shields: Answer the question.

Mr. Langdon: —which have been locked in by previous Governments' positions. Our position would be to try to open up both the Canadian market, and where the Canadian market is secure, other markets, such as the United States, to potential export from those small producers so that they too could gain

many of the benefits, and Alberta could gain many of the jobs and spin-offs which would exist and which are not at the present time being obtained.

Mr. Shields: Madam Speaker, I think everyone who listened carefully to the Hon. Member for Essex—Windsor realizes that the NDP has a convenient policy which it enunciates because it can be a different policy in Saskatchewan, in Alberta and in British Columbia, the gas-producing parts of the country, from the one it enunciates here.

The Member also states, and I think it is utter rubbish, that the NDP would move to enhance or increase the consumption of natural gas in Canada and then maybe export gas. We are doing that. The Member knows full well about the National Energy Board's rulings and the reserves that have to be in place. We have a formula and we have been following it.

I think people will read through the NDP socialist garbage and claptrap that comes consistently, which I call NDP or socialist misspeak. What about his idea of a consortium to buy Dome led by Petro-Canada—and that is key because the socialists believe in state ownership of all enterprises in Canada whether the production of shoes or the production of oil and natural gas? What we are talking about is a bail-out of a company which is virtually insolvent or is considered to be insolvent or bankrupt. The Government has to bail out a company that has the problem it has today because of the National Energy Program perpetrated on Canada by the previous Government and, I might add, supported by the New Democratic Party, the socialists. The New Democrats may say that they voted against the NEP, but we all know that the Energy critic, the Hon. Member for Vancouver Kingsway, rose in this House and said "We shouldn't be going after PetroFina with Petro-Canada, we should nationalize one of the big boys, Esso". I think those were virtually his words. He will correct me if I am wrong.

I would ask the Member to elaborate on that because the Minister has been very clear in this House. He has been very clear in any speeches he has made and in every statement, that it was a private sector problem brought on by the National Energy Program which got Dome into trouble. It was a private sector solution, until the Minister of Energy who recognized the problems we were facing with Dome addressed them, as the previous Government would not, and then all of a sudden Dome received offers for amalgamation from TransCanada PipeLines and from Amoco. They were told ahead of time to make the best offer because the board of directors would make the decision. The federal Government does not own Dome and is not selling Dome. The Dome shareholders, who hold the Dome board of directors responsible, are selling Dome.

The Member asks how many shares of Amoco are going to be made available to the Canadian public. I think the Member honestly said that. He said, how much? Two per cent or 3 per cent? If the Hon. Member is as knowledgeable as he professes to be, he should know that the President of Amoco Canada, Don Stacy, said the following:

> What we (Amoco) are committed to do is not have a net decrease in Canadian ownership (in the oil and gas industry), and in fact have a net increase in Canadian ownership as we develop this program over time with Investment Canada and as time allows us to issue shares.

• (1640)

That is the principle involved. There will be no decrease in Canadian ownership on the share issues, and that should be very clear. Why does the Hon. Member not acknowledge that that is what has been said and that that is the commitment that has been made?

The Acting Speaker (Mrs. Champagne): The time for questions and comments has actually expired, but I will allow the Hon. Member two minutes to answer his colleague.

Mr. Shields: One minute of claptrap.

Mr. Langdon: Madam Speaker, there is so much claptrap, as the Hon. Member calls it, in that question that it is difficult to reply quickly. Let me say three things.

First, as the Hon. Member has been told many times, the New Democratic Party did not support the NEP, and especially not its details.

Mr. Shields: I was here, you weren't.

Mr. Langdon: Yes, but I read the votes and you obviously don't.

Second, the Hon. Member suggested that the NDP program would have everything owned by Government. I assume he has been reading our resolutions books very carefully from the reference he made of them in the debate. Clearly he is telling the House something which is quite false and quite unreflected in those resolutions. We have a commitment to using the state creatively, something which we believe this Government does not do. That is why I suggested that if necessary, Petro-Canada might be the leader of such a consortium.

Finally, with respect to the inconsistency of the Minister, I heard the Minister say for weeks in the House that this is a private sector issue and he would not interfere. Then he interfered. He interfered not to help Canadian companies take over Dome, not to open up the bids for Dome so that more would be provided, but to make certain that an American company would be able to take over this company with greater ease. That is the interference he undertook.

Mr. Bob Porter (Medicine Hat): Madam Speaker, I am pleased to take part in this debate this afternoon although I am not particularly pleased about the subject matter we are debating. As an Albertan and a small producer in the energy sector, I have listened to this rhetoric with the knowledge that order 256 is certainly causing concern to producers in western Canada. I can say that there are Albertan producers who will probably never get over what happened under the National Energy Program.

I share the sense of injury and frustration which several Hon. Members have expressed over order 256, the ruling made by the American Federal Energy Regulatory Commission. Like many others in the House, I am extremely disappointed by that decision.

Order 256 runs counter to the long-term trade interests of Americans as well as Canadians. I think we must look at it from the perspective of Americans as well. Americans will be dependent to a much greater degree on Canadian gas in the very near future than they are at the present time. The order violates a long-standing tradition of mutual respect between Canada and the United States for each other's regulatory approaches and it is a step away from rather than toward the effort both countries are making to adopt a more market-oriented policy in our bilateral trade agreements.

Energy is an important component of our trade relationship with the United States. In 1985, that two-way trade was worth approximately $17 billion. While the dollar value of these exchanges declined to roughly $12 billion in 1986, they remain important to both countries.

I should stress that the worth of our energy trade lies not only in the dollar value associated with it but in the fact that our bilateral exchanges in energy can and should contribute to greater security, efficiency and economy on both sides of the border. Within our bilateral trade, natural gas occupies an important place. In the first 11 months of 1986, natural gas accounted for 25 per cent of the value of total Canadian exports to the United States. Moreover, it is well known that natural gas is a key element in the economy of western Canada.

I think I can speak with some feeling on this subject, representing as I do the City of Medicine Hat which was one of the first areas in western Canada to develop natural gas in the early 1900s. Medicine Hat is known as the gas city of the West. There has been in the past and there will be again street lights in Medicine Hat that are run by natural gas. In the early years, it was cheaper to leave the lights on all the time than it was to hire someone to go around turning those lights out.

The industry that came to Medicine Hat came as a result of the abundance and the price of natural gas. The city now has over 500 gas wells and somewhere in the area of 50 oil wells and is the seventeenth largest producer of natural gas in Canada.

Many Hon. Members are aware of what happened during the time of the National Energy Program. At that time, the City of Medicine Hat faced a variety of taxes. The second increase in the PGRT amounted to more than residential consumers were paying for gas. The City of Medicine Hat took the case to the Supreme Court but lost. Imagine a city of about 43,000 people paying $55 million in federal tax and the devastating effect the National Energy Program had on the industries of that city. As I said, most of the industries came there as a result of the abundant and relatively cheap gas. The National Energy Program affected fertilizer plants, methanol plants, brick plants, the forest industry and many other sectors of the economy. They were affected by that one move which was made within the borders of Canada.

Certainly I am upset about what I can see happening across the border and it will cause some hardship. Certainly we should do everything we can to address it, but it will in no way begin to reflect the hurt that was caused by a program drafted by the previous Government, a program for which many Canadians will pay for the rest of their lives in jobs lost and in businesses gone down the drain.

Within the United States market, Canadian natural gas imports have accounted for roughly 4 per cent to 5 per cent in some years and this has been going on for some time. While we clearly do not occupy a dominant position in the American gas market, the American consumer has long benefited from the existence of significant, reliable, competitive supplies of Canadian natural gas.

One of the reasons we find the FERC decision so objectionable is its manifest unfairness. The 1985-86 American consumption of natural gas from all sources declined by 4 per cent. During that same period, Canadian exports declined by 16 per cent. At the very time when we were being lectured on the virtues of the level playing field and the need to ensure open and fair competition, our exports were declining four times faster than the rate at which the market was shrinking. A 16 per cent drop in a market which declined by 4 per cent does not suggest that our exporters enjoyed an unfair competitive advantage.

• (1650)

What does the decision mean and what effect will it have? The House will be aware that the FERC order 256 confirmed on May 27 disallows several major elements of the fixed transportation charges which Canadian exporters previously passed through to their U.S. customers. On May 27, the NOVA charge, which is essentially a transportation cost and had erroneously been disallowed along with several other fixed costs, was reinstated. That means that the impact on Canadian exporters will not be quite as severe as it might have been otherwise. We are still very much of the view, however, that regardless of the financial impact, this decision violates principles which we think are important.

Some of my colleagues have already explained how order 256 will affect Canadian companies involved in exporting natural gas to the United States. Essentially the problem is that if the disallowed cost cannot be recovered in the demand charge it must be added to the commodity component of the rate. That will make Canadian gas less competitive and will most likely lead to a decrease in the importers' gas takes.

In a jurisdictional sense, FERC's decision amounts to imposing its rate-making practices on Canadian pipelines. The fixed costs incurred in Canada for transportation facilities to deliver Canadian gas to U.S. markets on a firm basis and are not structured by Canadian regulators. According to FERC's

preferred rate design, recovery of these costs will no longer be assured.

Another major issue raised relates to the policy. The FERC decision undercuts attempts by both the Canadian and United States Governments to strengthen the market approach to energy trade.

Many in the U.S. administration, I think, understood our position and sympathized with it. Secretary Shultz himself advocated a delay in taking any final action by FERC to allow more time for consideration and review. Unfortunately, FERC, admittedly an independent agency, chose to ignore the request. Instead of taking the long-term view, it let itself be swayed by short-term considerations.

This ruling is part of an unfortunate series of recent decisions affecting major Canadian exports to the United States. We know, and I believe the U.S. administration knows as well, that the protectionist trend which it once again illustrates is as short-sighted as it is regrettable.

The Minister of Energy, Mines and Resources (Mr. Masse) was in Washington on business in December following the announcement of the FERC ruling. He was thus able to raise it immediately with his counterpart. Shortly afterward, at the level of officials, an interdepartmental meeting was held in Ottawa to develop a concerted Canadian response to what was seen as an unfair and discriminatory move against Canadian gas exporters. At this early stage there were extensive consultations with representatives of the Canadian companies involved as well as with the provinces, especially Alberta and British Columbia. On December 18, the Minister wrote to his American counterpart in some detail outlining Canada's serious concerns over the FERC ruling and attaching copies of letters he had received from the Ministers of Energy of the two concerned provinces.

The Minister has already informed the House of the steps which he and his officials took to sensitize the U.S. Department of Energy to the serious implications of order 256 for Canada. I shall, therefore, not dwell on them. However, I will quote from Ambassador Gotlieb's letter to Mr. Wallis, the Under-Secretary for Economic Affairs in the State Department, to which he attached a copy of the letter of the Minister of Energy, Mines and Resources asking the State Department to bring Canada's concerns to the attention of FERC. The letter reads in part:

> FERC's decision denies Canadian exporters the ability to pass through natural gas rates which have been freely negotiated with U.S. consumers and approved by the Economic Regulatory Administration in accordance with the Department of Energy's import guidelines. By disallowing the recovery of legitimate costs in the demand charge related to investments made to service U.S. markets, FERC's decision treats Canadian gas unfairly. Indeed, instead of meeting the Commission's stated objective—"to level the playing field"—FERC's decision, if implemented as it now stands, would actually tilt the playing field against Canadian imports.
>
> The U.S. import policy guidelines announced in 1984 aimed at ensuring that Canadian gas enters the U.S. on a competitive, market-oriented basis to facilitate arrangements which are essential to Canada's remaining a secure and reliable supplier.
>
> For its part, the Canadian Government has adopted market-based policies which permit Canadian gas to be competitive in U.S. markets.
>
> Placing Canadian gas at a serious disadvantage in U.S. markets, as the FERC decision does, could in the short term mean the loss of competitively priced Canadian gas for U.S. consumers.

Those Members who are on the Standing Committee for Energy, Mines and Resources will recall a meeting held on February 10 of this year before which a consortium represented by Polar Gas appeared. It outlined the long-term views of the gas industry as they saw it, not only for North America but broken down into the American and Canadian markets. We have studied the 18-month natural gas bubble which seems to run ahead. It appears to be coming to a close, perhaps sooner than people on both sides of the border may appreciate.

In the summary of the submission which was presented by the Polar Gas consortium on the supply-demand balance they say that it is exceedingly difficult to estimate the annual net effect of the multitude of gas supply and demand factors. Nevertheless, it is clear that the apparent over-supply in the U.S. gas market is unlikely to continue far into the future. Some forecasters foresee a growing need for the United States to obtain additional gas supplies, especially after 1990.

In October, 1985, a comprehensive study of the U.S. gas market by Foster Associates forecast an end of the deliverability surplus by 1990. A similar forecast was contained in the May, 1986, analysis brief from the American Gas Association. Such forecasts are now receiving broader acceptance.

They go on to say that a technical analysis of the U.S. gas market points clearly to a significant reduction in the deliverability surplus over the next few years, and the reduction in the long-term reserves for which there is generally a firm demand will require major imports of supplementary natural gas beginning in the early 1990s. There is also at risk international and domestic energy market dynamics which will result in the supply shortfall developing at a pace faster than is now widely anticipated.

I hope that our counterpart south of the border will appreciate that the gas situation is changing rapidly. We are seeing a decline in the western sedimentary basin. The reserves which will have to be called on in the future will be much more costly. I think that security of supply and fair treatment for traders on both sides of the border should be utmost in the minds of those who are considering decisions such as the one we are presently dealing with.

Canada and the United States have made great progress in improving the basis for natural gas trade in recent years. Legislative and regulatory changes, including positive moves by FERC to deregulate prices and transportation, have contributed to making this trade more market-responsive, thereby benefiting producers and consumers in both our countries. We are hopeful that this constructive approach will continue and that the Canadian concerns relating to FERC's decision will be addressed in the review procedures.

In the meantime the Government was in close touch with and lent every assistance to the Canadian companies and their

request for a rehearing of the case by FERC. Our embassy also organized meetings with several of the key players for the Alberta Energy Minister, Mr. Webber, when he travelled to Washington in mid-January to make the case for fairness for western gas exporters.

• (1700)

Ambassador Gotlieb's letter found a responsive chord in the State Department. In January, the State Department wrote to FERC urging it to grant the Canadian companies concerned a rehearing of the case.

The House will recall that on January 21, Vice-President Bush and Secretary of the Treasury Baker visited Ottawa. During that visit, the issue was raised in vigorous terms by the Minister for International Trade (Miss Carney).

I will not take up more time of the House in describing every step the Government has taken to defend the interests of Canadian gas exporters, but I want to mention that the Secretary of State for External Affairs (Mr. Clark) raised this issue twice with the American Secretary of State Shultz, and each time he elicited a supportive reaction on the part of his U.S. counterpart. The Minister of Finance (Mr. Wilson) wrote to the Secretary of the Treasury Baker. The issue was raised at the Ottawa Summit and finally, further to these discussions, the Prime Minister wrote to President Reagan on May 5.

The text of the FERC decision was received in Ottawa late last week. Clearly, it will have to be reviewed in detail before we can determine what further steps we may take.

I would not wish to create the impression that prospects for an early, positive outcome are bright. I am able to assure the House, however, that we will continue to do all that lies in our power to achieve a satisfactory result.

The House will be aware that the Canadian producers are challenging the FERC decision in the American courts. We have worked closely with the producers and the provincial Governments concerned for the past six months. We will continue to do so in the future.

Mr. Redway: Mr. Speaker, the Hon. Member will know that my constituency is not a western constituency or one normally associated with the oil and gas industry. However, I do have a number of companies in my constituency that are very much involved in the oil and gas industry.

In fact, there are major offices in my constituency for Imperial Oil, Texaco, and Shell. In addition, I learned upon coming to Ottawa that there are some 63 different businesses in my constituency—only one of the constituencies in Metropolitan Toronto—that are suppliers to the oil and gas industry in western Canada. Therefore, the future of the oil and gas industry is very significant as far as my riding is concerned and as far as the businesses and jobs in my riding are concerned. Considering those facts, I took advantage of an opportunity to travel to Alberta about two years ago and to tour the oil and gas fields, particularly those around Edmonton such as the Cold Lake area and the oil sands. I had an opportunity to see Suncor and Syncrude.

As a matter of fact, I also had the opportunity to get out on the Gulf oil rig in the Beaufort Sea. Therefore, I have a little knowledge of the importance of the oil and gas industry not only to my constituency, but to western Canada and Alberta in particular.

I have had discussions with the Hon. Member and I know that he has very strong opinions about one area of the oil and gas industry but about which he did not have a chance to comment in his remarks. It concerns the impact of Dome on the oil and gas industry in Alberta in particular. He has told me that Dome is involved in 24 per cent of the land permits in Alberta, has some 4,000 employees, but has a debt of some $6.3 billion.

That huge debt and the fact that Dome plays such an active role in the oil and gas industry in Alberta makes it very important to the economy of Alberta. The fact that this huge debt hangs over Dome's head has a stifling effect on the development of the oil and gas industry in Alberta.

Would the Hon. Member comment on that aspect of the control that Dome has over the future of the oil and gas industry in Alberta?

Mr. Porter: Madam Speaker, I thank the Hon. Member for York East (Mr. Redway) for his question. The Hon. Member raises an important question about the impact on Alberta of a company as large as Dome, which holds so much of the resource potential in Alberta.

When we consider the oil and gas industry, we should take into account that while a lot of drilling activity takes place, a gas well can be drilled in a matter of hours or days and larger gas and oil wells take somewhat longer. The service sector of the industry becomes involved from the beginning, with the land men who make the original deals with the surface lease owner, to the company that supplies the pipes, cement and materials.

In the town of Brooks in my constituency, with a population of just over 9,000, 53 per cent of the jobs are related to the energy sector. Many of those jobs were filled by rural people who may have faced difficulties in agriculture. There has been 16 per cent to 17 per cent unemployment in that area where 53 per cent of the jobs are in the service sector of the oil and gas industry.

I too have travelled to the tar sands and the Beaufort up north. The Hon. Member can appreciate that pulling 25 per cent of the activity from there, without a stable base, will obviously have a tremendous impact on the whole economy of the energy sector in Alberta generally.

When the petroleum and gas revenue tax was in place, the initial tax at the wellhead was 16 per cent. This included dry holes, since one does not strike gas or oil at every hole. A dry hole in the case of a gas well costs $600 less to drill than one in

which gas is discovered, because the dry hole does not need a wellhead.

I ask the Hon. Member to consider that taking 16 per cent off the top is like taking 16 per cent off the day's take from a store in Ottawa before it pays its expenses or staff. That was the case in the West, and no other industry in the history of Canada faced a similar tax.

While we went through a difficult period, we are seeing a measure of recovery as a result of the announced CEDIP program, putting a third of the funding in place for the companies that are willing to explore. Some companies are still hesitant to do so, but the provision of some funding has made it easier for them to seek financing and there is activity in place in southern Alberta and across the West. We are seeing some encouragement in the energy sector, and that is why it is important that we maintain our current markets and develop them for the future. Since we supply 4 per cent to 5 per cent of the American market presently, it will obviously need more gas in the future. That is a reason that Polar Gas was there looking at a large consortium which would bring gas down from the North. The Americans are going to require it, and certainly I would think that any moves they take to make it more difficult at this time is not only going to make it difficult for Canadian producers but will affect their long-term availability of gas.

• (1710)

One cannot just turn on a pipe overnight. It takes time to go out and develop. Anything which brings some concern to the market-place will reflect back to the production end of it. I think we have to be concerned about it and I think the Americans should also be concerned because their future is tied to the North American gas market.

North America, as we all know, shares a gas market. Our imports and exports of oil products are based on world prices. The price for natural gas is based on a North American market and is reflected somewhat, I suppose, on what energy prices world-wide are doing. However, the market board is here, and that is why this is such a sensitive issue and I think it should be viewed very carefully by those who are making this decision.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Madam Speaker, I listened with interest to the last spokesperson for the Conservative Party who, once again, was forced to rise to his feet to defend another major incursion into the natural resource field by the actions of another country. I do not doubt for a moment his sincerity and feelings of anguish about the impact on his constituents. However, Madam Speaker, think for a moment how often we have heard that. How many times in the last 18 months to two years have Conservative Members of Parliament been required to rise to their feet in this House, shake their heads, wring their hands and cry: "Woe is me unto the fates" because of some major decision primarily taken by the Reagan administration in the United States against this country. I can give an example of shakes and shingles, softwood lumber, the import tax on petroleum last fall, and the fundamental problems we face in agriculture because of the U.S. Farm Bill which is taking away our markets and forcing prices down. How many times have we had to hear attempts to rationalize, to apologize, and to explain why it is that in the last two years, in particular, there have been broader and more extreme restraints put on our trade with the United States than ever before? The only solutions we have been able to find is when, in the softwood lumber case, we imposed a $600 million tax on ourselves and lost the lumber markets. This all came about after the Prime Minister (Mr. Mulroney) and the President of the United States got together in Quebec City and promised there would be a freeze on such actions. They promised there would no longer be these kinds of impediments to our trade. In fact, they went so far as to promise to strengthen our market approach to Canadian-United States energy trade by reducing restrictions, particularly those on petroleum imports and exports.

That was a solemn agreement entered into by the President of the United States and the Prime Minister of Canada, but how many times has it been trespassed? How many times have we had transgressions and how many times have we had to suffer the crocodile tears of members of the Government which has willfully allowed it to happen?

The irony is that every time this happens, every time we are faced with one of these blows against our resource sector, we are told that that is another example of why we have to continue trying to work out a better deal with the Americans so they will not do it to us again. As we capitulate and surrender time after time, we are saying: "Well, if we only surrender one more time, perhaps the Americans will not do it again".

You may recall, Madam Speaker, that childhood toy, the little rubber dummy with the sand in its bottom. One hits it and it keeps bouncing back. Well, we are becoming the rubber dummies of the trade world.

Mr. MacKay: Speak for yourself.

Mr. Axworthy: I am speaking for this Government which is constantly and continually, without cease, following its line of argument that it alone will solve the trade problems when in fact under its regime there have been more actions, more restrictions, and they come by the barrelhead. This is just the beginning. I have a whole list to go through. The potash requirement is going to be another major blow. Canadians are waiting for a resolution to this problem. I would suggest that the reason is that they had it all wrong. When the Prime Minister signed his agreement with the President, he might have been wise to have taken a couple of lessons from Thomas Haliburton when he had his "Sam Slick" series back in the 19th century when he talked about the Yankee trader. "They are tough and they are smart and they will pull the wool over your eyes any time they get a chance as long as they have someone naive on the other side of the bargaining table". And we do have someone naive handling our trade negotiations here.

More important than the naivety is the dissembling which goes along with it, which is more destructive than a willingness to really deal with these measures in a forthright way. I do not think I have seen in a long time a more calculated piece of chicanery than the Prime Minister's trip to western Canada where the only thing he announced in the Town of Lethbridge was that he had written the President to get a solution to the national energy gas ruling. Boy, he was going to be Horatio at the bridge. After all, he spent all this time establishing a special relationship with the President of the United States. He spent all his time developing all these good causes. But the fact is that the President had no intention of interfering because we were told in the House two weeks later that all along the Ambassador and others knew it was a judicial decision, which makes the case that the Prime Minister was simply fooling western Canadians simply to get a headline. Or he did not know, which is even worse, what was going on in this vital decision. I do not know whether it is worse being a knave or a fool. Perhaps we are faced with a situation where we have both embodiments in the figure of our Prime Minister.

Why would he go to western Canada and make that grandiloquent gesture that he was going to save the situation when he knew full well that that kind of intervention was not going to work because the ground work had not been laid? The kind of clear willingness of the Government to stand up to these interventions in our natural resource fields is not taken seriously by the Reagan administration. Why should we be taken seriously? Every time the United States has applied intimidation and blackmail, we have given in and paid the ransom.

• (1720)

That is what we are facing. It comes at a very serious time when our natural resource industries, particularly in western Canada, northern Ontario and in parts of the Atlantic and Quebec, are reeling from an incredible series of blows dealt them in the international market-place. In many cases there is an over supply of products, whether it be nickel or wheat. In many cases there is the emergence of new competitors who are providing the same types of commodities and resources. In other cases there is a replacement of natural resources with new types of artificial materials. Whatever the reason, we know that the old cornucopia of the Canadian resource field is becoming uncoupled from the international market, and certainly uncoupled from our own domestic economy.

There has been more than enough clear analysis to show that what used to lead to recovery in Canada, what used to be the engine of growth, that is, our resource industries, is now falling further and further behind. What will be required is an effective set of national policies to come to grips with these matters. This means that we must have the national instruments to deal with them. We must have ownership of the industries so that they are accountable to political and national decisions.

In all these respects we are giving up on the various agreements and ingredients to have an effective national policy. This is at a time when we have demands for substantial, effective answers to the incredibly difficult circumstances faced by our resource industries in our resource regions, and we are negotiating them away. We are giving them up, whether it be through constitutional change, free trade negotiation or an acquiescence with respect to a whole series of acquisitions and takeovers. Whatever facet it is, Canada is losing its tools and abilities to meet that type of challenge.

I point Hon. Members to one of the most serious international developments that Canadians face. It is the God-given assumption now prevalent in the United States that that country has the right to insist, extra-territorially, that we follow its policies. We saw it with respect to the softwood lumber decision in which a decision taken by the American authorities told us how to price our resources.

We see it now in the decision of the Federal Energy Resource Commission which now has the right to decide how we will price our natural gas exports and how we will deal with the transmission of those resources. We see it being introduced in House and Senate Bills on trade in which the Americans would abrogate to themselves the right to determine subsidies in other jurisdictions, other countries, where they consider there to be unfair trade practices and apply penalties against them if they do not like them.

What is interesting to note is that in the congressional debates dealing with that legislation the concessions made by Canada on the softwood lumber case are cited as full warranty as to why they have the right to go ahead and do that. Thus we have a situation in which our neighbour to the south has decided that it can basically determine and choose what our national resource policies will be. That is really the type of issue the country should be facing with fear and trepidation. It means that we will be losing not only the right but the opportunity to try to engage in a major restructuring and reformulation of the resource industries that are so vital to so many parts of the country.

I weep at times when I think of how little ability we will have left to deal with these problems once the Government gets through with its mandate in a year or two. There will be no power left at the federal level to come to grips with these issues since we are bargaining it away all over the place. Therefore, as much as we may perceive the problem, our capacity and ability to meet the problem will disappear. It will evaporate. It will become part of the bargain-basement approach.

I return with some real concern to the speech given what must be about two years ago now by Simon Reisman, our chief trade negotiator, before he was appointed to that position. After a speech given to the Ontario Economic Council he was asked what it would take for the Americans to sign a deal to limit their contingency practices or trade remedy laws. He said: "Well, we don't really have enough to give up unless we're basically prepared to negotiate away our resources,

particularly our water resources". Mr. Reisman was a prescient fellow in many ways. I do not know what kind of negotiator he will be, but he understood then, and I presume he has never lost the sense of what it will take to get a good deal, that, basically we will have to give up our ability to own and to manage our own resources and to set policies for them.

How true that prophecy is becoming. I do not know if Mr. Reisman was the author of it, but it certainly seems that the Government we have now is following footstep by footstep down the path of surrendering not only the resources themselves but the right of Canadians to decide how they will be used.

For all the stamping of feet and gnashing of teeth that we see from the Prime Minister and the Secretary of State for External Affairs (Mr. Clark), we have heard it before on shakes and shingles and softwood lumber and all the rest of it. Are they not good at crying over spilt milk? They have a wonderful capacity for dramatic overtones in dealing with those problems. But they certainly have not demonstrated any ability to come to grips with the issue and really recognize what is at stake.

I would now like to outline another facet of the problem. It is not only government policies that are being given away, surrendered and bargained down the track, but the question of the ultimate ownership and accountability of the resources that must be considered. As we have seen in the House, Investment Canada has become a joke. It is becoming one of the great all-time Canadian jokes. I think it will become a perennial series next to the *Royal Canadian Air Farce*. That agency, which is supposed to retain some rudimentary responsibility for determining questions of foreign investment in this country, is so busy rubber-stamping every single possible takeover and acquisition that it has never been able to find anything with which it disagrees.

Why would it not have raised the slightest question, even stopped for a day or two, to examine the sell-off of the West Kootenay Power and Light Co. in the Okanagan? It is the first time in Canada that we have sold off a public utility. Did it even wait for the B.C. Utilities Commission to finish its own hearings to look at the evidence? No. It was in such a rush to get the rubber stamp at work that it agreed to the takeover and acquisition before the evidence was even on the table.

Mr. MacLellan: On Christmas Eve.

Mr. Axworthy: That is right, on Christmas Eve. I suppose that that was the Government's idea of Santa Claus coming down the chimney from Ronald Reagan or the firm in St. Louis which bought the company and the water rights that go along with it.

Did I hear any protest in the House from the three or four Conservative Members of Parliament who represent the interior of B.C.? I did not hear a word. There was total acquiescence.

If we consider the record of Investment Canada we will see that $22 billion worth of foreign investment has taken place in just 15 months, and that 95 per cent of the assets are in takeovers and acquisitions. Yet it says that it is doing a good job. Why is that important?

I suppose it comes down partly from the historical evidence provided by the Institute for Research and Public Policy. It is provided in part by Investment Canada. It is certainly provided by DRIE in its own reports.

• (1730)

Whatever you may say about foreign versus Canadian ownership, Canadian companies invest more in research and development, in exports, and in jobs. Why is that important in this case? If our resource industries are going to meet international competition, it will take new investment in research and development to come up with new products, new fabrications, new uses. It will take substantially more effective effort at export development.

It is interesting to note that at the very time our industry is facing this new, intense bareknuckle world of international competition, what is the Government doing? It is reducing the amount of money available for trade development and marketing programs to help industry find new markets. Do you think there is a conspiracy here? Do you think the Government is really just letting this happen by sheer coincidence? Or, do you think someone has decided that they do not want us to compete. They do not want us to become better through research and development. It cannot be completely by accident that you stop investing, pull back support, and surrender to the efforts by U.S. regulatory agencies or the U.S. administration to move in and tell us how to run your industry.

Maybe it is what we call the Schefferville complex. Maybe the Prime Minister thought he was so successful in Schefferville, although the town is now totally closed down, that he is going to apply that principle to the entire country. Maybe Canada is going to become one big Schefferville. You get snazzy headlines that you are trying to save the community, and a year later the fact that everything has gone down the drain does not matter because you have had your headline. Maybe that is the principle now in place.

There has to be some explanation of why every time you turn around you see a Government ill-prepared to come to grips specifically with the major restructuring problems in oil and gas, minerals and grain, yet at the same time surrendering its sovereign ability to do something about it.

I submit that the purpose of this resolution is simply to say once again that the Government has a major responsibility to the resource regions of Canada and it has dismally failed in that responsibility.

The Acting Speaker (Mrs. Champagne): Questions or comments? Debate.

Mr. Cyril Keeper (Winnipeg North Centre): Madam Speaker, I want to start by indicating that we support this motion put forward by the other opposition Party. I want to read that motion into the record. It says:

> That this House condemn the government for its repeated failures to protect Canadian sovereignty and economic independence as demonstrated by its weak and ineffectual efforts to oppose Opinion 256 of the United States Federal Energy Regulatory Commission with regard to transmission costs of Canadian gas, and by its compliant approach to permitting foreign take-overs of Canadian corporations and natural resources.

That really hits the nail on the head. It points out that the Government is giving up Canadian sovereignty. It is making a series of policy decisions that are eroding Canadian sovereignty. This is not just an abstract concept, it is a matter of public policy which directly affects both our economic well-being and independence. Of course, our economic independence is related to our capacity to make decisions in other areas, including that of foreign policy. The resolution points to what is basically a sell-out of Canadian corporations and Canadian natural resources. It points to the series of policy decisions the Government has taken since it came into office which have rolled out the red carpet for increased foreign ownership.

I want to back up those assertions by indicating that the decision we are dealing with today, something called Opinion 256 of the U.S. Federal Energy Regulatory Commission, affects Canadian energy policy. This decision of an American regulatory body seeks to determine how we handle the charges we apply to our resources. In this case it is called a toll.

Of course, this is not the first failure the Government has had in maintaining Canada's capacity to regulate its own natural resources. We can easily remember the softwood lumber conflict. The American industry became concerned about the fact that Canadian exports of softwood lumber into the U.S. were cutting into the American companies' business and those companies raised a real stink. The American Government responded and demanded that Canada impose a tax on its softwood resource.

What we have is the beginning of a pattern in which the Canadian Government buckles under to pressure from the U.S. Government and U.S. industry. As a result, our policies on the regulation of natural resources are beginning to be made in the U.S. The Canadian Government is in the process of giving up its ability to regulate our natural resources. It is beginning to simply respond to American pressure.

It is not only in the area of regulation that we are giving up authority and power and ability to regulate. This also spills over into the area of ownership. It raises the question of who owns the Canadian economy.

• (1740)

Obviously one long-standing problem in the Canadian economy is the fact that many of our industries are heavily owned by foreigners, primarily Americans. American investors and American companies own the greater part of Canadian industry. The Government has exacerbated this problem. It has moved us further down that road.

In the last few weeks we have heard much about Dome Petroleum and about the bid by Amoco, a large American corporation, to take over Dome. The Canadian Government stands idly by while corporations in the petroleum industry are being sold off by Americans. The amount of foreign ownership in the petroleum industry is continuing to increase. This means that we have less capacity as Canadians to direct and set economic policy in this area. The Canadian Government is really assisting the Americans to gain greater influence over the Canadian economy.

Perhaps it is forgivable for the Prime Minister (Mr. Mulroney) to be buddy-buddy with the American President and to sign Irish songs with him. We understand that kind of behaviour; it is all right for television cameras. However, when that attitude or behaviour spills into economic policy, we have a real problem. When the Canadian Prime Minister fails to stand up for Canadian interests, fails to protect the capacity of the Canadian Government to regulate our natural resources, and fails to take effective action to ensure that the petroleum industry remains in Canadian hands or that the amount of Canadian ownership in the petroleum industry increases, in fact the Government is standing aside while the amount of foreign ownership in the petroleum industry continues to increase.

It is not surprising, because this is the Government which scuttled FIRA, an agency which was to examine foreign investment to see whether or not it was in the interests of Canada, and replaced it with Investment Canada, which had a track record for approving just about every bid by Americans to take over Canadian corporations. It is really a paper tiger. The Government has been weak-kneed in its approach toward the Americans.

This is really sad and dangerous at this time, because the same Government is involved in a free trade initiative with the United States. It has taken on the responsibility to negotiate a comprehensive trading arrangement with our American friends. If its track record in terms of natural gas, softwood, shakes and shingles, and increased foreign ownership of our economy is any indication of how it will handle the free trade initiative, Canadians have good reason to be afraid of what kind of deal the Prime Minister will bring to the House in the fall.

Will the free trade initiative adequately protect Canadian culture? Will it protect Canadian magazines? Will it protect the capacity of the Canadian Government to undertake regional development?

The matter about which we are speaking today involves natural gas. It is another blow to the western economy. Will the Government protect our capacity to take initiatives to develop our regional economies, particularly at a time when we know that the recovery over the last few years has had a positive impact in a very inequitable way? There has been

considerable economic growth in southern Ontario, but that growth has not been reflected in western Canada.

We want a Government which will stand up for the interests of all Canadians. We particularly want a Government which will take effective action so that western Canadians can share in the recovery about which the Government so proudly boasts on a day to day basis.

We call upon the Government to get up off its knees when it is facing the Americans, to stand up for Canadian interests, and to do something effective to develop the economy in western Canada.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order, please. It being 5.45 p.m., it is my duty pursuant to Standing Order 82(9) to interrupt the proceedings and put forthwith all questions necessary to dispose of the supply proceedings now before the House.

Accordingly the question is as follows:

Mr. MacLellan, seconded by Mr. Foster, moved:

—That this House condemn the government for its repeated failures to project Canadian sovereignty and economic independence as demonstrated by its weak and ineffectual efforts to oppose Opinion 256 of the United States Federal Energy Regulatory Commission with regard to transmission costs of Canadian gas, and by its compliant approach to permitting foreign take-overs of Canadian corporations and natural resources.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

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

(*Division No. 131*)

YEAS

Members

Benjamin	Guilbault (Saint-Jacques)	Nicholson (Trinity)
Blaikie	Hopkins	Nunziata
Boudria	Hovdebo	Orlikow
de Corneille	Jewett	Ouellet
Epp (Thunder Bay—Nipigon)	Kaplan	Prud'homme
Foster	Keeper	Riis
Gagliano	Killens	Robichaud
Garneau	Langdon	Rompkey
Gauthier	MacLellan	Rossi
	Manly	Young —29

NAYS

Members

Andre	Ferland	Mitges
Belsher	Forrestall	O'Neil
Blackburn (Jonquière)	Fraleigh	Oostrom
Blais	Friesen	Pennock
Blenkarn	Gérin	Porter
Bourgault	Gottselig	Price
Browes	Graham	Redway
Cardiff	Greenaway	Reimer
Chartrand	Grisé	Ricard
Clark (Yellowhead)	Hamilton	St. Germain
Clark (Brandon—Souris)	Hardey	St-Julien
Collins	Hicks	Scott (Hamilton—Wentworth)
Comeau	Hnatyshyn	Stevens
Cooper	Horner	Stewart
Cossitt	Hudon	Taylor
Crofton	Johnson (Bonavista—Trinity—Conception)	Thacker
Crouse	Lawrence	Tupper
Darling	Layton	Turner (Ottawa—Carleton)
Daubney	Lewis	Warner
Desjardins	MacKay	White
Dick	Malone	Wilson (Swift Current—Maple Creek)
Domm	Mazankowski	Winegard—74
Dorin	McCain	
Epp (Provencher)	McKenzie	
Fennell	McKinnon	
	McLean	
	Minaker	

● (1800)

[*English*]

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

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I wonder if I might ask the Deputy Prime Minister to tell us the order of House business for tomorrow. Which bill?

[*English*]

Mr. Mazankowski: Madam Speaker, it would be my intention to call the motion standing in my name with respect

to incorporating the provisional Standing Orders into permanent Standing Orders.

[*Translation*]

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

The House adjourned at 6.10 p.m.